

**EVERGREEN MARINE CORPORATION
(TAIWAN) LTD.**

PARENT COMPANY ONLY FINANCIAL

STATEMENTS AND INDEPENDENT AUDITORS’

REPORT

DECEMBER 31, 2020 AND 2019

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Evergreen Marine Corporation (Taiwan) Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Evergreen Marine Corporation (Taiwan) Ltd. (the “Company”) as of December 31, 2020 and 2019, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other independent auditors (please refer to Other Matter section of our report), the accompanying financial statements present fairly, in all material respects, the financial position of Evergreen Marine Corporation (Taiwan) Ltd. as of December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the “Regulations Governing the Preparations 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 generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the *Auditor's 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 Accountants 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 along with the report of other independent auditors are sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

The key audit matters of the parent company only financial statements for the year ended December 31, 2020 are as follows:

Accuracy of freight revenue and appropriate use of cut-off

Description

Please refer to Note 4(31) for accounting policy on revenue recognition, Note 5(2) for uncertainty of accounting estimates and assumptions applied on revenue recognition, and Note 6(22) for details of sales revenue, Note 6(7) for details of investments accounted for using equity method, and Table 7 for information on investees accounted for using equity method.

The Company, the Company's directly held subsidiary, Peony Investment S.A., which is recognised in investments accounted for using equity method, and the subsidiary, Evergreen Marine (Hong Kong) Ltd., which is directly and indirectly held an 80% equity interest by the Company, primarily engages in global container shipping service covering ocean-going and near-sea shipping line, shipping agency business as well as container freight station business. Since ocean-going shipping often lasts for several days, voyages are sometimes completed after the balance sheet date. Also, demand for freight services is consistently sent by forwarders during voyage. Due to the factors mentioned above, freight revenue is recognized under the percentage-of-completion method for each vessel of which the service has been provided during the reporting period.

Despite the Company and its investee companies conducting business worldwide, its transactions are all in small amounts, whereas the freight rate is subject to fluctuation caused by cargo loading rate as well as market competition. Worldwide shipping agencies use a system to record the transactions by entering data including shipping departure, destination, counterparty, transit time, shipping amounts, and freight price for the Company. Therefore, the management could recognise freight revenue in accordance with the data on bill of lading reports generated from the system, accompanied by estimations made from past experience and current cargo loading conditions the revenue that would flow in, and calculate the revenue under percentage-of-completion method. As the process of recording transactions, communicating with agencies, maintaining the system are done manually, and the estimation of freight revenue is subject to management's judgement, therefore freight revenue involves high uncertainty and is material to the financial statements. Given the conditions as described above, we consider the accuracy of freight revenue and the appropriate use of cut-off by the Company and its investee companies as a key audit matter.

How our audit addressed the matter

We and other auditors performed the following audit procedures on the above key audit matter:

1. Obtained an understanding of the operation and industry of the Company and its investee companies to assess the reasonableness of policies and procedures on revenue recognition, and confirmed whether it is appropriate to the financial statements.
2. Obtained an understanding of the procedures of revenue recognition from booking, picking, billing to receiving. Assessed and tested relevant internal controls, including checking freight items and amounts of delivery information against the approved contracts and booking list. In addition, recalculated the accuracy of freight revenue, and ensured its consistency with the bill of lading report.
3. Obtained the estimated freight income report for vessels underway as of balance sheet date, and inquired with management for the reasonableness of judgment. In addition, checked historical freight revenue for total voyage under each individual vessel, along with comparing with current cargo loading condition as well as actual revenue received after period end to ensure the reasonableness of revenue assumptions.
4. Confirmed the completeness of vessels underway for the reporting period, including tracking the movements of shipments on the internet to ensure the vessels that depart before period end have been taken into consideration in the freight revenue calculation.
5. Verified accuracy of data used in calculating percentage of completion under each voyage, including selecting samples and checking whether the total shipping days shown on the Company's website are in agreement with cruises timetable as well as recalculating the shipping days (days between departure and balance sheet date), in order to examine the reasonableness of percentage applied.

Other matter – Reference to the reports of other independent auditors

We did not audit the financial statements of all the investee companies accounted for using equity method. Those statements were audited by other independent auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for those investee companies accounted for using equity method and information disclosed in Note 13 relating to these long-term equity investments, is based solely on the reports of the other independent auditors. Long-term equity investments in these investee companies amounted to NT\$ 27,602,691 thousand and NT\$ 23,545,990 thousand, constituting 15.94% and 15.71% of the total assets as of December 31, 2020 and 2019, respectively, and comprehensive income (loss) (including share of profit or loss and share of other

comprehensive income of associates and joint ventures accounted for using equity method) was NT\$ 4,543,410 thousand and NT\$ 428,025 thousand, constituting 20.32% and (297.78%) of the total comprehensive income (loss) as of December 31, 2020 and 2019, respectively.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the “Regulations Governing the Preparations 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 supervisors, are responsible for overseeing the Company’s financial reporting process.

Auditors’ responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only 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 generally accepted auditing standards 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 parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the parent company only 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 parent company only 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 appropriate audit evidence regarding the financial information of the 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 parent company only financial statements of the current period 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.

Li, Hsiu-Ling

Chih, Ping-Chiun

For and on behalf of PricewaterhouseCoopers, Taiwan

March 22, 2021

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2020		December 31, 2019	
		AMOUNT	%	AMOUNT	%
Current assets					
Cash and cash equivalents	6(1)	\$ 20,562,990	12	\$ 18,767,848	12
Financial assets at fair value through profit or loss - current		4,289	-	-	-
Current financial assets at amortised cost	6(3) and 8	4,171,210	2	1,401,857	1
Current contract assets	6(22)	802,464	1	372,492	-
Notes receivable - net	6(4)	29	-	166	-
Accounts receivable - net	6(4)	3,275,730	2	2,877,284	2
Accounts receivable, net - related parties	6(4) and 7	69,048	-	112,150	-
Other receivables		28,463	-	69,102	-
Other receivables - related parties	7	80,695	-	5,160	-
Current income tax assets		-	-	29,012	-
Inventories	6(5)	523,326	-	972,539	1
Prepayments		249,781	-	246,391	-
Other current assets	6(6) and 7	3,011,234	2	2,405,251	2
Current Assets		32,779,259	19	27,259,252	18
Non-current assets					
Non-current financial assets at fair value through other comprehensive income	6(2)	1,312,358	1	1,156,298	1
Non-current financial assets at amortised cost	6(3) and 8	289,651	-	286,940	-
Investments accounted for using equity method	6(7)	76,818,995	44	57,888,371	39
Property, plant and equipment - net	6(8) and 8	37,425,681	22	36,934,484	25
Right-of-use assets	6(9) and 7	19,596,656	11	22,497,764	15
Investment property - net	6(10) and 8	1,829,556	1	1,869,412	1
Intangible assets		16,247	-	19,599	-
Deferred income tax assets	6(30)	290,095	-	794,122	-
Other non-current assets	6(12)	2,817,347	2	1,172,221	1
Non-current assets		140,396,586	81	122,619,211	82
Total assets		\$ 173,175,845	100	\$ 149,878,463	100

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EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2020		December 31, 2019	
		AMOUNT	%	AMOUNT	%
Current liabilities					
Current financial liabilities for hedging	6(9) and 7	\$ 898,484	1	\$ 1,861,026	1
Current contract liabilities	6(22)	494,792	-	536,774	-
Accounts payable		4,929,925	3	3,370,023	2
Accounts payable - related parties	7	310,788	-	283,199	-
Other payables		1,314,986	1	1,207,403	1
Other payables - related parties	7	11,006	-	9,110	-
Current income tax liabilities		340,338	-	-	-
Current lease liabilities	6(9) and 7	1,484,357	1	717,363	1
Other current liabilities	6(13)(14)(15) and 7	11,897,010	7	10,277,100	7
Current Liabilities		<u>21,681,686</u>	<u>13</u>	<u>18,261,998</u>	<u>12</u>
Non-current liabilities					
Non-current financial liabilities for hedging	6(9) and 7	9,971,891	6	18,327,916	12
Corporate bonds payable	6(14)	12,779,043	7	10,000,000	7
Long-term loans	6(15)	25,346,223	15	29,818,885	20
Deferred income tax liabilities	6(30)	1,738,565	1	798,998	-
Non-current lease liabilities	6(9) and 7	6,057,307	3	1,322,625	1
Other non-current liabilities	6(16)(17)	1,319,419	1	1,302,262	1
Non-current liabilities		<u>57,212,448</u>	<u>33</u>	<u>61,570,686</u>	<u>41</u>
Total Liabilities		<u>78,894,134</u>	<u>46</u>	<u>79,832,684</u>	<u>53</u>
Equity					
Capital					
Common stock	6(18)	48,980,353	28	48,129,738	32
Capital surplus	6(19)				
Capital surplus		12,433,364	7	11,407,437	7
Retained earnings	6(20)				
Legal reserve		5,714,940	3	5,714,940	4
Unappropriated retained earnings		27,734,460	16	3,659,042	3
Other equity interest	6(21)				
Other equity interest		(581,406)	-	1,134,622	1
Total equity		<u>94,281,711</u>	<u>54</u>	<u>70,045,779</u>	<u>47</u>
Significant Contingent Liabilities And	9				
Unrecognised Contract Commitments					
Significant Events After The Balance Sheet Date	11				
Total liabilities and equity		\$ 173,175,845	100	\$ 149,878,463	100

The accompanying notes are an integral part of these parent company only financial statements.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items	Notes	Year ended December 31			
		2020		2019	
		AMOUNT	%	AMOUNT	%
Operating revenue	6(22) and 7	\$ 51,623,123	100	\$ 44,687,138	100
Operating costs	6(28)(29) and 7	(42,970,912)	(83)	(42,080,473)	(94)
Gross profit		8,652,211	17	2,606,665	6
Operating expenses	6(28)(29) and 7				
Selling expenses		(592,712)	(1)	(308,162)	(1)
General and administrative expenses		(2,900,971)	(6)	(2,126,796)	(5)
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	875	-	206	-
Total operating expenses		(3,492,808)	(7)	(2,434,752)	(6)
Other gains - net	6(23) and 7	3,170	-	4,649	-
Operating profit		5,162,573	10	176,562	-
Non-operating income and expenses					
Interest income	6(24)	134,800	-	316,320	1
Other income	6(25)	362,255	-	200,306	1
Other gains and losses	6(26)	431,762	1	17,131	-
Finance costs	6(27) and 7	(1,186,369)	(2)	(1,304,925)	(3)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method		21,204,957	41	545,406	1
Total non-operating income and expenses		20,947,405	40	225,762	-
Profit before income tax		26,109,978	50	49,200	-
Income tax expense	6(30)	(1,745,052)	(3)	161,719	-
Profit for the year		\$ 24,364,926	47	\$ 112,519	-
Other comprehensive income (loss)	6(21)				
Components of other comprehensive income that will not be reclassified to profit or loss					
Losses on remeasurements of defined benefit plans	6(17)	(\$ 111,752)	-	(\$ 75,241)	-
Unrealised gains (losses) on valuation of investments in equity instruments measured at fair value through other comprehensive income	6(2)	156,060	-	134,715	-
Share of other comprehensive loss of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		122,110	-	(101,401)	-
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		18,700	-	20,163	-
Components of other comprehensive income (loss) that will not be reclassified to profit or loss		185,118	-	(21,764)	-
Components of other comprehensive income that will be reclassified to profit or loss					
Other comprehensive loss, before tax, exchange differences on translation		(3,160,573)	(6)	(755,051)	(2)
Gains on hedging instruments	6(9)	554,654	1	460,138	1
Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		521,607	1	152,428	1
Income tax relating to the components of other comprehensive income		(106,342)	-	(92,010)	-
Components of other comprehensive loss that will be reclassified to profit or loss		(2,190,654)	(4)	(234,495)	-
Other comprehensive loss for the year		(\$ 2,005,536)	(4)	(\$ 256,259)	-
Total comprehensive income (loss) for the year		\$ 22,359,390	43	\$ 143,740	-
Basic earnings per share (in dollars)	6(31)				
Basic earnings per share		\$ 5.06		\$ 0.02	
Diluted earnings per share		\$ 4.96		\$ 0.02	

The accompanying notes are an integral part of these parent company only financial statements.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

		Retained earnings				Other equity interest			
						Exchange differences on translating the financial statements of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	Total equity
	Notes	Common stock	Capital surplus	Legal reserve	Unappropriated retained earnings				
<u>Year 2019</u>									
Balance at January 1, 2019		\$ 45,129,738	\$ 11,059,145	\$ 5,685,548	\$ 3,776,643	\$ 17,580	\$ 1,234,225	(\$ 58,649)	\$ 66,844,230
Profit for the year		-	-	-	112,519	-	-	-	112,519
Other comprehensive income (loss)	6(20)(21)	-	-	-	(197,673)	(874,353)	177,361	638,406	(256,259)
Total comprehensive income (loss)		-	-	-	(85,154)	(874,353)	177,361	638,406	(143,740)
Distribution of 2018 earnings	6(20)								
Legal capital reserve		-	-	29,392	(29,392)	-	-	-	-
Issuance of common stock	6(18)(19)	3,000,000	333,934	-	-	-	-	-	3,333,934
Cash capital increase reserved for employee preemption	6(19)	-	17,066	-	-	-	-	-	17,066
Adjustments to share of changes in equity of subsidiaries, associates and joint ventures	6(19)(20)(21)	-	(2,708)	-	(3,055)	-	52	-	(5,711)
Balance at December 31, 2019		<u>\$ 48,129,738</u>	<u>\$ 11,407,437</u>	<u>\$ 5,714,940</u>	<u>\$ 3,659,042</u>	<u>(\$ 856,773)</u>	<u>\$ 1,411,638</u>	<u>\$ 579,757</u>	<u>\$ 70,045,779</u>
<u>Year 2020</u>									
Balance at January 1, 2020		\$ 48,129,738	\$ 11,407,437	\$ 5,714,940	\$ 3,659,042	(\$ 856,773)	\$ 1,411,638	\$ 579,757	\$ 70,045,779
Profit for the year		-	-	-	24,364,926	-	-	-	24,364,926
Other comprehensive income (loss)	6(20)(21)	-	-	-	(291,317)	(3,471,571)	474,945	1,282,407	(2,005,536)
Total comprehensive income (loss)		-	-	-	24,073,609	(3,471,571)	474,945	1,282,407	22,359,390
Adjustments to share of changes in equity of subsidiaries, associates and joint ventures	6(19)(20)(21)	-	22,463	-	1,809	-	(1,809)	-	22,463
Other changes in capital surplus	6(19)	-	623	-	-	-	-	-	623
Due to recognition of equity component of Euro-Convertible Bonds	6(14)(19)	-	379,915	-	-	-	-	-	379,915
Conversion of Euro-Convertible Bonds	6(18)(19)	850,615	622,926	-	-	-	-	-	1,473,541
Balance at December 31, 2020		<u>\$ 48,980,353</u>	<u>\$ 12,433,364</u>	<u>\$ 5,714,940</u>	<u>\$ 27,734,460</u>	<u>(\$ 4,328,344)</u>	<u>\$ 1,884,774</u>	<u>\$ 1,862,164</u>	<u>\$ 94,281,711</u>

The accompanying notes are an integral part of these parent company only financial statements.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2020	2019
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit (loss) before tax		\$ 26,109,978	(\$ 49,200)
Adjustments			
Adjustments to reconcile profit (loss)			
Financial assets and liabilities at fair value through profit or loss	6(26)	(30,027)	-
Depreciation	6(26)(28)	5,341,866	4,813,032
Amortization	6(28)	17,266	16,458
Expected credit gain	12(2)	(875)	(206)
Interest expense	6(27)	1,186,369	1,304,925
Interest income	6(24)	(134,800)	(316,320)
Dividend income	6(25)	(50,516)	(45,631)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method		(21,204,957)	(545,406)
Loss on disposal of investments	6(26)	(99)	36
Gains arising from lease modification	6(26)	259	(1,237)
Net gain on disposal of property, plant and equipment	6(23)	(3,170)	(4,649)
Unrealized foreign exchange gain	6(9)	(381,555)	-
Cash capital increase reserved for employee preemption	6(19)	-	17,066
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		-	130
Current contract assets		(429,873)	309,929
Notes receivable		138	(123)
Accounts receivable		(397,695)	375,219
Accounts receivable - related parties		43,126	(12,529)
Other receivables		11,530	142,547
Other receivables - related parties		(56,469)	175,777
Inventories		449,213	(64,417)
Prepayments		(3,390)	(19,315)
Other current assets		(605,983)	247,178
Changes in operating liabilities			
Current contract liabilities		(41,982)	105,484
Accounts payable		1,559,902	(1,013,663)
Accounts payable - related parties		27,589	89,368
Other payables		114,789	292,559
Other payables - related parties		1,895	2,427
Other current liabilities		617,549	(972,239)
Other non-current liabilities		(94,655)	(106,393)
Cash inflow generated from operations		12,045,423	4,740,807
Interest received		163,909	316,320
Interest paid		(1,200,849)	(1,326,972)
Income tax paid		(13,911)	(295,973)
Net cash flows from operating activities		10,994,572	3,434,182

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EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2020	2019
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease in financial assets at amortised cost		(\$ 2,769,353)	\$ 799,115
Increase in financial assets at amortised cost-non-current		(2,711)	(65,309)
Acquisition of investments accounted for using equity method	6(7)	(657,123)	(518,999)
Proceeds from disposal of investments accounted for using equity		3,457	-
Acquisition of property, plant and equipment	6(32)	(2,408,766)	(949,140)
Proceeds from disposal of property, plant and equipment		533	901
Acquisition of intangible assets		(13,914)	(7,327)
Increase in other non-current assets	6(32)	(2,152,974)	(3,413,205)
Increase in guarantee deposits paid		(1,348)	(3,146)
Decrease in guarantee deposits paid		1,740	4,316
Cash dividends received		468,212	657,152
Net cash flows used in investing activities		(7,532,247)	(3,495,642)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in long-term loans	6(33)	7,890,285	11,791,553
Decrease in long-term loans	6(33)	(15,360,586)	(13,472,670)
Increase in corporate bonds payable	6(33)	8,635,118	-
Proceeds from issuance of common stock	6(18)	-	3,333,934
Payments of lease liabilities	6(9)(33)	(2,832,683)	(2,294,815)
Increase in guarantee deposits received	6(33)	60	66
Decrease in guarantee deposits received	6(33)	-	(246)
Other financing activities	6(19)	623	-
Net cash flows used in financing activities		(1,667,183)	(642,178)
Net increase (decrease) in cash and cash equivalents		1,795,142	(703,638)
Cash and cash equivalents at beginning of year		18,767,848	19,471,486
Cash and cash equivalents at end of year		<u>\$ 20,562,990</u>	<u>\$ 18,767,848</u>

The accompanying notes are an integral part of these parent company only financial statements.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

Evergreen Marine Corporation (Taiwan) Ltd. (the “Company”) was established in the Republic of China, is mainly engaged in domestic and international marine transportation, shipping agency services, and the distribution of containers. The Company was approved by the Securities and Futures Bureau (SFB), Financial Supervisory Commission, Executive Yuan, R.O.C. to be a public company on November 2, 1982 and was further approved by the SFB to be a listed company on July 6, 1987. The Company’s shares have been publicly traded on the Taiwan Stock Exchange since September 21, 1987.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These parent company only financial statements were authorised for issuance by the Board of Directors on March 22, 2021.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC effective from 2020 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendment to IAS 1 and IAS 8, ‘Disclosure Initiative-Definition of Material’	January 1, 2020
Amendments to IFRS 3, ‘Definition of a business’	January 1, 2020
Amendments to IFRS 9, IAS 39 and IFRS7, ‘Interest rate benchmark reform’	January 1, 2020
Amendment to IFRS 16, ‘Covid-19-related rent concessions’	June 1, 2020(Note)

Note : Earlier application from January 1, 2020 is allowed by FSC.

Except for the following, the above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

A. Amendments to IAS 1 and IAS 8, ‘Disclosure Initiative-Definition of Material’

The amendments clarify the definition of material that information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

B. Amendments to IFRS 3, ‘Definition of a business’

The amendments clarify the definition of a business that to be considered a business, an acquired

set of activities and assets must include, at a minimum, an input and a substantive process that together; narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs. Remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. Besides, add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

C. Amendment to IFRS 16, 'Covid-19-related rent concessions'

This amendment provides a practical expedient for lessees from assessing whether a rent concession related to COVID-19, and that meets all of the following conditions, is a lease modification:

- (a) Changes in lease payments result in the revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) Any reduction in lease payments affects only payments originally due on or before June 30, 2021; and
- (c) There is no substantive change to other terms and conditions of the lease.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC effective from 2021 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 4, 'Extension of the temporary exemption from applying IFRS 9'	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, 'Interest Rate Benchmark Reform— Phase 2'	January 1, 2021

Except for the following, the above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

A. Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, 'Interest Rate Benchmark Reform— Phase 2'

The amendments address issues that arise during the reform of an interest rate benchmark, including the replacement of one benchmark with an alternative one. Given the pervasive nature of IBOR-based contracts, the amendments provide accounting for changes in the basis for determining contractual cash flows as a result of IBOR reform, end date for Phase 1 relief for non contractually specified risk components in hedging relationships, additional temporary exceptions from applying specific hedge accounting requirements, and additional IFRS 7 disclosures related to IBOR reform.

(3) Effect of IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as

endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
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 International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
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
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts—cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

Except for the following, the above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

A. Amendments to IFRS 3, 'Reference to the conceptual framework'

The amendments were made to IFRS 3, 'Business combinations' to update the references to the 2018 Conceptual Framework for Financial Reporting, in determining what constitutes an asset or a liability in a business combination. In addition, the amendments added an exception in IFRS 3 for the recognition of liabilities and contingent liabilities. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets' or IFRIC 21, 'Levies', rather than the 2018 Conceptual Framework. The amendments also confirmed that contingent assets, as defined in IAS 37, should not be recognised by the acquirer at the acquisition date.

B. Amendments to IAS 1, 'Disclosure of accounting policies'

The amendments require an entity to disclose its material accounting policy information rather than its significant accounting policies. The amendments also explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material.

C. Amendments to IAS 8, 'Definition of accounting estimates'

The amendments clarify how an entity should distinguish changes in accounting policies from changes in accounting estimates. The amendments also clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

These parent company only financial statements have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

(2) Basis of preparation

A. Except for the following items, these parent company only financial statements have been prepared under the historical cost convention:

- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (b) Financial assets at fair value through other comprehensive income.
- (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the parent company only financial statements of Company are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The parent company only financial statements are presented in New Taiwan Dollars, which is the Company’s functional and presentation currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and

liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

- (d) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

- (a) The operating results and financial position of all the company entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognised in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Company retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Company retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.
- (d) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(4) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realised within twelve months from the balance sheet date;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to

- be exchanged or used to settle liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
- (a) Liabilities that are expected to be settled within the normal operating cycle;
 - (b) Liabilities arising mainly from trading activities;
 - (c) Liabilities that are to be settled within twelve months from the balance sheet date;
 - (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. 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.

(5) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits with original maturities of three months or less that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(6) Financial assets at fair value through profit or loss

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- D. The Company recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
 - (a) The objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets; and
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:

- (a) The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.
- (b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognised in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

(8) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

- (a) The objective of the Company's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- D. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) Notes, accounts and other receivables

- A. Notes and accounts receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services. Receivables arising from transactions other than the sale of goods or services are classified as other receivables.
- B. The Company initially measures accounts and notes receivable at fair value and subsequently recognises the amortised interest income over the period of circulation using the effective interest method and the impairment loss. A gain or loss is recognised in profit or loss.

(10) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortised cost including accounts receivable or contract assets that have a significant financing component, at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Company derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows from the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows from the financial asset have been transferred; however, the Company has not retained control of the financial asset.

(12) Inventories

Inventories refer to fuel inventories and steel inventories. Fuel inventories are physically measured by the crew of each ship and reported back to the Head Office through telegraph for recording purposes at balance sheet date. Valuation of inventories is based on the exchange rate prevailing at balance sheet date.

(13) Investments accounted for using equity method / subsidiaries and associates

- A. Subsidiary is an entity where the Company has the right to dominate its finance and operation policies (includes special purpose entity), normally the Company owns more than 50 percent of the voting rights directly or indirectly in that entity. Subsidiaries are accounted for under the equity method in the Company's parent company only financial statements.
- B. Unrealized gains or losses resulted from inter-company transactions with subsidiaries are eliminated. Necessary adjustments are made to the accounting policies of subsidiaries, to be consistent with the accounting policies of the Company.
- C. After acquisition of subsidiaries, the Company recognizes proportionately for the share of profit and loss and other comprehensive incomes in the income statement as part of the Company's profit and loss and other comprehensive income, respectively. When the share of loss from a subsidiary exceeds the carrying amount of Company's interests in that subsidiary, the Company continues to recognize its shares in the subsidiary's loss proportionately.
- D. Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-

controlling interests are adjusted and the fair value of the consideration paid or received shall be recognized directly in equity and attributed to the owners of the parent.

- E. If the Company loses control of a subsidiary, the Company recognizes any investment retained in the former subsidiary at its fair value at the date when control is lost and recognizes any resulting difference as a gain or loss in profit or loss. The Company shall account for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Company reclassifies the gain or loss from equity to profit or loss when it loses control of the subsidiary.
- F. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- G. The Company's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred constructive obligations or made payments on behalf of the associate.
- H. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognises in 'capital surplus' in proportion to its ownership.
- I. Unrealised gains or loss on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- J. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Company's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

- K. Upon loss of significant influence over an associate, the Company remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.
- L. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- M. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.
- N. According to “Regulations Governing the Preparations of Financial Statements by Securities Issuers”, 'profit for the year' and 'other comprehensive income for the year' reported in an entity's parent company only statement of comprehensive income, shall equal to 'profit for the year' and 'other comprehensive income' attributable to owners of the parent reported in that entity's consolidated statement of comprehensive income. Total equity reported in an entity's parent company only financial statements, shall equal to equity attributable to owners of parent reported in that entity's consolidated financial statements.

(14) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment

are as follows:

Buildings (Including repairment)	3 ~ 60 years
Loading and unloading equipment	5~ 20 years
Ships (Except for docking repair and scrubber)	18 ~ 25 years
Ships (Docking repair)	2.6 ~ 5 years
Ships (Scrubber)	10 years
Transportation equipment	6 ~ 10 years
Lease improvements	3~ 13 years
Other equipment	2 ~ 5 years

The above docking repair and scrubbers are significant components of ships.

(15) Leasing arrangements (lessee) — right-of-use assets/ lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate.

Lease payments are comprised of the following:

- (a) Fixed payments, less any lease incentives receivable; and
- (b) Variable lease payments that depend on an index or a rate.

The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

- (a) The amount of the initial measurement of lease liability;
- (b) Any lease payments made at or before the commencement date;
- (c) Any initial direct costs incurred by the lessee; and
- (d) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognise the difference between remeasured lease liability in profit or loss.

(16) Leasing arrangements (lessor) — operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(17) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 50 ~ 60 years.

(18) Intangible assets

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3-5 years.

(19) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(20) Borrowings

A. Borrowings comprise long-term and short-term bank borrowings and other long-term and short-term loans. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

(21) Accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services.

B. The Company initially measures accounts payable at fair value and subsequently amortises the interest expense in profit or loss over the period of circulation using the effective interest method.

(22) Financial liabilities at fair value through profit or loss

A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges or financial liabilities at fair value through profit or loss.. Financial liabilities that meet one of the following criteria are designated

as at fair value through profit or loss at initial recognition:

- (a) Hybrid (combined) contracts; or
 - (b) They eliminate or significantly reduce a measurement or recognition inconsistency; or
 - (c) They are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management policy.
- B. At initial recognition, the Company measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Company subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(23) Bonds payable

Ordinary corporate bonds issued by the Company are initially recognised at fair value less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is presented as an addition to or deduction from bonds payable, which is amortised to profit or loss over the period of bond circulation using the effective interest method as an adjustment to 'finance costs'.

(24) Convertible bonds payable (Compound financial instruments)

Convertible bonds issued by the Group contain conversion options (that is, the bondholders have the right to convert the bonds into the Group's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Group classifies the bonds payable upon issuance as a financial asset, a financial liability or an equity instrument in accordance with the contract terms. They are accounted for as follows:

- A. The embedded call options and put options are recognised initially at net fair value as 'financial assets or financial liabilities at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss'.
- B. The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to 'finance costs' over the period of circulation using the effective interest method.
- C. The embedded conversion options which meet the definition of an equity instrument are initially recognised in 'capital surplus—share options' at the residual amount of total issue price less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.
- D. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.
- E. When bondholders exercise conversion options, the liability component of the bonds (including bonds payable and 'financial assets or financial liabilities at fair value through profit or loss') shall be remeasured on the conversion date. The issuance cost of converted common shares is the total book value of the abovementioned liability component and 'capital surplus—share

options’.

(25) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(26) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(27) Hedge accounting

A. At the inception of the hedging relationship, there is formal designation and documentation of the hedging relationship and the Company’s risk management objective and strategy for undertaking the hedge. That documentation shall include identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements.

B. The Company designates the hedging relationship as follows:

Cash flow hedge:

A hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

C. Cash flow hedges

(a) The cash flow hedge reserve associated with the hedged item is adjusted to the lower of the following (in absolute amounts):

- i. the cumulative gain or loss on the hedging instrument from inception of the hedge; and
- ii. the cumulative change in fair value of the hedged item from inception of the hedge.

(b) The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income. The gain or loss on the hedging instrument relating to the ineffective portion is recognised in profit or loss.

(c) The amount that has been accumulated in the cash flow hedge reserve in accordance with (a) is accounted for as follows:

- i. If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the Company shall remove that amount from the cash flow hedge reserve and include it directly in the initial cost or other carrying amount of the asset or liability.
- ii. For cash flow hedges other than those covered by item i. above, that amount shall be reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss.

- iii. If that amount is a loss and the Company expects that all or a portion of that loss will not be recovered in one or more future periods, it shall immediately reclassify the amount that is not expected to be recovered into profit or loss as a reclassification adjustment.
- (d) When the hedging instrument expires, or is sold, terminated, exercised or when the hedging relationship ceases to meet the qualifying criteria, if the forecast transaction is still expected to occur, the amount that has been accumulated in the cash flow hedge reserve shall remain in the cash flow hedge reserve until the forecast transaction occurs; if the forecast transaction is no longer expected to occur, the amount shall be immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment.

(28) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Company uses interest rates of government bonds (at the balance sheet date) instead.
- ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- iii. Past service costs are recognised immediately in profit or loss.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Company's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of

redundancy benefits in exchange for the termination of employment. The Company recognises expense as it can no longer withdraw an offer of termination benefits or it recognises relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(29) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheet. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred income tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred

income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(30) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(31) Revenue recognition

A. Sales of services

Revenue from delivering services is recognised under the percentage-of-completion method when the outcome of services provided can be estimated reliably. The stage of completion of a service contract is measured by the percentage of the number of days the vessel has sailed as of the financial reporting date to the total number of days to sail. If the outcome of a service contract cannot be estimated reliably, contract revenue should be recognised only to the extent that contract costs incurred are likely to be recoverable. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

B. Rental revenue

The Company leases ships and shipping spaces under IFRS 16, 'Leases'. Lease assets are classified as finance leases or operating leases based on the transferred proportion of the risks and rewards incidental to ownership of the leased asset, and recognised in revenue over the lease term.

(32) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Company will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises expenses for the related costs for which the grants are intended to compensate.

(33) Business combinations

A. The Company uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All

acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Company measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

- B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

(34) Operating segments

The Company's operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker is responsible for allocating resources and assessing performance of the operating segments.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Company's accounting policies

Lease term

In determining the lease term, the Company takes into consideration all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option, including the expected changes of all fact and situation for the period from the commencement date of lease to the execution date of options. Also, the Company took into consideration the main factors, such as the contract terms and conditions during the option covered period and the importance to lessee's operation if the significant lease improvement and underlying assets incurred during the contract terms. When significant events or significant changes occur within the Company's control, the lease term will be re-estimated.

(2) Critical accounting estimates and assumptions

Revenue recognition

The Company and the subsidiaries, Peony Investment S.A. and Evergreen Marine (Hong Long) Ltd., which are recognized in investments accounted for using equity method, primarily engages in global container shipping service covering ocean-going and near-sea shipping line. Despite the Company conducting business worldwide, its transactions are all in small amounts, whereas the freight rate is subject to fluctuation caused by cargo loading rate as well as market competition. Worldwide shipping agencies use a system to record the transactions by entering data including shipping departure, destination, counterparty, transit time, shipping amounts, and freight price for the Company. Therefore, management could recognize freight revenue in accordance with the data on bill of lading reports generated from the system, accompanied by estimation made from past experience and current cargo loading conditions the revenue that would flow in. Also, demands for freight are consistently sent by forwarders during voyage. Due to the factors mentioned above, freight revenue is recognized under the percentage-of-completion method for each vessel during the reporting period. As the process of recording transactions, communicating with agencies, and maintaining the system are done manually, and the estimation of freight revenue are subject to management's judgement. Given the conditions mentioned above, we consider the accuracy of freight revenue and the appropriate use of cut-off by the Company and its investee companies as a key audit matter.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2020	December 31, 2019
Cash on hand and petty cash	\$ 10,952	\$ 16,017
Checking accounts and demand deposits	3,832,161	2,673,264
Time deposits	16,719,877	16,078,567
	<u>\$ 20,562,990</u>	<u>\$ 18,767,848</u>

A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Company has no cash and cash equivalents pledged to others.

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

Items	December 31, 2020	December 31, 2019
Non-current items:		
Listed (TSE and OTC) stocks	\$ 490,801	\$ 490,801
Unlisted stocks	91,058	91,058
	581,859	581,859
Valuation adjustment	730,499	574,439
	<u>\$ 1,312,358</u>	<u>\$ 1,156,298</u>

A. The Company has elected to classify these investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$1,312,358 and \$1,156,298 at December 31, 2020 and 2019,

respectively.

- B. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Year ended December 31, 2020	Year ended December 31, 2019
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ 156,060	\$ 134,715
Income tax recognised in other comprehensive income	(\$ 3,650)	\$ 5,115
Cumulative gains reclassified to retained earnings due to derecognition	\$ -	\$ -
Dividend income recognised in profit or loss held at end of period	\$ 50,516	\$ 45,631

- C. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(3).

(3) Financial assets at amortised cost

Items	December 31, 2020	December 31, 2019
Current items:		
Time deposits with maturity over three months	\$ 4,171,208	\$ 1,401,856
Restricted reserve account	2	1
	<u>\$ 4,171,210</u>	<u>\$ 1,401,857</u>
Non-current items:		
Pledged time deposits	\$ 189,651	\$ 186,940
Financial bonds	100,000	100,000
	<u>\$ 289,651</u>	<u>\$ 286,940</u>

- A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Year ended December 31, 2020	Year ended December 31, 2019
Interest income	\$ 22,593	\$ 32,030

- B. As at December 31, 2020 and 2019, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Company was \$4,460,861 and \$1,688,797, respectively.

- C. Information relating to financial assets at amortised cost pledged as collaterals is provided in Note 8.

- D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).

(4) Notes and accounts receivable

	December 31, 2020	December 31, 2019
Notes receivable	\$ 29	\$ 166
Less: Allowance for bad debts	-	-
	<u>\$ 29</u>	<u>\$ 166</u>
Accounts receivable (including related parties)	\$ 3,344,891	\$ 2,990,323
Less: Allowance for bad debts	(113)	(889)
	<u>\$ 3,344,778</u>	<u>\$ 2,989,434</u>
Overdue receivables (recorded as other non-current assests)	\$ -	\$ 69,130
Less: Allowance for bad debts	-	(69,130)
	<u>\$ -</u>	<u>\$ -</u>

A. The ageing analysis of accounts receivable (including overdue receivables) and notes receivable are as follows:

	December 31, 2020		December 31, 2019	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not impaired	\$ 2,754,129	\$ 29	\$ 2,668,512	\$ 166
Up to 30 days	590,199	-	321,811	-
31 to 180 days	563	-	-	-
Over 181 days	-	-	69,130	-
	<u>\$ 3,344,891</u>	<u>\$ 29</u>	<u>\$ 3,059,453</u>	<u>\$ 166</u>

The above ageing analysis was based on past due date.

- B. As of December 31, 2020, December 31, 2019 and January 1, 2019, the balances of receivables (including notes receivable) from contracts with customers amounted to \$2,361,788, \$1,769,896 and \$2,075,935, respectively.
- C. The Company has no notes and accounts receivable held by the Company pledged to others.
- D. As at December 31, 2020 and 2019, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's notes receivable were \$29 and \$166, respectively; and the amount that best represents the Company's accounts receivable (including notes receivable) were \$3,344,778 and \$2,989,434, respectively.
- E. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(5) Inventories

	December 31, 2020		
	Cost	Allowance for valuation loss	Book value
Ship fuel	\$ 523,326	\$ -	\$ 523,326
	December 31, 2019		
	Cost	Allowance for valuation loss	Book value
Ship fuel	\$ 972,539	\$ -	\$ 972,539

(6) Other current assets

	December 31, 2020	December 31, 2019
Shipowner's accounts	\$ 1,103,849	\$ 849,660
Agent accounts	1,377,536	843,942
Temporary debits	529,849	711,649
	<u>\$ 3,011,234</u>	<u>\$ 2,405,251</u>

A. Shipowner's accounts

Temporary accounts, between Evergreen Line, constituted by the Company, Evergreen International S.A., Evergreen Marine (Hong Kong) Ltd., Greencompass Marine S.A., Italia Marittima S.p.A. and Evergreen Marine (UK) Ltd. , and Gaining Enterprise S.A. incurred due to foreign port formalities and pier rental expenses.

B. Agency accounts

These accounts occur when domestic and foreign agencies, based on the agreement with the Company, deal with foreign port formalities regarding arrival and departure of ships, cargo loading, discharging and forwarding, collection of freight, and payment of expenses incurred in the foreign port.

C. Temporary debits are mainly subject to the account of settlements between other carriers and the OCEAN Alliance, which the Company formed in response to market competition and enhancement of global transportation network to provide better logistics services to customers with Cosco Container Lines Co., Ltd., CMA CGM, Ltd., and the Orient Overseas Container Line, Ltd. on March 31, 2017 for trading of shipping space.

(7) Investments accounted for using equity method

Details of long-term equity investments accounted for using equity method are set forth below:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Subsidiary of the Company:		
Peony Investment S.A.	\$ 39,121,066	\$ 26,367,069
Evergreen Marine (Hong Kong) Ltd.	11,989,398	7,212,594
Everport Terminal Services Inc.	2,139,666	1,703,680
Taiwan Terminal Services Co., Ltd.	66,770	54,526
Evergreen Shipping Agency (Israel) Ltd.	23,158	21,213
Associates of the Company:		
EVA Airways Corporation	11,327,144	11,399,909
Evergreen International Storage and Transport Corporation	9,372,490	9,098,692
Taipei Port Container Terminal Corporation	1,523,550	1,083,116
Charng Yang Development Co., Ltd.	557,549	553,210
VIP Greenport Joint Stock Company	277,982	277,274
Ever Ecove Corporation	305,965	-
Evergreen Security Corporation	114,257	113,705
Evergreen Marine (Latin America), S.A.	-	3,383
	<u>\$ 76,818,995</u>	<u>\$ 57,888,371</u>

A. The fair value of the Company's associates which have quoted market price was as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Evergreen International Storage and Transport Corporation	\$ 8,721,517	\$ 6,180,433
EVA Airways Corporation	10,211,516	10,677,440
	<u>\$ 18,933,033</u>	<u>\$ 16,857,873</u>

B. The above investment income or loss accounted for using the equity method was based on the financial statements of the investees for the corresponding periods, which were audited by independent auditors.

C. Subsidiary:

- (a) For information on the subsidiaries, please refer to Note 4(3) of the consolidated financial statements as of December 31, 2020.
- (b) On March 20, 2019, the Board of Directors of the Company resolved to establish a subsidiary, EIL, in Israel. The capital for establishment is ILS 1,800 (approx. USD 500), and hold 59% equity interest with approximate cash amount \$9,355.

D. The basic information of the associates that are material to the Company is as follows:

Company name	Principal place of business	Ownership(%)		Nature of relationship	Methods of measurement
		December 31, 2020	December 31, 2019		
Evergreen International Storage and Transport Corporation	TW	40.36%	40.36%	With a right over 20% to vote	Equity method
EVA Airways Corporation	TW	16.00%	16.00%	Have a right to vote in the Board of Directors	Equity method

E. The summarised financial information of the associates that are material to the Company is as follows:

Balance sheet

	Evergreen International Storage and Transport Corporation	
	December 31, 2020	December 31, 2019
Current assets	\$ 6,947,311	\$ 6,121,815
Non-current assets	28,124,463	28,889,987
Current liabilities	(3,517,476)	(2,703,450)
Non-current liabilities	(8,204,681)	(9,485,576)
Total net assets	<u>\$ 23,349,617</u>	<u>\$ 22,822,776</u>
Share in associate's net assets	\$ 9,373,779	\$ 9,101,086
Unrealized income with affiliated companies	(1,289)	(2,394)
Carrying amount of the associate	<u>\$ 9,372,490</u>	<u>\$ 9,098,692</u>

	EVA Airways Corporation	
	December 31, 2020	December 31, 2019
Current assets	\$ 55,932,512	\$ 77,199,776
Non-current assets	273,634,743	279,051,918
Current liabilities	(45,433,155)	(82,441,715)
Non-current liabilities	(207,474,571)	(195,667,963)
Total net assets	<u>\$ 76,659,529</u>	<u>\$ 78,142,016</u>
Share in associate's net assets	<u>\$ 11,327,144</u>	<u>\$ 11,399,909</u>

Statement of comprehensive income

Evergreen International Storage and Transport Corporation		
	Year ended December 31, 2020	Year ended December 31, 2019
Revenue	\$ 6,966,387	\$ 7,730,682
Profit for the period from continuing operations	\$ 682,563	\$ 845,274
Other comprehensive income (loss), net of tax	313,479	(180,711)
Total comprehensive income	\$ 996,042	\$ 664,563
Dividends received from associates	\$ 129,208	\$ 150,742

EVA Airways Corporation		
	Year ended December 31, 2020	Year ended December 31, 2019
Revenue	\$ 89,048,776	\$ 181,275,258
(Loss) profit for the period from continuing operations	(\$ 3,276,719)	\$ 4,851,875
Other comprehensive income, net of tax	4,020,120	1,800,103
Total comprehensive income	\$ 743,401	\$ 6,651,978
Dividends received from associates	\$ 194,135	\$ 374,935

F. The carrying amount of the Company's interests in all individually immaterial associates and the Company's share of the operating results are summarized below:

As of December 31, 2020 and 2019, the carrying amount of the Company's individually immaterial associates amounted to \$2,779,303 and \$2,030,688, respectively.

	Year ended December 31, 2020	Year ended December 31, 2019
Profit for the period from continuing operations	\$ 727,043	\$ 666,234
Other comprehensive income (loss), net of tax	5,395	(6,245)
Total comprehensive income	\$ 732,438	\$ 659,989

G. To simplify investment structure, on November 11, 2019, the Board of Directors of the Company resolved to acquire 35,421 thousand shares of the investee, Taipei Port, the investment accounted for using equity method, held by the sub-subsidiary, Armand B.V. The transaction amount per share is approximately NT\$9.941 (in dollars) and the expected transaction amount is \$352,123. The shareholding ratio of Taipei Port held by the Company will be increased from 21.03% to 27.85% after the transaction.

- H. The Board of Directors of the Company during its meeting on August 13, 2018 adopted a resolution to participate in the capital increase raised by Ever Ecove Corporation amounting to 30,500 thousand shares, with a subscription price of NT\$10 (in dollars) per share, and a total price of \$305,000. In addition, the effective date was set on December 1, 2020 and after the acquisition, the Company's share interest was 19.06%.
- I. The Board of Directors of the Company during its meeting on December 21, 2018 adopted a resolution to participate in the capital increase raised by EVA Airways Corporation amounting to 39,150 thousand shares, with a subscription price of NT\$13 (in dollars) per share, and a total price of \$508,944. In addition, the effective date was set on January 24, 2019 and after the acquisition, the Company's share interest was decreased to 16.10%. Moreover, the Company purchased 70 thousand shares as a specific person, the purchasing proceeds amounted to \$700, and the share interest further decreased to 16% as of December 31, 2020 after many conversions from corporate bonds to stocks took place in EVA Airways Corporation for the year ended December 31, 2019.
- J. The Company is the single largest shareholder of EITC with a 40.36% equity interest. Given that the main source of economic profits of EITC is generated from Evergreen Line, the percentage of operating volume of the Group in Evergreen Line is equivalent to other related parties' and there is no agreement between other related parties and the Company to make decisions in consultation or collectively; however, in order to maintain the equity balance between the Group and other related parties, the Company governs EITC with other related parties to maintain mutual and other shareholders' best interests; apart from independent directors, the number of seats held by the Company on the Board are the same as other related parties', which indicates that the Group has no current ability to direct the relevant activities of EITC, thus, the Group has no control, but only has significant influence, over the investee.
- K. The Company is the single largest shareholder of EVA with a 16% equity interest. Given that the other top ten large shareholders (including other related parties and non-related parties) hold more shares than the Company, and there is no agreement between the shareholders to make decisions in consultation or collectively as they make decisions independently, which indicates that the Company has no current ability to direct the relevant decisions of EVA, thus, the Company has no control, but only has significant influence, over the investee.
- L. The Company is the single largest shareholder of TPCT with a 27.85% equity interest. Given that the other two large shareholders (non-related parties) also operate transportation business and hold more shares than the Company, and there is no agreement between the shareholders to make decisions in consultation or collectively as they make decisions independently, which indicates that the Company has no current ability to direct the relevant decisions of TPCT, thus, the Company has no control, but only has significant influence, over the investee.

(8) Property, plant and equipment

	Land	Buildings	Loading and unloading equipment	Computer and communication equipment	Transportation equipment	Ships	Office equipment	Leasehold improvements	Others	Total
<u>At January 1, 2020</u>										
Cost	\$ 558,532	\$ 402,956	\$ 6,138,199	\$ 154,030	\$ 7,145,872	\$ 37,131,824	\$ 212,315	\$ 576,073	\$ 78,826	\$ 52,398,627
Accumulated depreciation	-	(222,642)	(4,488,946)	(117,474)	(2,641,927)	(7,239,926)	(198,353)	(543,517)	(11,358)	(15,464,143)
	<u>\$ 558,532</u>	<u>\$ 180,314</u>	<u>\$ 1,649,253</u>	<u>\$ 36,556</u>	<u>\$ 4,503,945</u>	<u>\$ 29,891,898</u>	<u>\$ 13,962</u>	<u>\$ 32,556</u>	<u>\$ 67,468</u>	<u>\$ 36,934,484</u>
<u>2020</u>										
Opening net book amount as at January 1	\$ 558,532	\$ 180,314	\$ 1,649,253	\$ 36,556	\$ 4,503,945	\$ 29,891,898	\$ 13,962	\$ 32,556	\$ 67,468	\$ 36,934,484
Additions	-	-	-	94,834	2,264,700	36,725	9,640	8,888	1,250	2,416,037
Disposals	-	-	(37)	(30)	(6,190)	-	(3)	-	-	(6,260)
Reclassifications	18,208	2,577	-	23,124	-	296,728	828	209,899	-	551,364
Depreciation	-	(7,822)	(179,156)	(55,019)	(673,609)	(1,491,352)	(9,991)	(48,425)	(4,570)	(2,469,944)
Closing net book amount as at December 31	<u>\$ 576,740</u>	<u>\$ 175,069</u>	<u>\$ 1,470,060</u>	<u>\$ 99,465</u>	<u>\$ 6,088,846</u>	<u>\$ 28,733,999</u>	<u>\$ 14,436</u>	<u>\$ 202,918</u>	<u>\$ 64,148</u>	<u>\$ 37,425,681</u>
<u>At December 31, 2020</u>										
Cost	\$ 576,740	\$ 408,914	\$ 6,128,541	\$ 261,922	\$ 9,399,295	\$ 37,465,277	\$ 221,984	\$ 794,860	\$ 80,076	\$ 55,337,609
Accumulated depreciation	-	(233,845)	(4,658,481)	(162,457)	(3,310,449)	(8,731,278)	(207,548)	(591,942)	(15,928)	(17,911,928)
	<u>\$ 576,740</u>	<u>\$ 175,069</u>	<u>\$ 1,470,060</u>	<u>\$ 99,465</u>	<u>\$ 6,088,846</u>	<u>\$ 28,733,999</u>	<u>\$ 14,436</u>	<u>\$ 202,918</u>	<u>\$ 64,148</u>	<u>\$ 37,425,681</u>

	Land	Buildings	Loading and unloading equipment	Computer and communication equipment	Transportation equipment	Ships	Office equipment	Leasehold improvements	Others	Total
<u>At January 1, 2019</u>										
Cost	\$ 558,532	\$ 402,956	\$ 6,079,916	\$ 143,644	\$ 6,356,030	\$ 33,861,484	\$ 206,679	\$ 565,838	\$ 77,909	\$ 48,252,988
Accumulated depreciation	- (214,894)	(4,310,231)	(117,118)	(2,103,788)	(5,808,751)	(183,793)	(461,876)	(7,011)	(13,207,462)	
	<u>\$ 558,532</u>	<u>\$ 188,062</u>	<u>\$ 1,769,685</u>	<u>\$ 26,526</u>	<u>\$ 4,252,242</u>	<u>\$ 28,052,733</u>	<u>\$ 22,886</u>	<u>\$ 103,962</u>	<u>\$ 70,898</u>	<u>\$ 35,045,526</u>
<u>2019</u>										
Opening net book amount as at January 1	\$ 558,532	\$ 188,062	\$ 1,769,685	\$ 26,526	\$ 4,252,242	\$ 28,052,733	\$ 22,886	\$ 103,962	\$ 70,898	\$ 35,045,526
Additions	-	-	58,283	10,515	799,399	62,992	6,361	8,899	917	947,366
Disposals	-	-	- (267)	(4,920)	- (1)	-	-	-	- (5,188)	
Reclassifications	-	-	-	17,500	-	3,207,348	-	1,335	-	3,226,183
Depreciation	- (7,748)	(178,715)	(17,718)	(542,776)	(1,431,175)	(15,284)	(81,640)	(4,347)	(2,279,403)	
Closing net book amount as at December 31	<u>\$ 558,532</u>	<u>\$ 180,314</u>	<u>\$ 1,649,253</u>	<u>\$ 36,556</u>	<u>\$ 4,503,945</u>	<u>\$ 29,891,898</u>	<u>\$ 13,962</u>	<u>\$ 32,556</u>	<u>\$ 67,468</u>	<u>\$ 36,934,484</u>
<u>At December 31, 2019</u>										
Cost	\$ 558,532	\$ 402,956	\$ 6,138,199	\$ 154,030	\$ 7,145,872	\$ 37,131,824	\$ 212,315	\$ 576,073	\$ 78,826	\$ 52,398,627
Accumulated depreciation	- (222,642)	(4,488,946)	(117,474)	(2,641,927)	(7,239,926)	(198,353)	(543,517)	(11,358)	(15,464,143)	
	<u>\$ 558,532</u>	<u>\$ 180,314</u>	<u>\$ 1,649,253</u>	<u>\$ 36,556</u>	<u>\$ 4,503,945</u>	<u>\$ 29,891,898</u>	<u>\$ 13,962</u>	<u>\$ 32,556</u>	<u>\$ 67,468</u>	<u>\$ 36,934,484</u>

A. The Company has issued a negative pledge to granting banks for drawing borrowings within the credit line to purchase the above transportation equipment.

B. Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(9) Leasing arrangements — lessee/ Financial liabilities for hedging

- A. The Company leases various assets including land, buildings, and ships. Rental contracts are typically made for periods of 3 to 15 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months or less comprise of ships. Low-value assets comprise of office equipment and other equipment.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2020	December 31, 2019
	Carrying amount	Carrying amount
Land	\$ 1,288,295	\$ 1,939,568
Buildings	44,291	88,581
Ships	18,264,070	20,469,615
	<u>\$ 19,596,656</u>	<u>\$ 22,497,764</u>

	December 31, 2020	December 31, 2019
	Depreciation charge	Depreciation charge
Land	\$ 679,242	\$ 671,620
Buildings	44,291	44,291
Ships	2,129,318	1,798,573
	<u>\$ 2,852,851</u>	<u>\$ 2,514,484</u>

- D. For the years ended December 31, 2020 and 2019, the additions to right-of-use assets were \$0 and \$10,654,719, respectively.
- E. The information on profit and loss accounts relating to lease contracts is as follows:

	Year ended December 31, 2020	Year ended December 31, 2019
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 596,424	\$ 542,509
Expense on short-term lease contracts	2,154	6,355
Expense on leases of low-value assets	3,775	3,996

- F. For the years ended December 31, 2020 and 2019, the Company's total cash outflow for leases were \$3,435,036 and \$2,847,675, respectively.
- G. As of December 31, 2020, the Group had entered into lease agreements that contained non-lease service component. Based on the fair value of the lease and non-lease component, the future commitment payment allocated to service component amounted to \$1,803,608.
- H. To hedge the impact of expected variable exchange rate risk arising from US dollar denominated lease liabilities payable, the Company designated US dollar denominated lease contracts as the hedging instruments for hedging the foreign exchange variation of future US dollar denominated

marine freight income and adopted cash flow hedge accounting. Moreover, the effective portion with respect to the changes in cash flows of the hedging instruments is deferred to recognise in gains (loss) on hedging instruments, which is under other equity interest, and will be directly included in the marine freight income when the hedged items are subsequently recognised in the income. Details of relevant transactions are as follows:

December 31, 2020			
Hedged items	Designated as hedging instruments	Contract period	Book value
Expected US dollar denominated marine freight income transaction	US dollar denominated lease liabilities	2019.1.1~2034.8.15	<u>\$ 10,870,375</u>
December 31, 2019			
Hedged items	Designated as hedging instruments	Contract period	Book value
Expected US dollar denominated marine freight income transaction	US dollar denominated lease liabilities	2019.1.1~2034.8.15	<u>\$ 20,188,942</u>

(a) Lease liabilities designated as hedges (recorded as financial liabilities for hedging)

	December 31, 2020	December 31, 2019
Cash flow hedges:		
<u>Exchange rate risk</u>		
Lease liability contracts designated as hedges		
Current liabilities	\$ 898,484	\$ 1,861,026
Non-current liabilities	9,971,891	18,327,916
	<u>\$ 10,870,375</u>	<u>\$ 20,188,942</u>

(b) Other equity - cash flow hedge reserve

	2020	2019
At January 1	\$ 460,138	\$ -
Add: : Profit on hedge effectiveness-amount recognised in other comprehensive income	988,987	447,499
Less : Reclassified from equity to exchange gain for the period loss	(52,778)	12,639
Less : Reclassified to freight revenue as the hedged item has affected profit or loss	(381,555)	-
At December 31	<u>\$ 1,014,792</u>	<u>\$ 460,138</u>

(c) For the years ended December 31, 2020 and 2019, there are no cash flow hedges transactions of ineffective portion should be recognised in profit or loss.

(d) Information relating to the fair values of abovementioned hedging financial liabilities is provided in Note 12(3).

I. The amounts of lease liabilities (net of the lease liabilities designated as hedges) of the Company on December 31, 2020 and 2019 are as follows:

	December 31, 2020	December 31, 2019
Current lease liabilities	\$ 1,251,651	\$ 673,042
Current lease liabilities - related parties	232,706	44,321
Non-current lease liabilities	6,057,307	1,277,837
Non-current lease liabilities - related parties	-	44,788
	<u>\$ 7,541,664</u>	<u>\$ 2,039,988</u>

(10) Leasing arrangements – lessor

A. For the years ended December 31, 2020 and 2019, the Company recognised rent income in the amounts of \$197,695 and \$239,697, respectively, based on the operating lease agreement, which does not include variable lease payments.

B. The maturity analysis of the lease payments under the operating leases is as follows:

	December 31, 2020		December 31, 2019
2021	\$ 107,519	2020	\$ 110,380
2022	89	2021	110,199
2023	89	2022	89
2024	7	2023	89
2025	-	2024	7
	<u>\$ 107,704</u>		<u>\$ 220,764</u>

(11) Investment property

	Land	Buildings	Total
<u>At January 1, 2020</u>			
Cost	\$ 1,414,008	\$ 975,187	\$ 2,389,195
Accumulated depreciation	-	(519,783)	(519,783)
	<u>\$ 1,414,008</u>	<u>\$ 455,404</u>	<u>\$ 1,869,412</u>
<u>2020</u>			
Opening net book amount as at January 1	\$ 1,414,008	\$ 455,404	\$ 1,869,412
Depreciation	-	(19,071)	(19,071)
Reclassifications	(18,208)	(2,577)	(20,785)
Closing net book amount as at December 31	<u>\$ 1,395,800</u>	<u>\$ 433,756</u>	<u>\$ 1,829,556</u>
<u>At December 31, 2020</u>			
Cost	\$ 1,395,800	\$ 972,610	\$ 2,368,410
Accumulated depreciation	-	(538,854)	(538,854)
	<u>\$ 1,395,800</u>	<u>\$ 433,756</u>	<u>\$ 1,829,556</u>

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>At January 1, 2019</u>			
Cost	\$ 1,414,008	\$ 975,187	\$ 2,389,195
Accumulated depreciation	<u>-</u>	<u>(500,638)</u>	<u>(500,638)</u>
	<u>\$ 1,414,008</u>	<u>\$ 474,549</u>	<u>\$ 1,888,557</u>
<u>2019</u>			
Opening net book amount as at January 1	\$ 1,414,008	\$ 474,549	\$ 1,888,557
Depreciation	<u>-</u>	<u>(19,145)</u>	<u>(19,145)</u>
Closing net book amount as at December 31	<u>\$ 1,414,008</u>	<u>\$ 455,404</u>	<u>\$ 1,869,412</u>

At December 31, 2019

Cost	\$ 1,414,008	\$ 975,187	\$ 2,389,195
Accumulated depreciation	<u>-</u>	<u>(519,783)</u>	<u>(519,783)</u>
	<u>\$ 1,414,008</u>	<u>\$ 455,404</u>	<u>\$ 1,869,412</u>

A. Rental income from the investment property and direct operating expenses arising from the investment property are shown below:

	<u>Year ended</u> <u>December 31, 2020</u>	<u>Year ended</u> <u>December 31, 2019</u>
Rental income from investment property	<u>\$ 100,591</u>	<u>\$ 103,058</u>
Direct operating expenses arising from the investment property that generated rental income during the year	<u>\$ 19,071</u>	<u>\$ 19,145</u>
Direct operating expenses arising from the investment property that did not generate rental income during the year	<u>\$ -</u>	<u>\$ -</u>

B. The fair value of the investment property held by the Company as at December 31, 2020 and 2019 was \$3,534,160 and \$3,390,912, respectively. The fair value measurements were based on the market prices of recently sold properties in the immediate vicinity of a certain property, which is categorised within Level 2 in the fair value hierarchy.

C. Information about the investment property that was pledged to others as collaterals is provided in Note 8.

(12) Other current assets

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Prepayments for equipment	\$ 2,799,647	\$ 1,154,130
Refundable deposits	<u>17,700</u>	<u>18,091</u>
	<u>\$ 2,817,347</u>	<u>\$ 1,172,221</u>

A. Amount of borrowing costs capitalized as part of prepayment for equipment and the range of the interest rates for such capitalization are as follows:

	Year ended December 31, 2020	Year ended December 31, 2019
Amount capitalised	\$ 18,638	\$ 9,912
Interest rate	0.86%~1.24%	0.86%~1.59%

B. Movement in prepayments for equipment for the years ended December 31, 2020 and 2019 are as follows:

	Year ended December 31, 2020	Year ended December 31, 2019
At January 1	\$ 1,154,130	\$ 957,350
Additions	2,176,096	3,422,963
Reclassification to property, plant and equipment	(530,579)	(3,226,183)
At December 31	\$ 2,799,647	\$ 1,154,130

(13) Other current liabilities

	December 31, 2020	December 31, 2019
Long-term liabilities - current portion	\$ 5,587,280	\$ 8,584,919
Corporate bonds- current portion	4,000,000	-
Shipowner's accounts	1,782,644	1,075,906
Agency accounts	467,737	609,288
Others	59,349	6,987
	<u>\$ 11,897,010</u>	<u>\$ 10,277,100</u>

(14) Corporate bonds payable

	December 31, 2020	December 31, 2019
Domestic secured corporate bonds	\$ 10,000,000	\$ 10,000,000
Euro-Convertible Bond	7,149,181	-
Less: Discount on bonds payable	(370,138)	-
Less: Current portion or exercise of put options	(4,000,000)	-
	<u>\$ 12,779,043</u>	<u>\$ 10,000,000</u>

A. On April 25, 2017, the Company issued its thirteenth domestic secured corporate bonds (referred herein as the "Thirteenth Bonds"), totaling \$8,000,000. The Thirteenth Bonds are categorized into Bond A, B, C, D, E, F and G, depending on the guarantee institution. Bond A totals \$2,000,000, and the rest total \$6,000,000, with each par value of \$1,000,000. The major terms of the issuance are set forth below:

- (a) Period: 5 years (April 25, 2017 to April 25, 2022)
- (b) Coupon rate: 1.05% fixed per annum

- (c) Principal repayment and interest payment

Repayments for the Thirteenth Bonds are paid annually on coupon rate, starting a year from the issuing date. For each category of the bonds mentioned above, half the principal must be paid at the end of the fourth year, and another half at the maturity date.
 - (d) Collaterals

The Thirteenth Bonds are secured. Bond A is guaranteed by Hua Nan Bank, Bond B is guaranteed by First Bank, Bond C is guaranteed by Mega International Commercial Bank, Bond D is guaranteed by Land Bank of Taiwan, Bond E is guaranteed by Chang Hwa Bank, Bond F is guaranteed by Taiwan Cooperative Bank, and Bond G is guaranteed by Bank Sinopac.
- B. On June 27, 2018, the Company issued its fourteenth domestic secured corporate bonds (referred herein as the “Fourteenth Bonds”), totaling \$2,000,000, with each par value of \$1,000. On June 7, 2018, the Bonds were qualified as the green bonds based on the Securities-TPEX-Bond No. 1070014617 issued by Taipei Exchange. The major terms of the issuance are set forth below:
- (a) Period: 5 years (June 27, 2018 to June 27, 2023)
 - (b) Coupon rate: 0.86% fixed per annum
 - (c) Principal repayment and interest payment

Repayments for the Fourteenth Bonds are paid annually on coupon rate, starting a year from the issuing date. The principal of the Fourteenth Bonds shall be repaid in lump sum at maturity.
 - (d) Collaterals

The Fourteenth Bonds are secured and are guaranteed by First Commercial Bank.
- C. On September 29, 2020, the Company issued the first unsecured overseas convertible bonds (the “First Overseas Convertible Bonds”), totaling USD300,000 at the face value. The major terms of the issuance are set forth below:
- (a) Period: 5 years (September 29, 2020 to September 29, 2025)
 - (b) Coupon rate: 0% fixed per annum
 - (c) Principal repayment:

Except for the First Overseas Convertible Bonds previously redeemed, repurchased and retired by the Company, or converted by the bondholders of the First Overseas Convertible Bonds (the “bondholders”), the Company will redeem the First Overseas Convertible Bonds in USD on the maturity date at the price of the face value plus 0.0% gross yield per annum of the face value, calculated semi-annually.

(d) Conversion period:

Except for the First Overseas Convertible Bonds previously redeemed or repurchased, or the stop transfer period as specified in the terms of the bond indenture for the First Overseas Convertible Bonds (the “bond indenture”) or the laws/regulations, the bondholders have the right to ask for the conversion of the First Overseas Convertible Bonds into the common stocks newly issued by the Company during the period from the date after 90 days of the issuance of the First Overseas Convertible Bonds to (1) 10 days before the maturity date, or (2) 5 business days before the date on which the bondholders exercise the put options or the Company exercise the early redemption (excluding the maturity date).

(e) Conversion price:

The conversion price of the First Overseas Convertible Bonds is NT\$18.2 (in dollars), 115.19% of the reference price. The reference price refers to the closing price of the Company’s common stocks on the Taiwan Stock Exchange on the pricing date, which was NT\$15.80 (in dollars), translated using the exchange rate of US\$1 to NT\$28.9910.

(f) Put options:

The bondholders have no right to require the Company to redeem the First Overseas Convertible Bonds, in whole or in part, unless the following events occur:

- i. Except for the First Overseas Convertible Bonds previously redeemed, repurchased and retired, or converted, the bondholders have the right to require the Company to redeem the First Overseas Convertible Bonds, in whole or in part, on the date three years after the issuance at the price of the face value plus 0.0% per annum of the face value (calculated semi-annually) as the interests (the “early redemption amount”).
- ii. The bondholders have the right to require the Company to redeem the First Overseas Convertible Bonds, in whole or in part, at the early redemption amount if the Company’s common stocks are unlisted from the Taiwan Stock Exchange or ceased trading over 30 consecutive business days.
- iii. The bondholders have the right to require the Company to redeem the First Overseas Convertible Bonds, in whole or in part, at the early redemption amount if any changes occur to the Company’s controlling power as defined in the bond indenture.

The exercise of the aforementioned put options by the bondholders and the acceptance of the bondholders’ requests by the Company shall be conducted in accordance with the procedures as specified in the bond indenture. The Company will redeem the First Overseas Convertible Bonds in cash on the payment date as specified in the bond indenture.

The early redemption amount is first translated into NTD using the fixed exchange rate, and it was then translated from NTD to USD using the exchange rate on the day for repayment (by reference to the fixing rate at 11 a.m. quoted by Taipei Forex Inc.).

(g) Redemption:

The Company may redeem the First Overseas Convertible Bonds early when one of the following conditions is met:

- i. The Company may redeem the First Overseas Convertible Bonds, in whole, at the early redemption amount if the closing price of the Company's common stocks on the Taiwan Stock Exchange (translated into USD based on the exchange rate on the day) reaches over 130% of the total amount of early redemption amount (defined later) multiplied by the conversion price on the day (translated into USD at the fixed exchange rate) and divided by the face value for 20 trade dates out of 30 consecutive business days during the period from the day after three years of the issuance to the maturity date.
- ii. The Company may redeem the outstanding First Overseas Convertible Bonds, in whole, at the early redemption amount if over 90% of the First Overseas Convertible Bonds have been redeemed, converted, repurchased and retired.
- iii. The Company may redeem the First Overseas Convertible Bonds, in whole, at the early redemption amount if changes to the R.O.C.'s tax regulations occur after the issue date and cause the Company to bear more tax or to pay extra interest expenses or increase in costs for the First Overseas Convertible Bonds. Also, the bondholders have no right to require the Company to cover extra tax and expense for their nonparticipation of the redemption.

The early redemption amount is first translated into NTD using the fixed exchange rate, and it was then translated from NTD to USD using the exchange rate on the day for repayment (by reference to the fixing rate of US\$1 to NT\$28.9910 at 11 a.m. quoted by Taipei Forex Inc.).

- D. Regarding the issuance of convertible bonds, the equity conversion options amounting to \$312,290 were separated from the liability component and were recognised in 'capital surplus—share options' in accordance with IAS 32. The call options and redemption embedded in bonds payable were separated from their host contracts and were recognised in 'financial assets or liabilities at fair value through profit or loss' in net amount in accordance with IAS 39 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts.

(15) Long-term loans

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Secured bank loans	\$ 19,489,018	\$ 20,326,895
Unsecured bank loans	11,607,882	18,040,883
Add: Unrealized foreign exchange loss	(148,492)	49,713
Less: Deferred expenses - hosting fee credit	(14,905)	(13,687)
	30,933,503	38,403,804
Less: Current portion (recorded as other current liabilities)	(5,587,280)	(8,584,919)
	<u>\$ 25,346,223</u>	<u>\$ 29,818,885</u>
Maturity range	2021.05~2029.05	2020.04~2027.03
Interest rate	0.93%~2.91%	1.12%~3.80%

Please refer to Note 8 for details of the collaterals pledged for the above long-term loans.

(16) Other non-current liabilities

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Accrued pension liabilities	\$ 1,307,169	\$ 1,290,072
Guarantee deposits received	12,250	12,190
	<u>\$ 1,319,419</u>	<u>\$ 1,302,262</u>

(17) Pension

A.(a) In accordance with the Labor Standards Act (“the Act”), covering all regular employees’ service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contribute monthly an amount equal to 15% of the employees’ monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

	December 31, 2020	December 31, 2019
Present value of defined benefit obligations	(\$ 1,933,690)	(\$ 1,876,357)
Fair value of plan assets	626,521	586,285
Net defined benefit liability	(\$ 1,307,169)	(\$ 1,290,072)

(c) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
<u>Year ended December 31, 2020</u>			
Balance at January 1	(\$ 1,876,357)	\$ 586,285	(\$ 1,290,072)
Current service cost	(12,871)	-	(12,871)
Interest (expense) income	(13,700)	4,407	(9,293)
Past service cost	-	-	-
Curtailment(Settlement)	-	-	-
	<u>(1,902,928)</u>	<u>590,692</u>	<u>(1,312,236)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	18,948	18,948
Change in financial assumptions	(80,744)	-	(80,744)
Experience adjustments	(49,956)	-	(49,956)
	<u>(130,700)</u>	<u>18,948</u>	<u>(111,752)</u>
Pension fund contribution	-	96,986	96,986
Paid pension	99,938	(80,105)	19,833
Balance at December 31	<u>(\$ 1,933,690)</u>	<u>\$ 626,521</u>	<u>(\$ 1,307,169)</u>

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
<u>Year ended December 31, 2019</u>			
Balance at January 1	(\$ 1,847,634)	\$ 526,411	(\$ 1,321,223)
Current service cost	(13,614)	-	(13,614)
Interest (expense) income	(17,990)	5,296	(12,694)
Past service cost	425	-	425
Curtailment(Settlement)	336	-	336
	<u>(1,878,477)</u>	<u>531,707</u>	<u>(1,346,770)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	18,489	18,489
Change in financial assumptions	(44,395)	-	(44,395)
Experience adjustments	(49,335)	-	(49,335)
	<u>(93,730)</u>	<u>18,489</u>	<u>(75,241)</u>
Pension fund contribution	-	108,505	108,505
Paid settlement	6,056	-	6,056
Paid pension	89,794	(72,416)	17,378
Balance at December 31	<u>(\$ 1,876,357)</u>	<u>\$ 586,285</u>	<u>(\$ 1,290,072)</u>

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2020 and 2019 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e)The principal actuarial assumptions used were as follows:

	Year ended December 31, 2020	Year ended December 31, 2019
Discount rate	0.30%	0.75%
Future salary increases	2.00%	2.00%

Assumptions regarding future mortality rate was estimated based on the 5th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2020</u>				
Effect on present value of defined benefit obligation	(\$ 45,498)	\$ 47,165	\$ 32,620	(\$ 31,616)
<u>December 31, 2019</u>				
Effect on present value of defined benefit obligation	(\$ 44,328)	\$ 45,979	\$ 30,979	(\$ 29,999)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(f)Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2021 amount to \$102,719.

(g)As of December 31, 2020, the weighted average duration of the retirement plan is 10 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	\$ 111,695
1~2 years	77,858
2~5 years	324,293
Over 5 years	1,480,196
	<u>\$ 1,994,042</u>

B.(a)Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension

accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2020 and 2019 were \$109,425 and \$87,980, respectively.

(18) Capital stock

- A. As of December 31, 2020, the Company's authorised capital was \$70,000,000, and the paid-in capital was \$48,980,353, divided into 4,898,035 thousand shares of common stocks with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.
- B. The Company issued 85,062 shares of new shares during the period from December 29, 2020 to December 31, 2020 due to the exercise of conversion options by the overseas convertible corporate bondholders. All proceeds from share issuance have been collected by February 19, 2021.
- C. On June 24, 2020, the shareholders meeting of the Company resolved to increase authorized capital from \$50,000,000 to \$70,000,000. All proceeds from share issuance have been collected by July 22, 2020.
- D. On August 13, 2019, the Board of Directors of the Company resolved to increase capital of \$3,000,000 by issuing 300,000 thousand shares at a par value of \$10 (in dollars) per share. Of which 30,000 thousand shares are reserved for employee stock purchase plan. The proposal of capital increase has been reported and become effective on December 3, 2019. The amount of shares was \$3,333,934. All proceeds from share issuance have been collected by December 31, 2019.
- E. On December 31, 2020 and 2019, the numbers of the Company's shares held by its associate accounted for using equity method, EITC, were 25,084 and 25,254 thousand shares, respectively.

(19) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	Year ended December 31, 2020				
	Share premium	Employee stock options exercised	Adjustments to share of changes in equity of associates and joint ventures	Donated assets	Others
At January 1	\$ 9,167,217	\$ 110,956	\$ 2,122,105	\$ 446	\$ 6,713
Expired unclaimed dividends	-	-	-	-	623
Proceeds from issuance of overseas convertible bonds	-	379,915	-	-	-
Conversion of overseas convertible bonds	690,551	(67,625)	-	-	-
Recognition of change in equity of associates in proportion to the Company's ownership	-	-	22,463	-	-
At December 31	<u>\$ 9,857,768</u>	<u>\$ 423,246</u>	<u>\$ 2,144,568</u>	<u>\$ 446</u>	<u>\$ 7,336</u>

	Year ended December 31, 2019				
	Share premium	Employee stock options exercised	Adjustments to share of changes in equity of associates and joint ventures	Donated assets	Others
At January 1	\$ 8,833,283	\$ 93,890	\$ 2,124,813	\$ 446	\$ 6,713
Issuance of common stock for cash	333,934	17,066	-	-	-
Recognition of change in equity of associates in proportion to the Company's ownership	-	-	(2,708)	-	-
At December 31	<u>\$ 9,167,217</u>	<u>\$ 110,956</u>	<u>\$ 2,122,105</u>	<u>\$ 446</u>	<u>\$ 6,713</u>

(20) Retained earnings

	Year ended December 31, 2020	Year ended December 31, 2019
At January 1	\$ 3,659,042	\$ 3,776,643
Profit for the year	24,364,926	112,519
Distribution of earnings	- (29,392)	
Remeasurement on post employment benefit obligations, net of tax	(291,317)	(197,673)
Adjustments to share of changes in equity of associates and joint ventures	1,809	(3,055)
At December 31	<u>\$ 27,734,460</u>	<u>\$ 3,659,042</u>

- A. According to the Company's Articles of Incorporation, if there is any profit for a fiscal year, the Company shall first make provision for income tax and cover prior years' losses, then appropriate 10% of the residual amount as legal reserve. Dividends shall be proposed by the Board of Directors and resolved by the stockholders.
- B. Dividend policy
The Company is currently at the stable growth stage. In order to facilitate future expansion plans, dividends to stockholders are distributed mutually in the form of both cash and stocks with the basic principle that the ratio of cash dividends to total stock dividends shall not be lower than 10%.
- C. Legal reserve
Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.
- D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- E. The appropriation of 2018 earnings was adopted by the stockholders on June 21, 2019 is as follows:

	Year ended December 31, 2018
	Amount
Accrual of legal reserve	\$ 29,392

- F. For the year ended December 31, 2019, the Company's net income after tax plus other items including current unappropriated retained earnings are negative, thus the Company will not provision for legal reserve. Additionally, the Company will retain distributable earnings for its future operating plan, thus, the Company will not appropriate for shareholders' bonus.

G. The appropriation of 2020 earnings was adopted by the Board of Directors on March 22, 2021 as follows:

	Year ended December 31, 2019	Year ended December 31, 2019
	Amount	Dividend per share (in dollars)
Accrual of legal reserve	\$ 2,407,542	
Accrual of special reserve	\$ 581,406	
Appropriate cash dividends to shareholders	\$ 13,156,234	\$ 2.5

As of March 22, 2021, the above-mentioned 2020 earnings appropriation had not been resolved by the stockholders.

(21) Other equity items

	Unrealised gains (losses) on valuation	Hedging reserve	Currency translation	Total
At January 1, 2020	\$ 1,411,638	\$ 579,757	(\$ 856,773)	\$ 1,134,622
Revaluation – gross	156,060	-	-	156,060
Revaluation – tax	(3,650)	-	-	(3,650)
Revaluation – associates	322,535	-	-	322,535
Revaluation transferred to retained earnings – associates	(1,809)	-	-	(1,809)
Cash flow hedges:				
– Fair value gain in the period				
– Parent	-	554,654	-	554,654
– Parent – tax	-	(110,931)	-	(110,931)
– Associates	-	838,684	-	838,684
Currency translation differences:				
– Parent	-	-	(3,160,573)	(3,160,573)
– Parent – tax	-	-	4,589	4,589
– Associates	-	-	(315,587)	(315,587)
At December 31, 2020	\$ 1,884,774	\$ 1,862,164	(\$ 4,328,344)	(\$ 581,406)

	Unrealised gains (losses) on valuation	Hedging reserve	Currency translation	Total
At January 1, 2019	\$ 1,234,225	(\$ 58,649)	\$ 17,580	\$ 1,193,156
Revaluation – gross	134,715	-	-	134,715
Revaluation – tax	5,115	-	-	5,115
Revaluation – associates	37,531	-	-	37,531
Revaluation transferred to retained earnings – associates	52	-	-	52
Cash flow hedges:				
– Fair value gain in the period				
– Parent	-	460,138	-	460,138
– Parent – tax	-	(92,028)	-	(92,028)
– Associates	-	270,296	-	270,296
Currency translation differences:				
– Parent	-	-	(755,051)	(755,051)
– Parent – tax	-	-	18	18
– Associates	-	-	(119,320)	(119,320)
At December 31, 2019	<u>\$ 1,411,638</u>	<u>\$ 579,757</u>	<u>(\$ 856,773)</u>	<u>\$ 1,134,622</u>

(22) Operating revenue

	Year ended December 31, 2020	Year ended December 31, 2019
Revenue from contracts with customers	\$ 50,920,278	\$ 44,081,161
Other - ship rental and slottage income	702,845	605,977
	<u>\$ 51,623,123</u>	<u>\$ 44,687,138</u>

A. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of services over time and at a point in time in the following major businesses:

Year ended December 31, 2020	Asia	America	Europe	Others	Total
Revenue from external customer contracts	\$14,724,850	\$15,938,387	\$14,577,055	\$1,741,910	\$46,982,202
Inter-segment revenue	<u>1,714,697</u>	<u>1,695,537</u>	<u>526,220</u>	<u>1,622</u>	<u>3,938,076</u>
Total segment revenue	<u>\$16,439,547</u>	<u>\$17,633,924</u>	<u>\$15,103,275</u>	<u>\$1,743,532</u>	<u>\$50,920,278</u>

Year ended					
December 31, 2019	Asia	America	Europe	Others	Total
Revenue from external customer contracts	\$14,551,189	\$15,931,117	\$9,175,988	\$ 665,486	\$40,323,780
Inter-segment revenue	1,164,695	2,007,692	584,994	-	3,757,381
Total segment revenue	<u>\$15,715,884</u>	<u>\$17,938,809</u>	<u>\$9,760,982</u>	<u>\$ 665,486</u>	<u>\$44,081,161</u>

B. Contract assets and liabilities

The Company has recognised the following revenue-related contract assets and liabilities:

	December 31, 2020	December 31, 2019	January 1, 2019
Contract assets:			
Contract assets relating to marine freight income	<u>\$ 802,464</u>	<u>\$ 372,492</u>	<u>\$ 682,327</u>
Contract liabilities:			
Contract liabilities – unearned marine freight income	<u>\$ 494,792</u>	<u>\$ 536,774</u>	<u>\$ 431,290</u>

Revenue recognised that was included in the contract liability balance at the beginning of the period:

	Year ended	Year ended
	December 31, 2020	December 31, 2019
Marine freight income	<u>\$ 536,774</u>	<u>\$ 431,290</u>

(23) Other gains-net

	Year ended	Year ended
	December 31, 2020	December 31, 2019
Gains on disposal of property, plant and equipment	<u>\$ 3,170</u>	<u>\$ 4,649</u>

(24) Interest income

	December 31, 2020	December 31, 2019
Interest income from bank deposits	<u>\$ 112,207</u>	<u>\$ 284,290</u>
Interest income from financial assets measured at amortised cost	<u>22,593</u>	<u>32,030</u>
	<u>\$ 134,800</u>	<u>\$ 316,320</u>

(25) Other income

	Year ended December 31, 2020	Year ended December 31, 2019
Rental revenue	\$ 108,010	\$ 115,918
Dividend income	50,516	45,631
Other income – others	203,729	38,757
	<u>\$ 362,255</u>	<u>\$ 200,306</u>

(26) Other gains and losses

	Year ended December 31, 2020	Year ended December 31, 2019
Net currency exchange gains	\$ 503,637	\$ 125,466
Gains on financial assets at fair value through profit or loss	30,027	-
Losses on disposal of investments	99 (	36)
Gains arising from lease modifications	(259)	1,237
Depreciation charges on investment property	(19,071) (	19,145)
Other non-operating expenses	(82,671) (	90,391)
	<u>\$ 431,762</u>	<u>\$ 17,131</u>

(27) Finance costs

	Year ended December 31, 2019	Year ended December 31, 2018
Interest expense:		
Bank borrowings	\$ 483,801	\$ 671,128
Corporate bonds	124,782	101,200
Lease liabilities	596,424	542,509
	<u>1,205,007</u>	<u>1,314,837</u>
Less: Capitalisation of qualifying assets	(18,638) (	9,912)
Finance costs	<u>\$ 1,186,369</u>	<u>\$ 1,304,925</u>

(28) Expenses by nature

	Year ended December 31, 2020	Year ended December 31, 2019
Employee benefit expense	\$ 3,784,844	\$ 2,687,938
Depreciation charges on property, plant and equipment	2,469,944	2,279,403
Depreciation charges on right-of-use assets	2,852,851	2,514,484
Amortisation charges on intangible assets	17,266	16,458
Stevedorage	15,064,018	12,622,384
Inland haulage and canal due	8,516,195	9,164,021
Bunker fuel	5,315,736	7,036,586
Operating lease payments	321,060	284,512
Commission	2,457,287	1,980,339
Port charge	1,594,561	1,595,565
Ship supplies and lubricant oil	254,406	285,814
Professional service and data service expenses	1,554,620	1,665,179
Other operating costs and expenses	2,260,932	2,382,542
	<u>\$ 46,463,720</u>	<u>\$ 44,515,225</u>

(29) Employee benefit expense

	Year ended December 31, 2020	Year ended December 31, 2019
Wages and salaries	\$ 3,286,719	\$ 2,272,371
Labor and health insurance fees	200,711	175,721
Pension costs	131,588	113,527
Directors' remuneration	22,869	9,074
Other personnel expenses	142,957	117,245
	<u>\$ 3,784,844</u>	<u>\$ 2,687,938</u>

- A. According to the Articles of Incorporation of the Company, when distributing earnings, the Company shall distribute bonus to the employees that account for no less than 0.5% and pay remuneration to the directors and supervisors that account for no more than 2% of the total distributed amount.
- B. (a) In accordance with the Articles of Incorporation of the Company, based on the profit for the year ended December 31, 2020, employees' compensation and directors' remunerations were accrued based on 0.5% and 0.04% at \$131,254 and \$9,500, respectively. The aforementioned amount was recognised in salary expenses. The actual distributed amounts as resolved by the Board of Directors were in agreement with the accrued amounts. The employees' compensation will be distributed in the form of cash.
- (b) For the year ended December 31, 2019, the Company generated loss and thus did not accrue employees' and supervisors' remuneration.

Information about the appropriation of employees', directors' and supervisors' remuneration by the Company as proposed by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(30) Income tax

A. Income tax expense (benefit)

(a) Components of income tax expense (benefit):

	Year ended December 31, 2020	Year ended December 31, 2019
Current tax:		
Current tax on profits for the year	\$ 383,262	\$ -
Prior year income tax overestimation	-	3,277
Total current tax	383,262	3,277
Deferred tax:		
Origination and reversal of temporary differences	1,361,790	(164,996)
Total deferred tax	1,361,790	(164,996)
Income tax expense (benefit)	\$ 1,745,052	(\$ 161,719)

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Year ended December 31, 2020	Year ended December 31, 2019
Changes in fair value of available -for-sale financial assets	\$ 3,650	(\$ 5,115)
Currency translation differences	(4,589)	(18)
Remeasurement of defined benefit obligations	(22,351)	(15,048)
Cash flow hedges	110,931	92,028
Share of other comprehensive income of associates	(5,907)	(8,680)
	\$ 81,734	\$ 63,167

(c) The income tax charged/(credited) to equity during the period is as follows:

	Year ended December 31, 2020	Year ended December 31, 2019
Reduction in capital surplus caused by recognition of foreign investees based on the shareholding ratio	\$ 70	\$ 86
Reduction in retained earnings caused by recognition of foreign investees not based on the shareholding ratio	-	(2)
	\$ 70	\$ 84

B. Reconciliation between income tax expense (benefit) and accounting profit

	Year ended December 31, 2020	Year ended December 31, 2019
Tax calculated based on profit before tax and statutory tax rate	\$ 5,221,996	(\$ 9,840)
Expenses disallowed by tax regulation	14,491	21,472
Tax exempt income by tax regulation	(3,494,602)	(182,090)
Prior year income tax overestimation	-	3,277
Effect from tax losses	3,167	5,462
Income tax expense (benefit)	<u>\$ 1,745,052</u>	<u>(\$ 161,719)</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences, loss carryforward and investment tax credits are as follows:

	2020				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	December 31
— Deferred tax assets:					
Temporary differences:					
Bad debts expense	\$ 16,376	(\$ 14,587)	\$ -	\$ -	\$ 1,789
Loss on valuation of financial assets	744	-	(744)	-	-
Deferred profit from disposal of loading and unloading equipment	12,801	(1,779)	-	-	11,022
Unrealized expense	58,884	(43,034)	-	-	15,850
Unrealized exchange loss	28,633	(28,633)	-	-	-
Pension fund contribution	174,867	(18,931)	-	-	155,936
Remeasurements of defined benefit obligation	83,147	-	22,351	-	105,498
Net operating loss carryforward	<u>418,670</u>	<u>(418,670)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>794,122</u>	<u>(525,634)</u>	<u>21,607</u>	<u>-</u>	<u>290,095</u>
— Deferred tax liabilities:					
Temporary differences:					
Gain on valuation of financial assets	\$ -	\$ -	(\$ 2,906)	\$ -	(\$ 2,906)
Equity-accounted investment income	(706,970)	(768,884)	10,496	(70)	(\$ 1,465,428)
Unrealized exchange gain	-	(67,272)	-	-	(67,272)
Cash flow hedges	(92,028)	-	(110,931)	-	(202,959)
	<u>(798,998)</u>	<u>(836,156)</u>	<u>(103,341)</u>	<u>(70)</u>	<u>(1,738,565)</u>
	<u>(\$ 4,876)</u>	<u>(\$ 1,361,790)</u>	<u>(\$ 81,734)</u>	<u>(\$ 70)</u>	<u>(\$ 1,448,470)</u>

2019					
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	December 31
— Deferred tax assets:					
Temporary differences:					
Bad debts expense	\$ 16,417	(\$ 41)	\$ -	\$ -	\$ 16,376
Loss on valuation of financial assets	-	-	744	-	744
Deferred profit from disposal of loading and unloading equipment	14,588	(1,787)	-	-	12,801
Unrealized expense	14,338	44,546	-	-	58,884
Unrealized exchange loss	31,146	(2,513)	-	-	28,633
Pension fund contribution	196,145	(21,278)	-	-	174,867
Remeasurements of defined benefit obligation	68,099	-	15,048	-	83,147
Net operating loss carryforward	<u>345,617</u>	<u>73,053</u>	<u>-</u>	<u>-</u>	<u>418,670</u>
	<u>686,350</u>	<u>91,980</u>	<u>15,792</u>	<u>-</u>	<u>794,122</u>
— Deferred tax liabilities:					
Temporary differences:					
Gain on valuation of financial assets	(\$ 4,371)	\$ -	\$ 4,371	\$ -	\$ -
Equity-accounted investment income	(788,600)	73,016	8,698	(84)	(\$ 706,970)
Cash flow hedges	-	-	(92,028)	-	(92,028)
	<u>(792,971)</u>	<u>73,016</u>	<u>(78,959)</u>	<u>(84)</u>	<u>(798,998)</u>
	<u>(\$ 106,621)</u>	<u>\$ 164,996</u>	<u>(\$ 63,167)</u>	<u>(\$ 84)</u>	<u>(\$ 4,876)</u>

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2020 : None.

December 31, 2019					
Year incurred	Amount filed	Unused tax credits	Unrecognised deferred tax assets	Final year tax credits are due	
2019	\$ 392,576	\$ 392,576	\$ -	2029	
2018	671,047	671,047	-	2028	
2017	12,894	12,894	-	2027	
2016	747,045	747,045	-	2026	
2015	269,787	269,787	-	2025	
	<u>\$ 2,093,349</u>	<u>\$ 2,093,349</u>	<u>\$ -</u>		

E. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2020 and 2019, the amounts of temporary difference unrecognised as deferred tax liabilities were \$26,906,819 and \$12,524,548, respectively.

F. As of December 31, 2020, the Company's income tax returns through 2017 have been assessed and approved by the Tax Authority.

(31) Earnings (loss) per share

	Year ended December 31, 2020		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 24,364,926	4,813,206	\$ 5.06
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 24,364,926	4,813,206	
Assumed conversion of all dilutive potential ordinary shares			
Euro-Convertible bonds	23,582	100,886	
Employees' compensation	-	3,225	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all shares	\$ 24,388,508	4,917,317	\$ 4.96

	Year ended December 31, 2019		
		Weighted average number of ordinary shares outstanding	Earnings per share
	<u>Amount after tax</u>	<u>(shares in thousands)</u>	<u>(in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 112,519	4,536,809	\$ 0.02
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 112,519	4,536,809	\$ 0.02

(32) Supplemental cash flow information

Investing activities with partial cash payments

A. Property, plant and equipment

	Year ended December 31, 2020	Year ended December 31, 2019
Purchase of property, plant and equipment	\$ 2,416,037	\$ 947,366
Add: Opening balance of payable on equipment	2,500	4,274
Less: Ending balance of payable on equipment	(9,771)	(2,500)
Cash paid during the year	\$ 2,408,766	\$ 949,140

B. Prepayment for equipment (recorded as other non-current assets)

	Year ended December 31, 2020	Year ended December 31, 2019
Purchase of prepayments for equipment	\$ 2,176,096	\$ 3,422,963
Add: Opening balance of payable on prepayments for equipment	-	154
Less: Ending balance of payable on prepayments for equipment	(4,484)	-
Capitalisation of qualifying assets	(18,638)	(9,912)
Cash paid during the year	\$ 2,152,974	\$ 3,413,205

(33) Changes in liabilities from financing activities

	Corporate bonds payable (including current portion)	Long-term borrowings (including current portion)	Guarantee deposits received	Lease liabilities and financial liabilities for hedging	Liabilities from financing activities-gross
At January 1, 2020	\$ 10,000,000	\$ 38,403,804	\$ 12,190	\$ 22,228,930	\$ 70,644,924
Changes in cash flow from financing activities	8,635,118	(7,470,301)	60	(2,832,683)	(1,667,806)
Remeasurement of lease liabilities	-	-	-	(25,520)	(25,520)
Deductions to lease liabilities	-	-	-	(22,738)	(22,738)
Changes in other non-cash items	(1,856,075)	-	-	259	(1,855,816)
Impact of changes in foreign exchange rate	-	-	-	(936,209)	(936,209)
At December 31, 2020	<u>\$ 16,779,043</u>	<u>\$ 30,933,503</u>	<u>\$ 12,250</u>	<u>\$ 18,412,039</u>	<u>\$ 66,136,835</u>
	Corporate bonds payable	Long-term borrowings (including current portion)	Guarantee deposits received	Lease liabilities and financial liabilities for hedging	Liabilities from financing activities-gross
At January 1, 2019	\$ 10,000,000	\$ 40,085,191	\$ 12,370	\$ -	\$ 50,097,561
Retrospective application	-	-	-	14,721,437	14,721,437
Changes in cash flow from financing activities	-	(1,681,117)	(180)	(2,294,815)	(3,976,112)
Remeasurement of lease liabilities	-	-	-	(268,904)	(268,904)
Additions to lease liabilities	-	-	-	10,654,719	10,654,719
Deductions to lease liabilities	-	-	-	(122,132)	(122,132)
Hosting fee credit	-	(270)	-	-	(270)
Changes in other non-cash items	-	-	-	(1,237)	(1,237)
Impact of changes in foreign exchange rate	-	-	-	(460,138)	(460,138)
At December 31, 2019	<u>\$ 10,000,000</u>	<u>\$ 38,403,804</u>	<u>\$ 12,190</u>	<u>\$ 22,228,930</u>	<u>\$ 70,644,924</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of the related parties and their relationship with the Company

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Taiwan Terminal Services Co., Ltd. (TTSC)	Subsidiary
Peony Investment S.A. (Peony)	Subsidiary
Everport Terminal Services Inc. (ETS)	Subsidiary
Evergreen Marine (Hong Kong) Ltd. (EGH)	Subsidiary
Evergreen Shipping Agency (Israel) Ltd. (EIL)	Subsidiary
Evergreen Marine Corp. (Malaysia) SDN BHD (EGM)	Indirect subsidiary
Clove Holding Ltd. (CLOVE)	Indirect subsidiary
PT. Multi Bina Transport (MBT)	Indirect subsidiary
PT. Multi Bina Pura International (MBPI)	Indirect subsidiary
Greencompass Marine S.A. (GMS)	Indirect subsidiary
Evergreen Heavy Industrial Co., (Malaysia) Berhad. (EHIC(M))	Indirect subsidiary
Evergreen Marine (UK) Limited (EMU)	Indirect subsidiary
Evergreen Shipping Agency (Europe) GmbH (EEU)	Indirect subsidiary
Evergreen Argentina S.A. (EGB)	Indirect subsidiary
Evergreen Shipping (Spain) S.L. (EES)	Indirect subsidiary
Evergreen Shipping Agency (Italy) S.p.A. (EIT)	Indirect subsidiary
Armand Investment (Netherlands) N.V. (Armand N.V.)	Indirect subsidiary (liquidation on June 30, 2020)
Evergreen Shipping Agency (Australia) Pty. Ltd. (EMA)	Indirect subsidiary
Evergreen Shipping Agency (Thailand) Co., Ltd. (EGT)	Indirect subsidiary
Evergreen Shipping Agency (India) Pvt. Ltd. (EGI)	Indirect subsidiary
Evergreen Shipping Agency (Russia) Ltd. (ERU)	Indirect subsidiary
Evergreen Agency (South Africa) (Pty) Ltd. (ESA)	Indirect subsidiary
Evergreen Shipping Agency (Korea) Corporation (EGK)	Indirect subsidiary
Armand Estate B.V. (Armand B.V.)	Indirect subsidiary (liquidation on June 25, 2020)
Whitney Equipment LLC. (Whitney)	Indirect subsidiary
Evergreen Shipping Agency (Vietnam) Corp. (EGV)	Indirect subsidiary
Evergreen Shipping Services (Cambodia) Co., Ltd. (EKH)	Indirect subsidiary
Evergreen Shipping Agency (Chile) SPA. (ECL)	Indirect subsidiary
Evergreen Shipping Agency (PERU) S.A.C. (EPE)	Indirect subsidiary

Names of related parties	Relationship with the Company
Evergreen Shipping Agency (Colombia) S.A.S. (ECO)	Indirect subsidiary
Evergreen Shipping Agency Mexico S.A. DE C.V. (EMX)	Indirect subsidiary
Evergreen Shipping Agency (Greece) Societe Anonyme (EGRC)	Indirect subsidiary
Evergreen Shipping Agency (Brazil) Ltd. (EBR)	Indirect subsidiary
Evergreen Shipping Agency (China) Co., Ltd. (ECN)	Indirect subsidiary
Kingtrans International Logistics (Tianjin) Co., Ltd. (KTIL)	Indirect subsidiary
Ever Shine (Shanghai) Enterprise Management Consulting Co., Ltd. (EVSSHG)	Indirect subsidiary
Ever Shine (Ningbo) Enterprise Management Consulting Co., Ltd. (EVSNB0)	Indirect subsidiary
Ever Shine (Shenzhen) Enterprise Management Consulting Co., Ltd. (EVSXZN)	Indirect subsidiary
Ever Shine (Qingdao) Enterprise Management Consulting Co., Ltd. (EVSQND)	Indirect subsidiary
Evergreen International Storage and Transport Corporation (EITC)	Associate
EVA Airways Corporation (EVA)	Associate
Evergreen Security Corporation (ESC)	Associate
Charng Yang Development Co., Ltd. (CYD)	Associate
Taipei Port Container Terminal Corporation (TPCT)	Associate
Ningbo Victory Container Co., Ltd. (NVC)	Associate
Qingdao Evergreen C&T Co., Ltd. (QECT)	Associate
Evergreen Marine (Latin America), S.A. (ELA)	Associate (An Indirect subsidiary since March 1, 2020)
Evergreen Shipping Agency Lanka (Private) Limited (ELK)	Associate (An Associate since March 1, 2019)
Greenpen Properties Sdn. Bhd. (GPP)	Associate
Luanta Investment (Netherlands) N.V. (Luanta)	Associate
Balsam Investment (Netherlands) N.V. (Balsam)	Associate
Italia Marittima S.p.A. (ITS)	Associate
Colon Container Terminal S.A. (CCT)	Associate
PT. Evergreen Shipping Agency Indonesia (EMI)	Associate
Evergreen Shipping Agency Co. (U.A.E) LLC (UAE)	Associate
VIP Greenport Joint Stock Company (VGP)	Associate
Ics Depot Services Sdn. Bhd. (IDS)	Associate
Ever Ecove Corporation (EEC)	Associate (An Associate since December 1, 2020)

Names of related parties	Relationship with the Company
Evergreen International Corporation (EIC)	Other related party
Evergreen Airline Services Corporation (EGAS)	Other related party
Chang Yung-Fa Charity Foundation (CYFC)	Other related party
Chang Yung-Fa Foundation (CYFF)	Other related party
Evergreen Steel Corp. (EGST)	Other related party
Ever Accord Construction Corporation (EAC)	Other related party
Evergreen Aviation Technologies Corporation (EGAT)	Other related party
Evergreen Sky Catering Corporation (EGSC)	Other related party
Evergreen Air Cargo Services Corporation (EGAC)	Other related party
Evergreen Aviation Precision Corporation (EGAP)	Other related party (merged into Evergreen Aviation Technologies Corporation on February 28, 2019)
Central Reinsurance Corporation (CRC)	Other related party
Evergreen International S.A. (EIS)	Other related party
Evergreen Marine (Singapore) Pte. Ltd. (EMS)	Other related party
Gaining Enterprise S.A. (GESA)	Other related party
Evergreen Insurance Company Ltd. (EINS)	Other related party
Evergreen Shipping Agency (America) Corporation (EGA)	Other related party
Evergreen Shipping Agency (Japan) Corporation (EGJ)	Other related party
Evergreen Shipping Agency Philippines Corporation (EGP)	Other related party (An Indirect subsidiary since July 1, 2020)
Evergreen International Myanmar Co., Ltd. (EIM)	Other related party
Chestnut Estate B.V. (Chestnut)	Other related party
Advanced Business Process, Inc.(ABPI)	Other related party
Unigreen Marine S.A.(UMS)	Other related party
Evergreen Logistics Philippines Corp. (ELCP)	Other related party
Round the World S.A.(RTW)	Other related party
Evergreen Logistics Co., Ltd.(ELCSH)	Other related party
Evergreen Logistics (HK) Ltd.(ELCHK)	Other related party
Directors, president and vice president	Key management
Note: For information on the subsidiaries, please refer to Note 4(3) of the consolidated financial statements as of December 31, 2020.	

(2) Significant related party transactions and balances

A. Sales of services:

	Year ended December 31, 2020	Year ended December 31, 2019
Sales of services:		
Subsidiaries	\$ 4,440,291	\$ 3,760,679
Associates	483,285	444,876
Other related parties	1,787,942	2,186,282
	<u>\$ 6,711,518</u>	<u>\$ 6,391,837</u>

The business terms on which the company transacts with related parties are of no difference from those with non-related parties.

B. Purchases of services:

	Year ended December 31, 2020	Year ended December 31, 2019
Purchases of services:		
Subsidiaries	\$ 6,457,860	\$ 5,691,253
Associates	1,010,699	943,669
Other related parties	2,189,512	2,500,202
	<u>\$ 9,658,071</u>	<u>\$ 9,135,124</u>

Services are purchased from subsidiaries, associates and other related parties under general conditions.

C. Receivables from related parties:

	December 31, 2020	December 31, 2019
Accounts receivable:		
Subsidiaries	\$ 30,555	\$ 25,959
Associates	24,107	66,164
Other related parties	14,386	20,027
	<u>\$ 69,048</u>	<u>\$ 112,150</u>

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Other receivables:		
Subsidiaries		
— GMS	\$ 29,061	\$ -
— EIL	19,065	-
— EGH	18,185	-
— Others	512	933
Associates	2,825	857
Other related parties		
— EIC	10,990	3,132
— Others	57	238
	<u>\$ 80,695</u>	<u>\$ 5,160</u>

The receivables from related parties arise mainly from sale transactions. The receivables are unsecured in nature and bear no interest. There are no provisions against receivables from related parties.

D. Payables to related parties:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Accounts payable:		
Subsidiaries	\$ 286,996	\$ 201,959
Associates	19,343	32,166
Other related parties	4,449	49,074
	<u>\$ 310,788</u>	<u>\$ 283,199</u>

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Other payables:		
Subsidiaries	\$ 4	\$ -
Associates	3,519	6,363
Other related parties	7,483	2,747
	<u>\$ 11,006</u>	<u>\$ 9,110</u>

The payables to related parties arise mainly from purchase transactions. The payables bear no interest.

E. Agency accounts:

(a) Debit balance of agency accounts

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Subsidiaries		
— EEU	\$ 27,744	\$ 131,820
— EGI	34,046	7,310
— Others	34,888	53,879
Associates	-	50
Other related parties		
— EIC	525,073	219,154
— EGA	524,977	-
— Others	-	905
	<u>\$ 1,146,728</u>	<u>\$ 413,118</u>

(b) Credit balance of agency accounts

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Subsidiaries		
— EGV	\$ 29,569	\$ 68,694
— Others	33,730	12,434
Associates		
— EMI	5,250	118,424
— Others	12,733	2,901
Other related parties		
— EGJ	248,451	233,639
— EGA	-	75,997
— Others	-	3,547
	<u>\$ 329,733</u>	<u>\$ 515,636</u>

F. Shipowner's accounts:

(a) Debit balance of shipowner's accounts

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Subsidiaries		
— EMU	\$ 73,603	\$ 770,731
Associates		
— ITS	893,161	-
Other related parties		
— EIS	122,329	49,973
— GESA	14,756	28,956
	<u>\$ 1,103,849</u>	<u>\$ 849,660</u>

(b) Credit balance of shipowner's accounts

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Subsidiaries		
— GMS	\$ 74,292	\$ 409,522
— EGH	214,357	318,823
Associates		
— ITS	-	133,319
Other related parties		
— EMS	1,493,995	214,242
	<u>\$ 1,782,644</u>	<u>\$ 1,075,906</u>

G. Property transactions:

(a) Acquisition of property, plant and equipment:

	<u>Year ended December 31, 2020</u>	<u>Year ended December 31, 2019</u>
Associates	\$ 8,570	\$ 4,446
Other related parties	74,787	172
	<u>\$ 83,357</u>	<u>\$ 4,618</u>

(b) Disposal of property, plant and equipment:

	<u>Year ended December 31, 2020</u>		<u>Year ended December 31, 2019</u>	
	<u>Disposal proceeds</u>	<u>Gain on disposal</u>	<u>Disposal proceeds</u>	<u>Gain on disposal</u>
Other related parties	\$ -	\$ -	\$ 149	\$ 14

H. Lease transactions — lessee

(a) The Company leases buildings and ships from associates and other related parties. Rental contracts are typically made for periods of 2.7 to 3 years. Rents are paid in accordance with the contract terms.

(b) Acquisition of right-of-use assets:

The Company leases buildings and ships from associates and other related parties under IFRS 16 'Leases'. Accordingly, on January 1, 2019, the Company increased 'right-of-use asset' by \$1,443,795.

(c) Lease liabilities

i Outstanding balance:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Associates	\$ 28,583	\$ -
Other related parties	204,123	89,109
	<u>\$ 232,706</u>	<u>\$ 89,109</u>

ii Interest expense

	Year ended December 31, 2020	Year ended December 31, 2019
Associates	\$ 2,332	\$ -
Other related parties	15,167	1,374
	<u>\$ 17,499</u>	<u>\$ 1,374</u>

(d) Lease liabilities designated as hedges:

	December 31, 2020	December 31, 2019
Associates	\$ -	\$ 94,050
Other related parties	-	610,456
	<u>\$ -</u>	<u>\$ 704,506</u>

I. Endorsements and guarantees provided to related parties:

	December 31, 2020	December 31, 2019
Subsidiaries	\$ 128,326,235	\$ 120,843,257
Associates	1,585,738	3,182,578
	<u>\$ 129,911,973</u>	<u>\$ 124,025,835</u>

J. The Board of Directors of the Company during its meeting on December 21, 2018 adopted a resolution to participate in the capital increase raised by EVA Airways Corporation amounting to 39,150 thousand shares, subscription price of \$13 (in dollars) per share, whose total price of \$508,944. In addition, the effective date was set on January 24, 2019. Moreover, the Company purchased 70 thousand shares by specific person, the purchasing proceeds amounted to \$700.

K. To cooperate with the adjustment of the Group's organisational structure and the consideration of tax, on December 24, 2019, the Board of Directors of the Company resolved to sold 17.5% shares of the investee, ELA, which is accounted for using equity method, to the subsidiary, EGH, on March 1, 2020. The transaction price was USD1.0859 per share and the total transaction amount was USD144.

L. To simplify investment structure, on November 11, 2019, the Board of Directors of the Company resolved to acquire 35,421 thousand shares of the investee, Taipei Port, the investment accounted for using equity method, held by the sub-subsidiary, Armand B.V. The transaction amount per share is approximately \$9.941 (in dollars) and the expected transaction amount is \$352,123.

(3) Key management compensation

	Year ended December 31, 2020	Year ended December 31, 2019
Salaries and other short-term employee benefits	\$ 73,623	\$ 37,112
Post-employment benefits	2,170	2,141
	<u>\$ 75,793</u>	<u>\$ 39,253</u>

8. PLEDGED ASSETS

The Company's assets pledged as collateral are as follows:

Pledged assets	Book value		Purpose
	December 31, 2020	December 31, 2019	
Financial assets at amortised cost			
- Restricted reserve account	\$ 2	\$ 1	
- Pledged time deposits	189,651	186,940	Guarantee
Property, plant and equipment			
-Land	514,312	514,312	Long-term loan
-Buildings	166,275	173,638	"
-Ships	28,672,456	27,438,884	"
-Loading and unloading equipment	966,163	1,030,546	"
Investment property			
-Land	1,285,781	1,285,781	Long-term loan
-Buildings	415,688	434,095	"
	<u>\$ 32,210,328</u>	<u>\$ 31,064,197</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

- A. As of December 31, 2019, the Company had delegated DBS Bank to issue Standby Letter of Credit all amounting to USD 5,000.
- B. As of December 31, 2020 and 2019, the long-term and medium-term loan facilities granted by the financial institutions with the resolution from the Board of Directors to finance the Company's purchase of new ships and general working capital requirement amounted to \$38,053,743 and \$38,917,899, respectively, and the unutilized credits was \$7,105,334 and \$500,408, respectively.
- C. As of December 31, 2020 and 2019, the amount of guaranteed notes issued by the Company for loans borrowed was \$92,037,348 and \$72,607,919, respectively.
- D. To meet operational needs, the Company signed the shipbuilding contracts with Samsung Heavy Industries and Hyundai Mipo Dockyard Co., Ltd. As of December 31, 2020, the total price of the contracts, wherein the vessels have not yet been delivered, amounted to USD 408,800, USD 327,040 of which remain unpaid.
- E. In response to international regulations on sulfur content in shipping fuel, the Company entered into sulfur emission abatement equipment purchase contracts with Wartsila Finland Oy. As of December 31, 2020, the total price of the contract amount is USD 13,625, of which USD 7,000 remain unpaid. Moreover, the Company signed installation contracts with Huarun Dadong Dockyard Co., Ltd. and COSCO Shipping Heavy Industry (Zhoushan) Co., Ltd.. As of December 31, 2020, the total price of the contracts amounted to USD 21,460, of which USD 17,720 remain

unpaid.

F. To meet its operational needs, the Company signed the transportation equipment purchase contracts.

As of December 31, 2020, the total price of the contracts, wherein the equipment have not yet been delivered, amounted to USD 54,540, of which USD 54,540 remain unpaid.

G. To meet its operational needs, the Company signed the loading and unloading equipment purchase contracts. As of December 31, 2020, the total price of the contracts, wherein the equipment have not yet been delivered, amounted to USD 236,105, of which USD 236,105 remain unpaid.

H. For the Company's lease contracts which were entered into but not yet completed construction, as of December 31, 2020, the expected minimum lease payment in the future was \$14,495,000.

I. As of December 31, 2020, the Company had entered into a service contract which was not belonging to lease component. The amount of future commitment payment is provided in Note 6(9).

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

A. For details of appropriation of earnings as proposed by the Board of Directors on March 22, 2021, please refer to Note 6(20).

B. In order to strengthen the Company's operational competitiveness, the Company planned to establish a wholly-owned subsidiary, Evergreen Marine (Asia) Pte. Ltd., in Singapore with an investment amount of USD 50,000 as resolved by the Board of Directors on March 22, 2021.

C. In order to obtain funds for mid-to-long-term operation and improve the financial structure, the Company issued \$5,000,000, 0% fourth domestic unsecured convertible bonds at face value of \$100 or its integral multiple per share as resolved by the Board of Directors on March 22, 2021. The bonds mature 5 years from the issue date. The issuance price was based on 100%-101% of the bonds' face value.

12. OTHERS

(1) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders and issue new shares to maintain an optimal capital.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2020	December 31, 2019
<u>Financial assets</u>		
Financial assets measured at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 4,289	\$ -
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	\$ 1,312,358	\$ 1,156,298
Financial assets at amortised cost		
Cash and cash equivalents	\$ 20,562,990	\$ 18,767,848
Financial assets at amortised cost	4,460,861	1,688,797
Notes receivables	29	166
Accounts receivable	3,344,778	2,989,434
Other accounts receivable	109,158	74,262
Guarantee deposits paid	17,700	18,091
	<u>\$ 28,495,516</u>	<u>\$ 23,538,598</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Accounts payable	\$ 5,240,713	\$ 3,653,222
Other accounts payable	1,325,992	1,216,513
Bonds payable (including current portion)	16,779,043	10,000,000
Lease liabilities (including current portion)	7,541,664	2,039,988
Long-term borrowings (including current portion)	30,933,503	38,403,804
Guarantee deposits received	12,250	12,190
	<u>\$ 61,833,165</u>	<u>\$ 55,325,717</u>
Financial liabilities for hedging (including current portion)	<u>\$ 10,870,375</u>	<u>\$ 20,188,942</u>

B. Financial risk management policies

- (a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial position and financial performance.
- (b) Risk management is carried out by the Company's Finance Department under policies approved by the Board of Directors. The Company's Finance Department identifies, evaluates and hedges financial risks in close co-operation with the Company's Operating Department. The Board of Directors provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investment in foreign operations.
- ii. The Company's management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The group companies are required to hedge their entire foreign exchange risk exposure with the Company's Finance Department. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Company use forward foreign exchange contracts, transacted with Company's Finance Department. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a foreign currency that is not the entity's functional currency.
- iii. The Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2020		
	Foreign currency amount (In Thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,081,534	28.0960	\$ 30,386,779
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,336,423	28.0960	\$ 37,548,141

December 31, 2019			
	Foreign currency amount (In Thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 755,004	30.0130	\$ 22,659,935
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,328,940	30.0130	\$ 41,506,178
iv. The total net exchange gain, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2020 and 2019 amounted to \$503,637 and \$125,466, respectively.			
v. Analysis of foreign currency market risk arising from significant foreign exchange variation:			
Year ended December 31, 2020			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 303,868	\$ -
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 266,777	\$ 108,704
Year ended December 31, 2019			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 226,599	\$ -
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 213,173	\$ 201,889

Price risk

- i. The Company is exposed to equity securities price risk because of investments held by the Company and classified on the balance sheet at fair value through other comprehensive income. The Company is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.
- ii. The Company's investments in equity securities comprise domestic listed and unlisted stocks. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, equity would have increased/decreased by \$13,020 and \$11,495 for the years ended December 31, 2020 and 2019, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Company's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. During the years ended December 31, 2020 and 2019, the Company's borrowings at variable rate were denominated in the NTD and USD.
- ii. At December 31, 2020 and 2019, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the years ended December 31, 2020 and 2019 would have been \$247,587 and \$307,340 lower/higher, respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- ii. The Company manages their credit risk taking into consideration the entire group's concern. According to the Company's credit policy, each local entity in the Company is responsible for managing and analysing the credit risk for each of their clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.
- iii. For banks and financial institutions, only independently rated parties with good credit rating are accepted.
- iv. The Company adopts following assumptions under IFRS 9 to assess whether there has been

a significant increase in credit risk on that instrument since initial recognition:

If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

- v. The default occurs when the contract payments are past due over 30 days.
- vi. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- vii. The Company classifies customer's accounts receivable and contract assets in accordance with geographic area. The Company applies the modified approach based on the loss rate methodology to estimate expected credit loss.
- viii. The Company wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Company will continue executing the recourse procedures to secure their rights. As of December 31, 2020 and 2019, the Company has no written-off financial assets that are still under recourse procedures.
- ix. The Company used the forecastability to adjust historical and timely information to assess the default possibility of notes receivable, accounts receivable (including related parties), contract assets and overdue receivables. On December 31, 2020 and 2019, the loss rate methodology is as follows:

Accounts receivable (including related parties)			
	Total book value	Expected loss rate	Loss allowance
<u>At December 31, 2020</u>			
Not past due	\$ 2,754,129	0.0016%	\$ 44
Up to 30 days	590,199	0.0116%	69
31 to 180 days	563	0.0166%~0.0266%	-
	<u>\$ 3,344,891</u>		<u>\$ 113</u>
Contract assets			
	Total book value	Expected loss rate	Loss allowance
<u>At December 31, 2020</u>			
Not past due	\$ 802,477	0.0016%	\$ 13
	<u>\$ 802,477</u>		<u>\$ 13</u>

	Accounts receivable (including related parties)		
	Total book value	Expected loss rate	Loss allowance
<u>At December 31, 2019</u>			
Not past due	\$ 2,668,512	0.03%	\$ 793
Up to 30 days	321,811	0.03%	96
	<u>\$ 2,990,323</u>		<u>\$ 889</u>
	Contract assets		
	Total book value	Expected loss rate	Loss allowance
<u>At December 31, 2019</u>			
Not past due	\$ 372,603	0.03%	\$ 112
	<u>\$ 372,603</u>		<u>\$ 112</u>
	Overdue receivable		
	Total book value	Expected loss rate	Loss allowance
<u>At December 31, 2019</u>			
Over 180 days	\$ 69,130	100%	\$ 69,130
	<u>\$ 69,130</u>		<u>\$ 69,130</u>

- x. Movements in relation to the Company applying the modified approach to provide loss allowance for accounts receivable (including related parties), contract assets and overdue receivables are as follows:

	2020		
	Accounts receivable	Contract assets	Overdue receivables
At January 1	(\$ 889)	(\$ 112)	(\$ 69,130)
Reversal of impairment loss	776	99	-
Write-offs	-	-	69,130
At December 31	<u>(\$ 113)</u>	<u>(\$ 13)</u>	<u>\$ -</u>
	2019		
	Accounts receivable	Contract assets	Overdue receivables
At January 1	(\$ 65,249)	(\$ 205)	\$ -
Reclassification	64,247	-	(64,247)
Provision for impairment	(2)	-	-
Reversal of impairment loss	115	93	-
Effect of foreign exchange	-	-	(4,883)
At December 31	<u>(\$ 889)</u>	<u>(\$ 112)</u>	<u>(\$ 69,130)</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company's Finance Department. Company's Finance Department monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet

operational needs.

- ii. The table below analyses the Company's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities.

Non-derivative financial liabilities:

December 31, 2020	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Accounts payable	\$4,799,339	\$ 130,586	\$ -	\$ -	\$ -	\$4,929,925
Accounts payable - related parties	310,788	-	-	-	-	310,788
Other payables	1,244,158	70,828	-	-	-	1,314,986
Other payables - related parties	11,006	-	-	-	-	11,006
Bonds payable	-	4,101,200	4,059,200	9,166,381	-	17,326,781
Long-term loans (including current portion)	742,167	5,166,624	8,648,966	15,208,352	2,038,845	31,804,954
Lease payable and financial liabilities for hedging(including current portion)	737,223	2,149,356	2,447,025	5,923,518	10,333,599	21,590,721

Non-derivative financial liabilities:

December 31, 2019	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Accounts payable	\$3,370,023	\$ -	\$ -	\$ -	\$ -	\$3,370,023
Accounts payable - related parties	283,199	-	-	-	-	283,199
Other payables	1,136,288	71,115	-	-	-	1,207,403
Other payables - related parties	9,110	-	-	-	-	9,110
Bonds payable	-	101,200	4,101,200	6,076,400	-	10,278,800
Long-term loans (including current portion)	680,330	8,432,493	7,590,577	19,568,290	3,700,411	39,972,101
Lease payable and financial liabilities for hedging(including current portion)	794,937	2,420,080	3,069,933	6,738,665	13,374,787	26,398,402

- iii. The Company does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value estimation

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investment in listed stocks, beneficiary certificates and derivative instruments with quoted market prices is included in Level.

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

Level 3: Unobservable inputs for the asset or liability.

B. Fair value information of investment property at cost is provided in Note 6(10).

C. Financial instruments not measured at fair value

(a) Except for those listed in the table below, the carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, financial assets measured at amortised cost, accounts payable and other payables are approximate to their fair values.

December 31, 2020			
	Book value	Fair value Level 2	Fair value Level 3
Financial liabilities:			
Bonds payable (including current portion)	\$ 16,779,043	\$ 6,779,043	\$ 10,155,165
Long-term loans (including current portion)	30,933,503	-	31,804,954
	<u>\$ 47,712,546</u>	<u>\$ 6,779,043</u>	<u>\$ 41,960,119</u>
December 31, 2019			
	Book value	Fair value Level 2	Fair value Level 3
Financial liabilities:			
Bonds payable	\$ 10,000,000	\$ -	\$ 10,154,063
Long-term loans (including current portion)	38,403,804	-	39,972,101
	<u>\$ 48,403,804</u>	<u>\$ -</u>	<u>\$ 50,126,164</u>

D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

(a) The related information of natures of the assets and liabilities is as follows:

December 31, 2020	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss	\$ -	\$ 4,289	\$ -	\$ 4,289
Derivatives instrument				
Financial assets at fair value through other comprehensive income				
Equity securities	<u>1,131,969</u>	<u>-</u>	<u>180,389</u>	<u>1,312,358</u>
	<u>\$ 1,131,969</u>	<u>\$ 4,289</u>	<u>\$ 180,389</u>	<u>\$ 1,316,647</u>
December 31, 2020	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	<u>\$ 989,850</u>	<u>\$ -</u>	<u>\$ 166,448</u>	<u>\$ 1,156,298</u>

(b) The methods and assumptions the Company used to measure fair value are as follows:

- i. The instruments the Company used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

- | | |
|---------------------|----------------------|
| | <u>Listed shares</u> |
| Market quoted price | Closing price |
- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the parent company only balance sheet date (i.e. yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters).
 - iii. When assessing non-standard and low-complexity financial instruments, the Company adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
 - iv. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models.

Forward exchange contracts are usually valued based on the current forward exchange rate. Structured interest derivative instruments are measured by using appropriate option pricing models (i.e. Black-Scholes model) or other valuation methods, such as Monte Carlo simulation.

- v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Company's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the parent company only balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
- vi. The Company takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Company's credit quality.

E. For the years ended December 31, 2020 and 2019, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the years ended December 31, 2020 and 2019:

	2020	2019
At January 1	\$ 166,448	\$ 171,359
Acquired in the period	-	-
Decreased in the period	-	-
Gains and losses recognised in other comprehensive income (Note)	13,941	(4,911)
At December 31	<u>\$ 180,389</u>	<u>\$ 166,448</u>

Note: Recorded as unrealised valuation gain or loss on valuation of investments in equity instruments measured at fair value through other comprehensive income.

G. For the years ended December 31, 2020 and 2019, there was no transfer into or out from Level 3.

H. The Company is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

I. The following is the qualitative information of significant unobservable inputs and sensitivity

analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 173,617	Market comparable companies	Price to earnings ratio multiple	38.99~51.52	The higher the multiple and control premium, the higher the fair value
			Price to book ratio multiple	1.01~2.55	The higher the multiple and control premium, the higher the fair value
			Discount for lack of marketability	20%~30%	The higher the weighted average cost of capital and discount for lack of control, the lower the fair value
Venture capital shares Private equity fund investment	6,772	Net asset value	Not applicable		Not applicable
	Fair value at December 31, 2019	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 159,676	Market comparable companies	Price to earnings ratio multiple	25.39~46.24	The higher the multiple and control premium, the higher the fair value
			Price to book ratio multiple	1.02~3.06	The higher the multiple and control premium, the higher the fair value
			Discount for lack of marketability	20%~30%	The higher the weighted average cost of capital and discount for lack of control, the lower the fair value
Venture capital shares Private equity fund investment	6,772	Net asset value	Not applicable		Not applicable

J. The Company has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets categorised within Level 3 if the inputs used to valuation models have changed:

			December 31, 2020			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to earnings ratio/ price to book ratio/ discount for lack of marketability	±1%	\$ -	\$ -	\$ 1,736	\$ 1,736

			December 31, 2019			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to earnings ratio/ price to book ratio/ discount for lack of marketability	±1%	\$ -	\$ -	\$ 1,597	\$ 1,597

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 4.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 6.

(2) Information on investees (not including investees in Mainland China)

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 7.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 8.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

14. SEGMENT INFORMATION

None.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Item	Description	Amount	
		Subtotal	Total
Cash			\$ 10,952
	Cash on hand	\$ 85	
	Petty cash		
	TWD	1,330	
	USD 339	9,713	
	Add : Unrealised gains or losses	(176)	
Cash in banks			
Checking accounts			280,415
NTD demand deposits			1,527,146
Foreign demand deposits			2,024,600
	EUR 1,199	41,343	
	GBP 74	2,874	
	HKD 9	33	
	INR 57	22	
	JPY 31,452	8,537	
	SGD 8	164	
	USD 70,170	2,009,384	
	VND 12,490	15	
	Add : Unrealised gains or losses	(37,772)	
NTD time deposits	Interest rate:0.27%~0.43%		10,102,000
Foreign time deposits	Interest rate:0.23%~0.40%		6,617,877
	USD 235,545	6,930,290	
	Add : Unrealised gains or losses	(312,413)	
			<u>\$ 20,562,990</u>

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.

STATEMENT OF ACCOUNTS RECEIVABLE

DECEMBER 31, 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

<u>Client Name</u>	<u>Description</u>	<u>Amount</u>	<u>Footnote</u>
Non-related parties			
	Cosco Container Lines Co.,Ltd.	\$ 427,057	1) Foreign freight are translated into the functional currency at the dates of the transactions and retranslated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon retranslation at the balance sheet date are recognised in profit or loss.
	CMA CGM S.A.	455,130	
	Orient Overseas Containers Line Limited	192,534	
	Others	2,214,362	
	Less : Unrealised gains or losses	(13,240)	
	Less : Allowance for bad debts	(113)	
		<u>3,275,730</u>	
Related parties			
	Evergreen Marine (Hong Kong) Ltd.	26,277	2) The amount of individual client included in others does not exceed 5% of the account balance
	Evergreen International Storage and Transport Corporation	21,240	
	Others	21,531	
		<u>69,048</u>	
		<u>\$ 3,344,778</u>	

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.

STATEMENT OF OTHER RECEIVABLES

DECEMBER 31, 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Item	Description	Amount	Footnote
Non-related parties			
Accrued interest	Interest income	\$ 13,552	
Tax refund receivable		13,927	
CMA CGM S.A.		150	
Taiwan Power Company		425	The amount of individual client included in others does not exceed 5% of the account balance.
Others		409	
		<u>28,463</u>	
Related parties			
Evergreen Shipping Agency (Israel) Ltd.		19,065	
Evergreen International Corporation		10,990	
Evergreen Marine (Hong Kong) Ltd.		18,185	
Greencompass Marine S.A.		29,062	The amount of individual client included in others does not exceed 5% of the account balance.
Others		3,393	
		<u>80,695</u>	
		\$ 109,158	

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.

STATEMENT OF SHIP FUEL

DECEMBER 31, 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

<u>Item</u>	<u>Description</u>	<u>Cost</u> <u>(in thousands)</u>	<u>Net Realisable</u> <u>Value</u>	<u>Footnote</u>
Fuel	LOGC	USD 1,883	\$ 52,898	1)Fuel inventories of each ship are recorded at cost and retranslated at the exchange rates prevailing at the balance sheet date.
	LIVN	USD 1,697	47,687	
	LUNR	USD 1,270	35,673	
	LUCD	USD 1,207	33,919	
	GREE	USD 1,122	31,522	2)The amount of individual client included in others does not exceed 5% of the account balance
	TPET	USD 940	26,417	
	Others	USD 10,507	295,210	
		<u>USD 18,626</u>	<u>\$ 523,326</u>	

(blank part below)

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.

STATEMENT OF OTHER CURRENT ASSETS

DECEMBER 31, 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Footnote</u>
Agency accounts			1) Agency accounts are translated into the functional currency at the dates of the transactions and retranslated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon retranslation at the balance sheet date are recognised in
	Evergreen Shipping Agency (America) Corporation	\$ 524,978	
	Arabian Gulf Marine Trading Co.	138,923	
	Evergreen International Corporation	525,073	
	Others	<u>188,562</u>	2) The amount of individual client included in others does not exceed 5% of the account balance
		<u>1,377,536</u>	
Shipowner's accounts			
	Italia Marittima S.p.A.	\$ 893,161	
	Evergreen International S.A.	122,329	
	Evergreen Marine (UK) Limited	73,603	
	Gaining Enterprise S.A.	<u>14,756</u>	
		<u>1,103,849</u>	
Others	Temporary payments for others	<u>529,849</u>	
		<u>\$ 3,011,234</u>	

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
STATEMENT OF CHANGES IN INVESTMENT ACCOUNTED FOR USING EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2020
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Investees	Balance at January 1, 2020		Additions in Investment		Decrease in Investment		Balance at December 31, 2020			Market Value or Net Assets Value		Collateral	Footnote
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Ownership	Amount	Price (NTD)	Total Amount		
Peony Investment S.A.	4,765	\$ 26,367,069	-	\$ 12,753,997	-	\$ -	4,765	100.00	\$ 39,121,066	\$ -	\$39,346,113	No	
Everport Terminal Services Inc.	1	1,703,680	-	435,986	-	-	1	94.43	2,139,666	-	2,139,666	"	
Taiwan Terminal Services Co., Ltd.	5,500	54,526	-	12,244	-	-	5,500	55.00	66,770	-	66,770	"	
Charng Yang Development Co.,Ltd	58,542	553,210	-	68,199	-	63,860	58,542	40.00	557,549	-	557,549	"	
Evergreen International Storage and Transport Corporation	430,692	9,098,692	-	403,006	-	129,208	430,692	40.36	9,372,490	20.25	8,721,517	"	
Evergreen Security Corporation	6,336	113,705	-	13,224	-	12,672	6,336	31.25	114,257	-	114,527	"	
EVA Airways Corporation	776,541	11,399,909	-	121,370	-	194,135	776,541	16.00	11,327,144	13.15	10,211,516	"	
Taipei Port Container Terminal Corporation	109,378	1,083,116	35,421	440,434	-	-	144,799	27.85	1,523,550	-	1,522,001	"	
Ever Ecove Corporation	-	-	30,500	305,965	-	-	30,500	19.06	305,965		297,295		
Evergreen Marine (Latin America) S.A.	105	3,383	-	74	-	3,457	-	0.00	-	-	-	"	
VIP Greenport Joint Stock Company	13,750	277,274	-	18,583	-	17,875	13,750	21.74	277,982	-	274,548	"	
Evergreen Marine (Hong Kong) Ltd.	6,320	7,212,594	-	4,776,804	-	-	6,320	79.00	11,989,398	-	11,989,398	"	
Evergreen Shipping Agency (Israel) Ltd.	1,062	21,213	-	20,957	-	19,012	1,062	59.00	23,158	-	23,158	"	
		<u>\$ 57,888,371</u>		<u>\$ 19,370,843</u>		<u>\$ 440,219</u>			<u>\$ 76,818,995</u>				

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
STATEMENT OF CHANGES IN SHIPS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Item	Balance at January 1, 2020	Increased in this period	Transferred in this period	Decreased in this period	Balance at December 31, 2020	Footnote
Ships:						
LOYL	\$ 3,462,569	\$ -	\$ -	\$ -	3,462,569	
LUCD	3,179,120	-	-	-	3,179,120	
LOGC	3,163,557	-	-	-	3,163,557	
LIVN	3,234,121	-	-	-	3,234,121	
LBRA	3,205,662	-	-	-	3,205,662	
LUNR	3,320,267	13,497	-	-	3,333,764	
LRIC	3,305,907	22,936	236,470	-	3,565,313	
PRMT	573,133	146	-	-	573,279	
PRBT	525,013	146	-	-	525,159	
PRSP	503,766	-	-	-	503,766	
BLMY	1,274,764	-	438	-	1,275,202	
BLOM	1,259,843	-	-	-	1,259,843	
BEMY	1,258,621	-	1,937	-	1,260,558	
BASS	1,255,555	-	138	-	1,255,693	
BEFT	1,252,474	-	5,526	-	1,258,000	
BORD	1,238,488	-	46,367	-	1,284,855	
BEDY	1,246,542	-	-	-	1,246,542	
BENG	1,275,326	-	5,852	-	1,281,178	
BLES	1,292,586	-	-	-	1,292,586	
BLNK	1,304,510	-	-	-	1,304,510	
	<u>\$ 37,131,824</u>	<u>\$ 36,725</u>	<u>\$ 296,728</u>	<u>\$ -</u>	<u>\$ 37,465,277</u>	

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
STATEMENT OF CHANGES IN SHIPS (Cont.)
FOR THE YEAR ENDED DECEMBER 31, 2020
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Item	Balance at January 1, 2020	Increased in this period	Decreased in this period	Balance at December 31, 2020	Footnote
Accumulated depreciation					
LOYL	\$ 710,409	\$ 149,731	\$ -	\$ 860,140	
LUCD	715,644	125,632	-	841,276	
LOGC	810,345	121,274	-	931,619	
LIVN	826,939	123,409	-	950,348	
LBRA	886,576	121,048	-	1,007,624	
LUNR	622,171	128,092	-	750,263	
LRIC	587,248	135,315	-	722,563	
PRMT	540,230	18,958	-	559,188	
PRBT	477,569	25,638	-	503,207	
PRSP	450,185	28,083	-	478,268	
BLMY	101,051	51,896	-	152,947	
BLOM	66,687	50,290	-	116,977	
BEMY	73,722	51,159	-	124,881	
BASS	84,817	50,959	-	135,776	
BEFT	67,881	50,849	-	118,730	
BORD	44,272	51,783	-	96,055	
BEDY	76,965	50,747	-	127,712	
BENG	55,572	51,763	-	107,335	
BLES	26,901	52,152	-	79,053	
BLNK	14,742	52,574	-	67,316	
	<u>\$ 7,239,926</u>	<u>\$ 1,491,352</u>	<u>\$ -</u>	<u>\$ 8,731,278</u>	
Net Amount	<u>\$ 29,891,898</u>			<u>\$ 28,733,999</u>	

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.

STATEMENT OF ACCOUNTS PAYABLE

DECEMBER 31, 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Client name	Description	Amount	Footnote
Non-related parties			
CMA CGM S.A.		\$ 394,587	The amount of individual client included in others does not exceed 5% of the account balance.
COSCO Shipping Lines Co., Ltd.		361,570	
Estimated expense payable		3,518,523	
Others		378,420	
Add: Unrealised gains or losses		<u>276,825</u>	
		<u>4,929,925</u>	
Related parties			
Taiwan Terminal Services Co., Ltd.		129,051	The amount of individual client included in others does not exceed 5% of the account balance.
Evergreen International Corporation		17,420	
Everport Terminal Services Inc.		156,956	
Others		<u>7,361</u>	
		<u>310,788</u>	
		<u>\$ 5,240,713</u>	

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.

STATEMENT OF OTHER PAYABLES

DECEMBER 31, 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Footnote</u>
Non-related parties			
Other payables		\$ 858,560	
Accrued expenses		358,488	
Interest payable		83,683	
Payable on equipment		14,255	
		<u>\$ 1,314,986</u>	
Related parties			
Evergreen International Corporation		4,655	
Evergreen Security Corporation		1,864	
Evergreen International Storage and Transport Corp		1,645	
Ever Accord Construction Corporation		988	
Evergreen Steel Corp.		683	The amount of individual client included in others does not exceed 5% of the account balance.
Others		1,171	
		<u>11,006</u>	
		<u>\$ 1,325,992</u>	

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EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
STATEMENT OF OTHER CURRENT LIABILITIES
DECEMBER 31, 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Item	Description	Amount	Footnote
Agency accounts			1) Agency accounts are translated into the functional currency at the dates of the transactions and retranslated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon retranslation at the balance sheet date are recognised in profit or loss.
	Evergreen Shipping Agency (Japan) Corporation	\$ 248,451	
	Evergreen Shipping Agency (Vietnam) Corporation	29,569	
	Others	189,717	2) The amount of individual client included in others does not exceed 5% of the account balance
		<u>467,737</u>	
Shipowner's accounts			
	Evergreen Marine (Singapore) Pte Ltd.	1,493,995	
	Evergreen Marine (Hong Kong) Ltd.	214,357	
	Greencompass Marine S.A.	74,292	
		<u>1,782,644</u>	
Unearned Receipts	Base station revenue	37	
Receipts under custody	Withholding tax	59,312	
Bonds payable - current portion		4,000,000	
Long-term liabilities - current portion		5,587,280	
		<u>\$ 11,897,010</u>	

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.

STATEMENT OF CORPORATE BONDS PAYABLE

DECEMBER 31, 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Bonds Name	Trustee	Issuance Date	Interest Payment Date	Rate (%)	Amount		Balance at December 31, 2020	Unamortised Premiums (Discounts)	Book Value	Repayment	Collateral	Footnote
					Total Amount	Repayment paid						
Thirteenth domestic secured corporate bonds	Bank of Taiwan	106.04.25	111.04.25	1.05	\$ 8,000,000	\$ -	\$ 8,000,000	\$ -	\$ 8,000,000	Note 1	Yes	Note 2
Fourteenth domestic secured corporate bonds	Bank of Taiwan	107.06.27	112.06.27	0.86	2,000,000	-	2,000,000	-	2,000,000	Note 3	"	Note 4
First unsecured overseas convertible bonds		109.09.29	-	-	8,697,300	(1,548,119)	7,149,181	(370,138)	6,779,043	Note 5	None	
Less: current portion									(4,000,000)			
Non-current portion									<u>\$ 12,779,043</u>			

Note 1 : Half the principal of the Bond must be paid at the end of the fourth year, and another half at the maturity date.

Please refer to Note 6(14) for details of principal repayment and interest payment.

Note 2 : The Bonds are secured and are guaranteed by Hua Nan Bank, First Bank, Mega International Commercial Bank, Land Bank of Taiwan, Chang Hwa Bank, Taiwan Cooperative Bank and Bank Sinopac Co.Ltd..

Note 3 : Except for conversion, proceeds and redemption, the principal of the Bonds shall be repaid in lump sum at maturity.

Please refer to Note 6(14) for details of principal repayment and interest payment.

Note 4 : The Bonds are secured and are guaranteed by First Commercial Bank.

Note 5 : The Bonds are first unsecured overseas convertible bonds. Please refer to Note 6(14) for details of principal repayment and interest payment.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
STATEMENT OF LONG-TERM LOANS
DECEMBER 31, 2020
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Creditor	Description	Amount	Term of Contract	Rate(%)	Collateral	Footnote
Long-term bank loans:						
Bank of Taiwan	Secured bank loans	\$ 573,594	102.11.19~111.11.19		Loading and unloading equipment	
Hua Nan Commercial Bank	"	1,501,059	101.01.04~115.03.20		Ships	Including USD loans
Hua Nan Commercial Bank	"	600,127	107.08.31~114.06.28		"	
Hua Nan Commercial Bank	"	715,306	109.05.18~118.05.30		"	
First Commercial Bank	"	1,194,729	102.04.22~114.04.22		"	Including USD loans
Bank of Taiwan	"	914,192	108.12.28~116.03.28		"	
Bank of Taiwan	"	1,582,344	103.01.15~112.10.14		"	
Bank of Taiwan	"	1,686,497	104.01.09~112.10.14		"	
Bank of Taiwan	"	1,649,582	104.04.15~112.10.14		"	
Land Bank of Taiwan	"	821,183	108.10.23~115.09.23		"	
Chang Hwa Commercial Bank	"	668,431	107.08.31~114.03.31		"	
Chang Hwa Commercial Bank	"	676,788	107.11.30~114.09.28		"	
Cathay United Bank	"	603,146	108.03.28~114.12.28		"	
Bank of China	"	726,331	107.06.08~115.06.29		"	
Bank of China	"	724,590	107.04.23~115.06.29		"	
Bank SinoPac	"	594,259	107.04.17~114.03.02		"	
Bank SinoPac	"	1,105,000	109.03.20~114.03.20		"	
The Export-Import Bank of the Republic of China	"	717,860	107.04.20~115.04.20		"	
Taiwan Cooperative Bank	Unsecured bank loans	250,000	105.12.12~110.12.12		None	

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
STATEMENT OF LONG-TERM LOANS (Cont.)
DECEMBER 31, 2020
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Creditor	Description	Amount	Term of Contract	Rate(%)	Collateral	Footnote
First Commercial Bank	Unsecured bank loans	\$ 750,000	108.04.18~111.04.18		None	
Hua Nan Commercial Bank	"	300,000	108.08.15~113.08.15		"	
Chang Hwa Commercial Bank	"	1,500,000	108.07.24~111.07.24		"	
Cathay United Bank	"	1,150,000	107.12.12~112.12.12		"	
Cathay United Bank	"	1,000,000	108.12.03~113.12.03		"	
O-Bank	"	200,000	105.05.24~110.05.24		"	
Bank of China	"	550,000	109.01.30~111.01.30		"	
ChinaTrust Commercial Bank	"	150,000	109.04.29~112.04.28		"	
Jih Sun International Bank	"	500,000	109.09.02~110.10.02		"	
The Export-Import Bank of the Republic of China	"	1,000,000	109.03.31~112.03.31		"	
Taiwan Cooperative Bank	Container secured bank loans	276,000	103.05.20~110.05.20		Container	
Chang Hwa Commercial Bank	"	766,882	107.02.09~114.02.09		"	
Chang Hwa Commercial Bank	"	540,000	108.10.24~115.10.24		"	
Chang Hwa Commercial Bank	"	600,000	109.12.30~116.12.30		"	
Bank of Taiwan	"	875,000	108.01.29~115.01.29		"	
Taishin International Bank	Commercial paper	1,134,000	107.05.15~112.05.15		Harcourt Building(Subsidiary EGH)	
Taishin International Bank	"	1,200,000	108.08.26~111.08.26		None	
Taishin International Bank	"	1,300,000	109.12.14~114.12.14		Ships	
		31,096,900		0.93%~2.91%		
Add: Unrealised losses	(	148,492)				
Less: Deferred expenses - hosting fee credit	(	14,905)				
		30,933,503				
Less: current portion	(	5,587,280)				
Non-current portion	\$	25,346,223				

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.

STATEMENT OF LEASE LIABILITIES

DECEMBER 31, 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Item	Term of Contract (year)	Discount Rate(%)	Balance at December 31, 2020
Land	14.7~15.3	1.4950%	\$ 1,305,501
Buildings	3	1.2317%	44,811
Ships	2.66~14.58	3.3735%~3.5688%	6,191,352
Total			<u>\$ 7,541,664</u>

Note : Please refer to Note 6(9) for details of lease liabilities.

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EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
STATEMENT OF LABOR, DEPRECIATION AND AMORTISATION BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2020
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

(4) The Company has By nature	Year ended December 31, 2020			Year ended December 31, 2019		
	Classified as Operating Costs	Classified as Operating	Total	Classified as Operating Costs	Classified as Operating	Total
Employee benefit expense						
Wages and salaries	\$ 845,416	\$ 2,441,303	\$ 3,286,719	\$ 818,277	\$ 1,454,094	\$ 2,272,371
Labor and health insurance fees	52,018	148,693	200,711	50,914	124,807	175,721
Pension costs	38,859	92,729	131,588	35,496	78,031	113,527
Directors' remuneration	-	22,869	22,869	-	9,074	9,074
Other personnel expenses	49,953	93,004	142,957	53,501	63,744	117,245
Total	986,246	2,798,598	3,784,844	958,188	1,729,750	2,687,938
Depreciation expenses	5,182,180	140,615	5,322,795	4,688,609	105,278	4,793,887
Amortisation expenses	-	17,266	17,266	-	16,458	16,458

Note :

1. As of December 31, 2020 and 2019, the Company had 2,017 and 1,852 employees, including 6 and 7 non-employee directors, respectively.
2. A company whose stock is listed for trading on the stock exchange or over-the-counter securities exchange shall additionally disclose the following information :
 - (1) Average employee benefit expense in current year is 1,871 (in thousands of dollars).
Average employee benefit expense in previous year is 1,452 (in thousands of dollars).
 - (2) Average employees salaries in current year is 1,634 (in thousands of dollars).
Average employees salaries in previous year is 1,232 (in thousands of dollars).
 - (3) Adjustments of average employees salaries 32.63%.
 - (4) The Company has not set up remuneration of the supervisors because it has the Audit Committee.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
STATEMENT OF LABOR, DEPRECIATION AND AMORTISATION BY FUNCTION (Cont.)
FOR THE YEAR ENDED DECEMBER 31, 2020
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

(5) The remuneration policies of the Company's directors, managers and employees are described as follows:

A.General directors and independent directors

In accordance with the Articles of Incorporation and the remuneration payment regulations for directors, if the Company has distributable profit of the current year, the ratio set for directors' remuneration shall not be higher than 2% of distributable profit; and in the total amount of directors' remuneration, individual directors' remuneration shall be allocated according to the degree of each directors' participation in the operation of the Company and the value of their contributions, as well as take into account the general pay levels of the industry.

B.Remuneration of the general manager and the vice general manager is regulated in accordance with the remuneration payment regulations for managerial officers and is paid according to the Company's overall operating situation and the results of personal performance assessment.

C.Fixed remuneration of the Company's employees is paid in accordance with the salary standard of each position and is adjusted according to the Company's revenue status, the general pay levels of the market and whether their personal performance is good . In addition, variable remuneration such as employees' compensation and year-end bonus is paid in accordance with the Articles of Incorporation or the Company's operating situation and the results of personal performance assessment.

D.Remuneration of the directors and managerial officers shall be reviewed by the Company's remuneration committee and approved by the Board of Directors.

Table 1

Expressed in thousands of TWD

Number (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2020 (Note 3)	Balance at December 31, 2020 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
1	Peony Investment S.A.	Luanta Investment (Netherlands) N.V.	Receivables from related parties	Yes	\$ 63,674	\$ 28,096	\$ 28,096	1.24513~1.24550	2	\$ -	Working capital requirement	\$ -	None	\$ -	\$ 7,867,594	\$ 19,668,984	
1	Peony Investment S.A.	Clove Holding Ltd.	Receivables from related parties	Yes	782,282	224,768	210,720	1.24375~1.24375	2	-	Working capital requirement	-	None	-	15,735,188	19,668,984	
1	Peony Investment S.A.	Colon Container Terminal S.A.	Receivables from related parties	Yes	585,750	567,539	567,539	1.22663~1.25275	2	-	Working capital requirement	-	None	-	7,867,594	19,668,984	
2	Clove Holding Ltd.	Colon Container Terminal S.A.	Receivables from related parties	Yes	539,714	-	-	-	2	-	Working capital requirement	-	None	-	516,376	1,032,752	
3	Evergreen Marine (Hong Kong) Ltd.	Colon Container Terminal S.A.	Receivables from related parties	Yes	133,896	127,696	127,696	1.23763~1.31575	2	-	Working capital requirement	-	None	-	2,254,665	4,509,330	
4	Everport Terminal Services	Whitney Equipment LLC.	Receivables from related parties	Yes	265,140	252,864	252,864	2.5054~2.5517	2	-	Working capital requirement	-	None	-	485,113	1,212,783	

(1)The Company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Fill in the name of account in which the loans are recognised, such as receivables-related parties, current account with stockholders, prepayments, temporary payments, etc.

Note 3: Fill in the maximum outstanding balance of loans to others during the year ended December 31, 2020

Note 4: The column of 'Nature of loan' shall fill in 1. 'Business transaction' or 2. 'Short-term financing'.

Note 5: Fill in the amount of business transactions when nature of the loan is related to business transactions, which is the amount of business transactions occurred between the creditor and borrower in the current period.

Note 6: Fill in purpose of loan when nature of loan is for short-term financing, for example, repayment of loan, acquisition of equipment, working capital, etc.

Note 7: Fill in limit on loans granted to a single party and ceiling on total loans granted as prescribed in the creditor company's "Procedures for Provision of Loans", and state each individual party to which the loans have been provided and the calculation for ceiling on total loans granted in the footnote.

1. According to the Company's credit policy, the total amount of loans granted to a single company should not exceed 20% of the net worth stated in the latest financial statements.

PEONY : USD 1,400,127*28.0960*20%=7,867,594

Clove Holding Ltd. : USD 91,895*28.0960*20%=516,376

Evergreen Marine (Hong Kong) Ltd. : USD 401,243*28.0960*20%=2,254,665

Everport Terminal Services : USD 86,331*28.0960*20%=485,113

The Company held 100% voting shares directly and indirectly in foreign company, that the total amount of loans granted to a single company should not exceed 40% of the net worth stated in the latest financial statements.

PEONY : USD 1,400,127*28.0960*40%=15,735,188

2. According to the Company's credit policy, the total amount of loans granted should not exceed 40% of the net worth stated in the latest financial statements.

Evergreen Marine (Hong Kong) Ltd. : USD 401,243*28.0960*40%=4,509,330

Clove Holding Ltd. : USD 91,895*28.0960*40%=1,032,752

The Company held 100% voting shares directly and indirectly in foreign company, that the total amount of loans granted should not exceed 50% of the net worth stated in the latest financial statements.

PEONY : USD 1,400,127*28.0960*50%=19,668,984

Everport Terminal Services : USD 86331*28.0960*50%=1,212,783

Note 8: The amounts of funds to be loaned to others which have been approved by the Board of Directors of a public company in accordance with Article 14, Item 1 of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” should be included in its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears, even though they have not yet been appropriated. However, this balance should exclude the loans repaid when repayments are done subsequently to reflect the risk adjustment. In addition, if the Board of Directors of a public company has authorized the Chairman to loan funds in instalments or in revolving within certain lines and within one year in accordance with Article 14, Item 2 of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies”, the published balance of loans to others at the end of the reporting period should also include these lines of loaning approved by the Board of Directors, and these lines of loaning should not be excluded from this balance even though the loans are repaid subsequently, for taking into consideration that they could be loaned again thereafter.

Evergreen Marine Corporation (Taiwan) Ltd.
Provision of endorsements and guarantees to others
For the year ended December 31, 2020

Table 2

Expressed in thousands of TWD

Number (Note 1)	Endorser/Guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2020 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2020 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
0	Evergreen Marine Corporation	Greencompass Marine S.A.	2	\$ 188,563,421	\$ 63,059,535	\$ 63,059,535	\$ 24,925,721	\$ -	66.88%	\$ 235,704,277	Y	N	N	
0	Evergreen Marine Corporation	Peony Investment S.A.	2	188,563,421	151,605	140,480	-	-	0.15%	235,704,277	Y	N	N	
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	2	188,563,421	34,362,054	31,535,111	25,501,057	-	33.45%	235,704,277	Y	N	N	
0	Evergreen Marine Corporation	Whitney Equipment LLC.	2	188,563,421	104,254	-	-	-	-	235,704,277	Y	N	N	
0	Evergreen Marine Corporation	Colon Container Terminal S.A.	6	47,140,855	2,323,801	759,716	639,964	-	0.81%	235,704,277	N	N	N	
0	Evergreen Marine Corporation	Balsam Investment (Netherlands) N.V.	6	47,140,855	891,437	826,022	826,022	-	0.88%	235,704,277	N	N	N	
0	Evergreen Marine Corporation	Everport Terminal Services Inc.	2	188,563,421	2,657,778	2,252,450	748,993	-	2.39%	235,704,277	Y	N	N	
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	2	188,563,421	33,589,686	31,338,659	17,879,157	-	33.24%	235,704,277	Y	N	N	
1	Evergreen Marine (Hong Kong) Ltd.	Ever Shine (Shanghai) Enterprise Management Consulting Co., Ltd.	2	22,546,652	36,357	-	-	-	-	28,183,315	Y	N	Y	
1	Evergreen Marine (Hong Kong) Ltd.	Colon Container Terminal S.A.	6	5,636,663	522,855	241,738	143,992	-	2.14%	28,183,315	N	N	N	

Number (Note 1)	Endorser/Guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2020 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2020 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
1	Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine (Hong Kong) Ltd.	2	\$ 22,546,652	\$ 2,329,180	\$ -	\$ -	\$ -	-	\$ 28,183,315	N	N	N	
2	Greencompass Marine S.A.	Everport Terminal Services Inc.	1	11,584,528	150,065	140,480	140,480	-	0.61%	57,922,638	N	N	N	

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

(1)The Company is ‘0’.

(2)The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following six categories; fill in the number of category each case belongs to:

(1) Having business relationship.

(2) The endorser/guarantor parent company directly and indirectly owns more than 50% voting shares of the endorsed/guaranteed company.

(3) The endorsed/guaranteed parent company directly and indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.

(4) The parent company directly or indirectly owns more than 90% voting shares of the companies that make endorsements/guarantees for each other.

(5) The parent company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.

(6) Due to joint venture, all capital contributing shareholders make endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

(7) Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: Fill in limit on endorsements/guarantees provided for a single party and ceiling on total amount of endorsements/guarantees provided as prescribed in the endorser/guarantor company’s “Procedures for Provision of Endorsements and Guarantees”, and state each individual party to which the endorsements/guarantees have been provided and the calculation for ceiling on total amount of endorsements/guarantees provided in the footnote.

The calculation is as follows:

The Company: 94,281,711*250% = 235,704,277

Limit on endorsement or guarantees provided by the Company for a single entity is \$47,140,855 (Amounting to 50% of its net worth).

(When the Company owns more than 50% voting shares of the endorsed/guaranteed company, the limit on endorsement or guarantee provided by the Company should not exceed 200% of its net worth, which equals to \$188,563,421.)

According to the credit policy of Evergreen Marine (Hong Kong) Ltd., the calculation for total amount of endorsements/guarantees is as follows:

Ceiling on total amount of endorsements/guarantees: USD 401,243*28.0960*250% = 28,183,315

Limit on endorsements or guarantees provided for a single entity : 5,636,663 (Amounting to 50% of its net worth).

(When the Company owns more than 50% voting shares of the endorsed/guaranteed company, the limit on endorsement or guarantee provided by the Company should not exceed 200% of its net worth, which equals to \$22,546,652.)

According to the credit policy of Greencompass Marine S.A., the calculation for total amount of endorsements/guarantees is as follows:

Ceiling on total amount of endorsements/guarantees: USD 824,639*28.0960*250% = 57,922,638

Limit on endorsements or guarantees provided for a single entity : 11,584,528 (Amounting to 50% of its net worth).

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 5: Fill in the amount approved by the Board of Directors or the chariman if the chairman has been authorised by the Board of Directors.

Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: Fill in ‘Y’ for those cases of provision of endorsements/guarantees by listed parent company to subsidiary, provision by subsidiary to listed parent company, and provision to the party in Mainland China.

Evergreen Marine Corporation (Taiwan) Ltd.

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

For the year ended December 31, 2020

Expressed in thousands of shares/thousands of TWD/thousands of foreign currency

Table 3

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	Genearl ledger account	As of December 31, 2020				Footnote (Note 4)
				Number of shares	Book value (Note 3)	Ownership (%)	Fair value	
Evergreen Marine Corporation	Stock:							
	Power World Fund Inc.		Financial asset measured at fair value through other comprehensive income - non-current	677	\$ 6,772	5.68%	\$ 6,772	
	Linden Technologies, Inc.		"	50	27,787	1.44%	27,787	
	TopLogis, Inc.		"	2,464	24,220	17.48%	24,220	
	Ever Accord Construction Corp.	Other related party	"	10,500	121,610	17.50%	121,610	
	Central Reinsurance Corp.	Other related party	"	49,866	1,131,969	8.45%	1,131,969	
	Financial bonds:							
	Sunny Bank 2nd Subordinate Financial Debentures-B Issue in 2015		Financial asset measured at atmortised cost - non-current	-	50,000	-	50,000	
	Sunny Bank 3rd Subordinate Financial Debentures-B Issue in 2017		"	-	50,000	-	50,000	
Peony Investment S.A.	Hutchison Inland Container Depots Ltd.		Financial asset measured at fair value through other comprehensive income - non-current	0.75	USD 264	5.27%	USD 264	
	South Asia Gateway Terminals (Private) Ltd.		"	18,942	USD 12,021	5.00%	USD 12,021	
Evergreen Shipping Agency (Europe) GmbH	Zoll Pool Hafen Hamburg AG		"	10	EUR 10	2.86%	EUR 10	
Evergreen Shipping Agency Philippines Corporation	Eagle Ridge Golf & Country Club Inc.		"	0.001	PHP 200	1.67%	PHP 200	

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IFRS9, 'Financial instruments: recognition and measurement'.

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

Evergreen Marine Corporation (Taiwan) Ltd.

Purchases or sales of goods from or to related parties reaching TWD 100 million or 20% of paid-in capital or more

For the year ended December 31, 2020

Table 4

Expressed in thousands of TWD/thousands of foreign currency

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Evergreen Marine Corporation	Everport Terminal Services Inc.	Subsidiary	Purchases	\$ 1,669,028	4%	30~60 days	\$ -	-	(\$ 156,956)	3%	
	Greencompass Marine S.A.	Subsidiary	Purchases	1,569,036	3%	30~60 days	-	-	(705)	-	
			Sales	2,553,480	5%	30~60 days	-	-	767	-	
	Taiwan Terminal Services Co., Ltd.	Subsidiary	Purchases	876,413	2%	30~60 days	-	-	(129,051)	2%	
	Italia Marittima S.p.A.	Associates	Purchases	287,925	1%	30~60 days	-	-	-	-	
			Sales	389,329	1%	30~60 days	-	-	1,787	-	
	Evergreen International Storage and Transport Corp.	Associates	Purchases	364,325	1%	30~60 days	-	-	(17,420)	-	
	Evergreen Shipping Agency (America) Corporation	Other related parties	Purchases	430,312	1%	30~60 days	-	-	-	-	
	Evergreen International Corp.	Other related parties	Purchases	529,035	1%	30~60 days	-	-	(3,962)	-	
	Evergreen Marine (UK) Limited	Subsidiary	Purchases	573,031	1%	30~60 days	-	-	-	-	
			Sales	744,548	1%	30~60 days	-	-	383	-	
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Purchases	412,409	1%	30~60 days	-	-	-	-	
			Sales	1,697,301	3%	30~60 days	-	-	1,031	-	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary	Purchases	1,204,508	3%	30~60 days	-	-	(284)	-	
			Sales	1,114,774	2%	30~60 days	-	-	26,277	1%	
	Evergreen Shipping Agency (Europe) GmbH (EEU)	Subsidiary	Purchases	289,517	1%	30~60 days	-	-	-	-	
	Gaining Enterprise S.A.	Other related parties	Purchases	576,232	1%	30~60 days	-	-	-	-	

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Evergreen Marine Corporation	Evergreen Insurance Company Ltd.	Other related parties	Purchases	\$ 111,302	-	30~60 days	\$ -	-	\$ -	-	
	Taiwan Terminal Services Co., Ltd.	Associates	Purchases	228,789	-	30~60 days	-	-	-	-	
Taiwan Terminal Services Co.,Ltd.	Evergreen Marine Corp.	The parent	Sales	876,413	100%	30~60 days	-	-	129,051	100%	
Everport Terminal Services Inc.	Evergreen Marine Corp.	The parent	Sales	USD 56,710	14%	30~60 days	-	-	USD 5,586	13%	
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	USD 98,183	24%	30 days	-	-	USD 8,311	20%	
	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	USD 30,962	7%	30 days	-	-	USD 4,205	10%	
	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	USD 76,318	18%	30 days	-	-	USD 5,841	14%	
	Italia Marittima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Sales	USD 8,951	2%	30 days	-	-	USD 1,097	3%	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	USD 39,397	10%	30 days	-	-	USD 3,394	8%	
	Evergreen Shipping Agency (America) Corporation	Investee of the Parent Company's major shareholder	Purchases	USD 8,224	2%	30 days	-	-	-	-	
Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine Corp.	The parent	Sales	USD 40,926	5%	30~60 days	-	-	USD 10	-	
			Purchases	USD 37,877	5%	30~60 days	-	-	(USD 935)	1%	
	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	USD 59,344	7%	30~60 days	-	-	USD 24	-	
			Purchases	USD 37,459	5%	30~60 days	-	-	(USD 422)	-	
	Italia Marittima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Sales	USD 10,354	1%	30~60 days	-	-	USD 1	-	
			Purchases	USD 33,504	5%	30~60 days	-	-	(USD 722)	1%	
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	USD 68,126	8%	30~60 days	-	-	USD 28	-	
			Purchases	USD 11,388	1%	30~60 days	-	-	(USD 128)	-	
	Evergreen International Corp.	Investee of the Parent Company's major shareholder	Sales	USD 4,385	1%	30~60 days	-	-	USD 175	-	
			Purchases	USD 10,404	1%	30~60 days	-	-	-	-	

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/ sales	Amount	Percentage of total purchases/ sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	USD 30,761	4%	30~60 days	\$ -	-	USD 11	-	
			Purchases	USD 93,914	13%	30~60 days	-	-	(USD 234)	-	
	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 39,397	6%	30 days	-	-	(USD 3,394)	3%	
	Evergreen Shipping Agency (America) Corporation	Investee of the Parent Company's major shareholder	Purchases	USD 12,834	2%	30~60 days	-	-	(USD 1)	-	
	Evergreen Shipping Agency (Europe) GmbH	Indirect subsidiary of the Parent Company	Purchases	USD 3,612	-	30~60 days	-	-	-	-	
	Taiwan Terminal Services Co., Ltd.	Associates	Purchases	USD 3,499	-	30~60 days	-	-	-	-	
	Evergreen Shipping Agency (China) Co., Ltd.	Indirect subsidiary of the Parent Company	Purchases	USD 33,064	5%	30~60 days	-	-	(USD 6,382)	6%	
Greencompass Marine S.A.	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	USD 34,768	1%	30~60 days	-	-	USD 1,582	1%	
			Purchases	USD 25,039	1%	30~60 days	-	-	-	-	
	Evergreen Marine Corp.	The parent	Sales	USD 53,312	2%	30~60 days	-	-	USD 25	-	
			Purchases	USD 86,761	4%	30~60 days	-	-	(USD 27)	-	
	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 30,962	1%	30 days	-	-	(USD 4,205)	1%	
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	USD 75,611	3%	30~60 days	-	-	USD 736	-	
			Purchases	USD 25,950	1%	30~60 days	-	-	(USD 314)	-	
	Italia Marittima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Sales	USD 19,483	1%	30~60 days	-	-	USD 81	-	
			Purchases	USD 40,684	2%	30~60 days	-	-	(USD 748)	-	
	Evergreen Shipping Agency (America) Corporation	Investee of the Parent Company's major shareholder	Purchases	USD 25,979	1%	30~60 days	-	-	-	-	
	Evergreen International Corp.	Investee of the Parent Company's major shareholder	Purchases	USD 12,637	1%	30~60 days	-	-	-	-	
	Evergreen Shipping Agency (Japan) Corporation	Investee of the Parent Company's major shareholder	Purchases	USD 6,157	-	30~60 days	-	-	-	-	
	Evergreen Shipping Agency (Europe) GmbH	Indirect subsidiary of the Parent Company	Purchases	USD 11,162	-	30~60 days	-	-	-	-	
	Evergreen Marine Co. (Malaysia) SDN.BHD.	Indirect subsidiary of the Parent Company	Purchases	USD 4,931	-	30~60 days	-	-	-	-	

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Greencompass Marine S.A.	Evergreen Insurance Company Limited	Investee of the Parent Company's major shareholder	Purchases	USD 4,998	-	30~60 days	\$ -	-	(USD 751)	-	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	USD 37,459	1%	30~60 days	-	-	USD 422	-	
			Purchases	USD 59,344	2%	30~60 days	-	-	(USD 24)	-	
	Evergreen Shipping Agency (Vietnam)	Indirect subsidiary of the Parent Company	Purchases	USD 4,625	-	30~60 days	-	-	-	-	
	Taiwan Terminal Services Co., Ltd.	Associates	Purchases	USD 7,088	-	30~60 days	-	-	-	-	
Evergreen Marine (UK) Limited	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	USD 25,039	2%	30~60 days	-	-	-	-	
			Purchases	USD 34,768	3%	30~60 days	-	-	(USD 1,582)	1%	
	Evergreen Marine Corp.	The Parent	Sales	USD 19,470	1%	30~60 days	-	-	-	-	
			Purchases	USD 25,298	2%	30~60 days	-	-	(USD 14)	-	
	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 76,318	6%	30 days	-	-	(USD 5,841)	4%	
	Italia Marittima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Purchases	USD 6,291	1%	30~60 days	-	-	(487)	-	
	Evergreen Shipping Agency (Europe) GmbH	Indirect subsidiary of the Parent Company	Purchases	USD 4,388	-	30~60 days	-	-	-	-	
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	USD 30,752	2%	30~60 days	-	-	USD 912	1%	
			Purchases	USD 9,535	1%	30~60 days	-	-	-	-	
	Evergreen Shipping Agency (America) Corporation	Investee of the Parent Company's major shareholder	Purchases	USD 24,445	2%	30~60 days	-	-	-	-	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	USD 93,914	7%	30~60 days	-	-	USD 234	-	
			Purchases	USD 30,761	3%	30~60 days	-	-	(USD 11)	-	
	Evergreen International Corporation	Investee of the Parent Company's major shareholder	Purchases	USD 5,105	-	30~60 days	-	-	-	-	
Evergreen Heavy Industrial Corp.(Malaysia) Berhad	Gaining Enterprise S.A.	Investee of EITC	Sales	MYR 187,732	100%	45 days	-	-	MYR 48,234	100%	

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Evergreen Shipping Agency (Europe) GmbH	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	EUR 9,772	24%	30~60 days	\$ -	-	\$ -	-	
	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	EUR 3,841	9%	30~60 days	-	-	-		
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	EUR 3,162	8%	30~60 days	-	-	-	-	
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	EUR 9,688	24%	30~60 days	-	-	EUR 1,289	2%	
	Evergreen Marine Corp.	The Parent	Sales	EUR 8,612	21%	30~60 days	-	-	-	-	
Evergreen Marine Co. (Malaysia) SDN.BHD.	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	MYR 20,729	23%	30~60 days	-	-	-	-	
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	MYR 15,445	17%	30~60 days	-	-	-	-	
Evergreen Shipping Agency (Vietnam) Corp.	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	VND 107,480,258	27%	30~60 days	-	-	-	-	
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	VND 108,728,429	27%	30~60 days	-	-	VND 21,116,438	6%	
Evergreen Shipping Agency (China) Co., Ltd.	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	CNY 228,122	100%	30~60 days	-	-	CNY 41,632	100%	

Note 1: If terms of related-party transactions are different from third-party transactions, explain the differences and reasons in the ‘Unit price’ and ‘Credit term’ columns.

Note 2: In case related-party transaction terms involve advance receipts (prepayments) transactions, explain in the footnote the reasons, contractual provisions, related amounts, and differences in types of transactions compared to third-party transactions.

Note 3: Paid-in capital referred to herein is the paid-in capital of parent company.

Evergreen Marine Corporation (Taiwan) Ltd.
Receivables from related parties reaching TWD 100 million or 20% of paid-in capital or more
For the year ended December 31, 2020

Table 5

Expressed in thousands of TWD/thousands of foreign currency

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2020 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts	Footnote
					Amount	Action taken			
Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Gaining Enterprise S.A.	Investee of EITC	MYR 48,234	-	\$ -	-	MYR 30,169	\$ -	
Peony Investment S.A.	Clove Holding Ltd.	Subsidiary	USD 7,503	-	-	-	-	-	
Peony Investment S.A.	Colon Container Terminal, S.A.	Investee of Clove Holding Ltd. accounted for using equity method	USD 20,307	-	-	-	-	-	
Everport Terminal Services Inc.	Evergreen Marine (UK) Limited	Indirectly subsidiary of the Parent Company	USD 5,841	-	-	-	USD 4,809	-	
Everport Terminal Services Inc.	Evergreen Marine (Singapore) Pte. Ltd.	Other related party	USD 8,311	-	-	-	USD 6,842	-	
Everport Terminal Services Inc.	Evergreen Marine Corp.	The parent	USD 5,586	-	-	-	USD 4,599	-	
Everport Terminal Services Inc.	Greencompass Marine S.A.	Subsidiary of the Parent Company	USD 4,205	-	-	-	USD 3,462	-	
Evergreen Marine (Hong Kong) Ltd.	Colon Container Terminal, S.A.	Investee of Evergreen Marine (Hong Kong) Limited accounted for using equity method	USD 4,576	-	-	-	-	-	

Note 1: Fill in separately the balances of accounts receivable-related parties, notes receivable-related parties, other receivables-related parties, etc.

Note 2: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Evergreen Marine Corporation (Taiwan) Ltd.
Significant inter-company transactions during the reporting periods
For the year ended December 31, 2020

Table 6

Expressed in thousands of TWD

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Evergreen Marine Corporation	Taiwan Terminal Services Co.,Ltd.	1	Operating cost	\$ 876,413	Note 4	0.42
0	Evergreen Marine Corporation	Taiwan Terminal Services Co.,Ltd.	1	Accounts payable	129,051	"	0.04
0	Evergreen Marine Corporation	Greencompass Marine S.A.	1	Operating revenue	2,553,480	"	1.23
0	Evergreen Marine Corporation	Greencompass Marine S.A.	1	Operating cost	1,569,036	"	0.76
0	Evergreen Marine Corporation	Everport Terminal Services Inc.	1	Accounts payable	156,956	"	0.05
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	1	Operating revenue	744,548	"	0.36
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	1	Operating cost	573,031	"	0.28
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	1	Shipowner's account - credit	214,357	"	0.06
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	1	Operating revenue	1,114,774	"	0.54
0	Evergreen Marine Corporation	Evergreen Shipping Agency (Europe) GmbH	1	Operating cost	289,517	"	0.14
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	1	Operating cost	1,204,508	"	0.58
0	Evergreen Marine Corporation	Everport Terminal Services Inc.	1	Operating cost	1,669,028	"	0.81
1	Greencompass Marine S.A.	Evergreen Marine (UK) Limited	3	Operating cost	736,922	"	0.36
1	Greencompass Marine S.A.	Evergreen Shipping Agency (Europe) GmbH	3	Operating cost	328,513	"	0.16
1	Greencompass Marine S.A.	Evergreen Marine (Hong Kong) Ltd.	3	Operating cost	1,746,559	"	0.84
1	Greencompass Marine S.A.	Everport Terminal Services Inc.	3	Operating cost	911,248	"	0.44
2	Evergreen Marine (UK) Limited	Evergreen Marine (Hong Kong) Ltd.	3	Operating revenue	2,764,004	"	1.33
2	Evergreen Marine (UK) Limited	Greencompass Marine S.A.	3	Operating cost	1,023,256	"	0.49

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
2	Evergreen Marine (UK) Limited	Evergreen Marine (Hong Kong) Ltd.	3	Operating cost	\$ 905,337	Note4	0.44
2	Evergreen Marine (UK) Limited	Everport Terminal Services Inc.	3	Operating cost	2,246,118	"	1.08
2	Evergreen Marine (UK) Limited	Everport Terminal Services Inc.	3	Accounts payable	164,121	"	0.05
3	Evergreen Marine (Hong Kong) Ltd.	Greencompass Marine S.A.	3	Operating cost	1,102,457	"	0.53
3	Evergreen Marine (Hong Kong) Ltd.	Everport Terminal Services Inc.	3	Operating cost	1,159,484	"	0.56
3	Evergreen Marine (Hong Kong) Ltd.	Evergreen Shipping Agency (China) Co., Ltd.	3	Operating cost	973,098	"	0.47
3	Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine (UK) Limited	3	Shipowner's account - credit	938,863	"	0.28
3	Evergreen Marine (Hong Kong) Ltd.	Greencompass Marine S.A.	3	Shipowner's account - credit	1,273,446	"	0.38
4	Peony Investment S.A.	Clove Holding Ltd.	3	Other receivables	210,793	"	0.06

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1) Parent company is ‘0’.
- (2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; Fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.);

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company
- (3) Subsidiary to subsidiary

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Terms are approximately the same as for general transactions.

Note 5: The Company may decide to disclose or not to disclose transaction details in this table based on the Materiality Principle.

Evergreen Marine Corporation (Taiwan) Ltd.
Information on investees (not including investee company of Mainland China)
For the year ended December 31, 2020

Table 7

Expressed in thousands of shares/thousands of TWD

Investor	Investee (Note 1 、 Note 2)	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2020			Net profit (loss) of the investee For the year ended December 31, 2020 (Note 2(2))	Investment income (loss) recognised by the Company For the year ended December 31, 2020 (Note 2(3))	Footnote
				Balance as of December 31, 2020	Balance as of December 31, 2019	Number of shares	Ownership (%)	Book value			
Evergreen Marine Corp.	Peony Investment S.A.	Republic of Panama	Investment activities	\$ 14,301,195	\$ 14,301,195	4,765	100.00	\$ 39,265,711	\$ 15,278,513	\$ 15,301,113	Subsidiary of the Company
	Taiwan Terminal Services Co., Ltd.	Taiwan	Loading and discharging operations of container yards	55,000	55,000	5,500	55.00	66,770	32,046	17,626	"
	Everport Terminal Services Inc.	U.S.A	Terminal services	3,001	3,001	1	94.43	2,139,666	615,046	580,780	"
	Evergreen Marine (Hong Kong) Ltd.	Hong Kong	Marine transportation	6,283,222	6,283,222	6,320	79.00	11,989,398	6,859,680	5,336,980	"
	Evergreen Shipping Agency (Israel) Ltd.	Israel	Shipping agency	9,103	9,103	1,062	59.00	23,158	34,665	20,453	"
	Chang Yang Development Co.,Ltd.	Taiwan	Development, rental, sale of residential and commercial buildings	320,000	320,000	58,542	40.00	557,549	170,498	68,199	Investee accounted for using equity method
	Evergreen International Storage and Transport Corporation	Taiwan	Container transportation and gas stations	4,840,408	4,840,408	430,692	40.36	9,315,382	682,203	275,333	"
	Evergreen Security Corporation	Taiwan	General security guards services	25,000	25,000	6,336	31.25	114,257	36,918	11,537	"
	EVA Airways Corporation	Taiwan	International passengers and cargo transportation	11,276,823	11,276,823	776,541	16.00	11,327,144	(3,361,639)	(537,841)	"
	Taipei Port Container Terminal Corporation	Taiwan	Container distribution and cargo stevedoring	1,446,196	1,094,073	144,799	27.85	1,523,550	323,833	88,310	"
	Ever Ecove Corporation	Taiwan	Waste treatment and combined heat and power	305,000	-	30,500	19.06	305,965	(12,698)	966	"
	Evergreen Marine (Latin America), S.A.	Republic of Panama	Management consultancy	-	3,151	-	-	-	1,241	39	"
	VIP Greenport Joint Stock Company	Vietnam	Terminal services	178,750	178,750	13,750	21.74	277,982	190,729	41,463	"
Peony Investment S.A.	Clove Holding Ltd.	British Virgin Islands	Investment holding company	1,476,424	1,476,424	10	100.00	2,581,880	28,518	28,518	Indirect subsidiary of the Company
	Evergreen Shipping Agency (Europe) GmbH	Germany	Shipping agency	233,646	233,646	-	100.00	145,405	26,396	26,396	"
	Evergreen Shipping Agency (Korea) Corporation	South Korea	Shipping agency	68,161	68,161	121	100.00	64,445	31,610	31,610	"
	Greencompass Marine S.A.	Republic of Panama	Marine transportation	9,931,936	9,931,936	3,535	100.00	23,169,055	10,758,643	10,758,643	"
	Evergreen Shipping Agency (India) Pvt. Ltd.	India	Shipping agency	33,061	33,061	100	99.99	202,749	58,862	58,861	"

Investor	Investee (Note 1 、 Note 2)	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2020			Net profit (loss) of the investee For the year ended December 31, 2020 (Note 2(2))	Investment income (loss) recognised by the Company For the year ended December 31, 2020 (Note 2(3))	Footnote
				Balance as of December 31, 2020	Balance as of December 31, 2019	Number of shares	Ownership (%)	Book value			
Peony Investment S.A.	Evergreen Argentina S.A.	Argentina	Leasing	\$ 3,933	\$ 3,933	150	95.00	\$ 31,910	(\$ 2,977)	(\$ 2,828)	Indirect subsidiary of the Company
	PT. Multi Bina Pura International	Indonesia	Loading and discharging operations of container yards and inland transportation	239,545	220,299	18	95.03	534,184	35,425	33,665	"
	PT. Multi Bina Transport	Indonesia	Container repair, cleaning and inland transportation	22,597	22,597	2	17.39	13,302	(3,347)	(582)	"
	Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Malaysia	Container manufacturing	766,876	766,876	42,120	84.44	919,730	11,299	9,541	"
	Evergreen Shipping (Spain) S.L.	Spain	Shipping agency	189,516	189,516	6	100.00	277,621	127,803	127,803	"
	Evergreen Shipping Agency (Italy) S.p.A.	Italy	Shipping agency	66,082	66,082	0.55	55.00	83,779	17,602	9,681	"
	Evergreen Marine (UK) Limited	U.K	Marine transportation	3,767,748	3,767,748	765	51.00	3,528,202	5,726,299	2,920,412	"
	Evergreen Shipping Agency (Australia) Pty. Ltd.	Australia	Shipping agency	47,999	47,999	1	100.00	100,677	88,228	88,228	"
	Evergreen Shipping Agency (Russia) Ltd.	Russia	Shipping agency	23,825	23,825	-	51.00	26,445	97,796	49,876	"
	Evergreen Shipping Agency (Thailand) Co., Ltd.	Thailand	Shipping agency	63,019	63,019	680	85.00	101,764	74,504	63,328	"
	Evergreen Agency (South Africa) (Pty) Ltd.	South Africa	Shipping agency	16,324	16,324	5,500	55.00	54,548	16,351	8,993	"
	Evergreen Shipping Agency (Vietnam) Corp.	Vietnam	Shipping agency	34,586	34,586	-	100.00	602,229	287,289	287,289	"
	PT. Evergreen Shipping Agency Indonesia	Indonesia	Shipping agency	27,337	27,337	0.441	49.00	129,206	101,343	49,658	Investee company of Peony accounted for using equity method
	Luanta Investment (Netherlands) N.V.	Curaçao	Investment holding company	1,335,663	1,335,663	460	50.00	1,485,739	(103,840)	(51,920)	"
	Balsam Investment (Netherlands) N.V.	Curaçao	Investment holding company	11,735,318	11,735,318	0.451	49.00	1,177,162	638,661	312,944	"
	Evergreen Shipping Agency Co. (U.A.E.) LLC	United Arab Emirates	Shipping agency	58,496	58,496	-	49.00	114,156	164,504	80,607	"
	Greenpen Properties Sdn. Bhd.	Malaysia	Renting estate and storehouse company	11,970	11,970	1,500	30.00	29,680	(13,702)	(4,111)	"
	Evergreen Marine Corp. (Malaysia) SDN.BHD.	Malaysia	Shipping agency	264,501	264,501	500	100.00	621,123	292,582	292,582	Indirect subsidiary of the Company

Investor	Investee (Note 1 、 Note 2)	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2020			Net profit (loss) of the investee For the year ended December 31, 2020 (Note 2(2))	Investment income (loss) recognised by the Company For the year ended December 31, 2020 (Note 2(3))	Footnote
				Balance as of December 31, 2020	Balance as of December 31, 2019	Number of shares	Ownership (%)	Book value			
Peony Investment S.A.	Evergreen Marine (Hong Kong) Ltd.	Hong Kong	Marine transportation	\$ 74,454	\$ 74,454	80	1.00	\$ 151,765	\$ 6,859,680	\$ 67,557	Investee company of Peony accounted for using equity method
	Ics Depot Services Snd. Bhd.	Malaysia	Depot services	31,299	31,299	286	28.65	68,329	29,525	8,458	〃
Clove Holding Ltd.	Colon Container Terminal, S.A.	Republic of Panama	Inland container storage and loading	642,275	642,275	22,860	40.00	2,417,403	(3,807)	(1,523)	Investee company of Clove Holding Ltd. accounted for using equity method
	Everport Terminal Services Inc.	U.S.A	Terminal services	182,735	182,735	0.059	5.57	285,900	615,046	34,266	Indirect subsidiary of the Company
Everport Terminal Services Inc.	Whitney Equipment LLC.	U.S.A	Equipment Leasing Company	5,619	5,619	-	100.00	228,844	23,953	23,953	〃
PT. Multi Bina Pura International	PT. Multi Bina Transport	Indonesia	Container repair cleaning and inland transportation	92,756	92,756	7.55	72.95	55,801	(3,347)	(2,441)	〃
Evergreen Marine (Hong Kong) Limited	Colon Container Terminal S.A.	Republic of Panama	Inland container storage and loading	438,298	438,298	5,144	9.00	564,351	(3,807)	(343)	Investee company of Evergreen Marine (Hong Kong) Limited accounted for using equity method
	Evergreen Marine (Latin America), S.A.	Republic of Panama	Management consultancy	18,306	2,782	600	100.00	18,043	1,241	1,060	Indirect subsidiary of the Company
	Evergreen Shipping Service (Cambodia) Co., Ltd.	Cambodia	Shipping agency	5,619	5,619	200	100.00	45,371	41,641	41,641	〃
	Evergreen Shipping Agency (Peru) S.A.C.	Peru	Shipping agency	7,800	7,800	900	60.00	68,376	108,403	65,042	〃
	Evergreen Shipping Agency (Colombia) S.A.S	Colombia	Shipping agency	9,863	9,863	80	75.00	60,201	66,396	49,797	〃
	Evergreen Shipping Agency Mexico S.A. de C.V.	Mexico	Shipping agency	6,440	6,440	44	60.00	39,395	51,397	30,838	〃
	Evergreen Shipping Agency (Chile) SPA.	Chile	Shipping agency	8,957	8,957	2	60.00	45,552	51,278	30,767	〃
	Evergreen Shipping Agency (Greece) Anonimi Eteria.	Greece	Shipping agency	7,594	7,594	2	60.00	41,933	39,084	23,450	〃
	Evergreen Shipping Agency (Israel) Ltd.	Isrrael	Shipping agency	143	143	18	1.00	393	34,665	347	〃

Investor	Investee (Note 1 、 Note 2)	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2020			Net profit (loss) of the investee For the year ended December 31, 2020 (Note 2(2))	Investment income (loss) recognised by the Company For the year ended December 31, 2020 (Note 2(3))	Footnote
				Balance as of December 31, 2020	Balance as of December 31, 2019	Number of shares	Ownership (%)	Book value			
Evergreen Marine (Hong Kong) Limited	Evergreen Shipping Agency (Brazil) Ltd.	Brazil	Shipping agency	\$ 6,950	\$ -	120	60.00	\$ 12,199	\$ 9,758	\$ 5,855	Indirect subsidiary of the Company
	Evergreen Shipping Agency Lanka (Private) Ltd.	Lanka	Shipping agency	3,406	3,406	2,160	40.00	22,079	64,722	25,889	Investee company of Evergreen Marine (Hong Kong) Limited accounted for using equity method
	Evergreen Shipping Agency Philippines Corporation	Philippines	Shipping agency	138,453	-	10,000	100.00	166,171	48,315	27,512	Indirect subsidiary of the Company

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

- (1) The columns of ‘Investee’, ‘Location’, ‘Main business activities’, ‘Initial investment amount’ and ‘Shares held as at December 31, 2020’ should fill orderly in the Company’s (public company’s) information on investees and every directly or indirectly controlled investee’s investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the ‘footnote’ column.
- (2) The ‘Net profit (loss) of the investee for the year ended December 31, 2020’ column should fill in amount of net profit (loss) of the investee for this period.
- (3) The ‘Investment income (loss) recognised by the Company for the year ended December 31, 2020’ column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary’s net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

Evergreen Marine Corporation (Taiwan) Ltd.
Information on investments in Mainland China
For the year ended December 31, 2020

Table 8

Expressed in thousands of TWD

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2020	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2020		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2020	Net income (loss) of the investee for the year ended December 31, 2020	Ownership held by the Company (direct of indirect) (%)	Investment income (loss) recognised by the Company. for the year ended December 31, 2020 (Note 2(2)B)	Book value of investments in Mainland China as of December 31, 2020	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2020	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Ningbo Victory Container Co., Ltd.	Inland container transportation, container storage, loading, discharging, repair and related activities	\$ 538,263	(2)	\$ 201,210	\$ -	\$ -	\$ 201,210	\$ 50,783	40.00	\$ 20,313	\$ 328,607	\$ -	
Qingdao Evergreen Container Storage & Transportation Co., Ltd.	Inland container transportation, storage, loading, discharging, repair, cleaning and related activities	183,048	(2)	39,808	-	-	39,808	151,669	40.00	60,668	161,453	-	
Kingtrans Intl. Logistics (Tianjin) Co., Ltd.	Inland container transportation, storage, loading, discharging, repair, cleaning and related activities	335,642	(2)	265,936	-	-	265,936	50,582	46.20	23,369	167,865	-	
Ever Shine (Shanghai) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	1,871,291	(2)	2,288,710	-	-	2,288,710	24,858	80.00	(52,355)	1,680,187	-	
Ever Shine (Ningbo) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	185,201	(2)	253,198	-	-	253,198	140	80.00	168	8,302	-	
Ever Shine (Shenzhen) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	264,220	(2)	440,559	-	-	440,559	3,333	80.00	(5,156)	13,976	-	
Ever Shine (Qingdao) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	214,230	(2)	359,134	-	-	359,134	3,893	80.00	491	11,474	-	

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2020	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2020		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2020	Net income (loss) of the investee for the year ended December 31, 2020	Ownership held by the Company (direct of indirect) (%)	Investment income (loss) recognised by the Company. for the year ended December 31, 2020 (Note 2(2)B)	Book value of investments in Mainland China as of December 31, 2020	Accumulted amount of investment income remitted back to Taiwan as of December 31, 2020	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Evergreen Shipping Agency (China) Co., Ltd.	Shipping agency	29,534	(2)	83,160	-	-	83,160	46,236	52.00	2,913	1,755	-	

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2020	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Evergreen Marine Corp.	\$ 3,931,715	\$ 4,449,838	\$ 60,896,576

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company, Peony Investment S.A. and Evergreen Marine (Hong Kong) Ltd., in the third area, which then invested in the investee in Mainland China.
- (3) Others

Note 2: In the ‘Investment income (loss) recognised by the Company for the year ended December 31, 2020’ column:

- (1) It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.
- (2) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:
 - A. The financial statements that are audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.
 - B. The financial statements that are audited and attested by R.O.C. parent company’s CPA.
 - C. Others.

Note 3: The numbers in this table are expressed in New Taiwan Dollars.

Evergreen Marine Corporation (Taiwan) Ltd.
Major shareholders information
For the year ended December 31, 2020

Table 9

Name of major shareholders	Shares	
	Name of shares held	Ownership (%)
Evergreen International S.A.(EIS)	391,786,816	7.99%
Chang, Kuo-Hua	319,646,157	6.52%
Evergreen International Corp.	262,411,866	5.35%

Note 1: The major shareholders information was from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded in the financial statements may differ from the actual number of shares issued in dematerialised form because of a different calculation basis.

Note 2: If the aforementioned data contains shares which were kept in trust by the shareholders, the data disclosed was the settlor's separate account for the fund set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act, the shareholding ratio includes the self-owned shares and trusted shares, at the same time, persons who have power to decide how to allocate the trust assets. For the information of reported share equity of insider, please refer to Market Observation Post System.