EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2022 AND 2021

Representation Letter

In connection with the Consolidated Financial Statements of Affiliated Enterprises of Evergreen International Storage And Transport Corporation (the “Consolidated FS of the Affiliates”), we represent to you that, the entities required to be included in the Consolidated FS of the Affiliates as of and for the year ended December 31, 2022 in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those required to be included in the Consolidated Financial Statements of Evergreen International Storage And Transport Corporation and its subsidiaries (the “Consolidated FS of the Group”) in accordance with International Financial Reporting Standard 10. Additionally, the information required to be disclosed in the Consolidated FS of Affiliates is disclosed in the Consolidated FS of the Group. Consequently, Evergreen International Storage And Transport Corporation does not prepare a separate set of Consolidated FS of Affiliates.

Very truly yours,
Evergreen International Storage And Transport Corporation
By

Chiu, Shien-Yuh, Chairman
March 9, 2023

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Evergreen International Storage and Transport Corporation

Opinion

We have audited the accompanying consolidated balance sheets of Evergreen International Storage and Transport Corporation and its subsidiaries (the "Group") as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other matter* section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

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

Key audit matters for the Group's consolidated financial statements of the current period are stated as follows:

Key audit matter- Accuracy of transportation and container yard service revenue

Description

Please refer to Note 4(29) for accounting policies on operating revenue, and Note 6(20) for details of operating revenue.

The Group is primarily engaged in land container transport, cargo handling, marine and air freight forwarding, ship and cargo container lease, operation of gasoline station, highway bus and tourist bus carrier. For the year ended December 31, 2022, the total revenue of container transport and container yard service was NT$2,986,869 thousand, constituting 16.98% of operating revenue in 2022 and were the main sources of income. Transportation and container yard service revenue were recognised in the accounting periods in which the services are rendered, the revenue recognition were based on the relevant information (cargo specification, numbers, transportation starting point and destination and cargo handling service types) that were recorded by front service employees and charged for different services by the system.

The Group has a high volume of transactions, the services fees of transported or handled containers were different with specifications, numbers and the distances between starting point and destination, and the trading amounts were small. In addition, some of the information process, recording and maintenance of relevant business statements were done manually, and may lead to inaccurate calculation of transport and container yard service revenue. As a result, more audit staff were required to perform the procedures. Also, the amount of revenue was material to the financial statements, thus we consider the accuracy of transportation and container yard service revenue a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

A. Based on our understanding of the Group's business and industry, we assessed the reasonableness of revenue recognition policies and procedures and confirmed that these were consistently applied in the financial statements.

B. We obtained an understanding of the transportation process, and assessed and tested relevant internal controls, including the information of container specification, numbers and transportation starting point and destination in handover statement which was recorded by drivers, agreed with the information in the computer system and operating statement.

C. We understood the process of container yard service, and assessed and tested relevant internal controls, including ascertaining that the information of container specification, numbers and cargo handling service types in the statements which were prepared by the Group personnel, were consistent with customers' shipping accounts.

D. We verified the accuracy of operating statements which were used in revenue recognition by management, including randomly checking the charge fees in the operating statements and work content against the charges of services types, daily transportation statements and cargo handling statements generated by the computer system, to recalculate the accuracy and ascertained that these were consistent with the carrying amount of revenue.

Key audit matter- Accuracy and cut-off of marine freight revenue

Description

Please refer to Note 4(29) for accounting policies on operating revenue, and Note 6(20) for details of operating revenue.

The Group is primarily engaged in marine freight forwarding. For the year ended December 31, 2022, the total revenue of marine freight revenue was NT$8,920,016 thousand, constituting 50.72% of operating revenue in 2022. Since ocean-going shipping often lasts for several days, voyages are sometimes completed after the balance sheet date. Due to the factors mentioned above, marine 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 Group conducting business worldwide, its transactions are all in small amounts. 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 Group. As the process of recording transactions, communicating with agencies, and maintaining the system are done manually, and the amount of marine freight revenue was material to the financial statements, therefore we consider the accuracy of marine freight revenue and the appropriate use of cut-off a key audit matter.

<u>How our audit addressed the matter</u>

We performed the following audit procedures on the above key audit matter:

A. Based on our understanding of the Group's business and industry, we assessed the reasonableness of revenue recognition policies and procedures and confirmed that these were consistently applied in the financial statements.

B. We obtained an understanding of the procedures of revenue recognition from 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 revenue, and ensured its consistency with the bill of lading report.

C. We 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 marine freight revenue calculation.

D. We 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 cruise timetable, considering the number of days delayed in the shipping routes due to port congestion 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 certain investments accounted for under the equity method. Those statements and the information disclosed in Note 13 were audited by other independent auditors whose reports thereon have been furnished to us, and our audit 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 related 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$76,328 thousand, constituting 0.18% of the total consolidated assets as of December 31, 2022, and comprehensive income was NT$27,130 thousand, constituting 1.10% of the consolidated total comprehensive income and loss for the year then ended.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of Evergreen International Storage and Transport Corporation as at and for the years ended December 31, 2022 and 2021.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Auditor responsibilities for the audit of the consolidated financial statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgement and professional skepticism throughout the audit. We also:

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

underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements 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.

Lai, Chung-Hsi
Chou, Hsiao-Tzu
For and on behalf of PricewaterhouseCoopers, Taiwan
March 9, 2023

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 4,285,525	10	$ 3,654,637	9
1110	Financial assets at fair value through profit or loss - current	6(2)	350,422	1	135,272	-
1120	Financial assets at fair value through other comprehensive income - current	6(3)	3,169,510	8	4,967,059	12
1136	Financial assets at amortised cost - current	6(4)	446,301	1	680,089	2
1140	Current contract assets	6(20)	-	-	29,532	-
1150	Notes receivable, net	6(5)	38,218	-	55,645	-
1170	Accounts receivable, net	6(5)(9)	1,001,501	2	1,112,290	3
1180	Accounts receivable, net - related parties	6(5)(9) and 7	1,484,576	4	700,429	2
1197	Finance lease receivable, net	6(9)	-	-	6,449	-
1200	Other receivables	7	25,591	-	28,126	-
1220	Current income tax assets		46,137	-	11,258	-
130X	Inventories		52,493	-	52,012	-
1410	Prepayments		106,886	-	28,655	-
1470	Other current assets		30,087	-	189,732	-
11XX	**Total Current Assets**		11,037,247	26	11,651,185	28
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	1,588,447	4	2,117,895	5
1535	Financial assets at amortised cost - non-current	6(4) and 8	127,899	-	127,740	-
1550	Investments accounted for using equity method	6(6)	1,244,344	3	1,101,599	3
1600	Property, plant and equipment, net	6(7) and 7	16,328,064	39	24,246,163	58
1755	Right-of-use assets	6(8)	1,732,358	4	1,656,102	4
1760	Investment property, net	6(10) and 8	3,830,439	9	493,000	1
1780	Intangible assets		215,795	1	144,210	1
1840	Deferred income tax assets		245,167	1	141,462	-
1930	Long-term notes and accounts receivable	6(5)(9)	39,301	-	-	-
1940	Long-term notes and accounts receivable - related parties	6(5)(9) and 7	4,780,665	11	-	-
1990	Other non-current assets		878,129	2	125,924	-
15XX	**Total Non-current assets**		31,010,608	74	30,154,095	72
1XXX	**TOTAL ASSETS**		$ 42,047,855	100	$ 41,805,280	100

(Continued)

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(11)	$ 60,000	-	$ 120,000	-
2130	Current contract liabilities	6(20)	41,467	-	66,098	-
2150	Notes payable		25,366	-	35,783	-
2160	Notes payable - related parties		989	-	-	-
2170	Accounts payable		518,736	1	529,236	1
2180	Accounts payable - related parties	7	169,042	1	161,394	-
2200	Other payables	6(12)	511,248	1	403,136	1
2220	Other payables - related parties	6(12) and 7	284,870	1	623,875	2
2230	Current income tax liabilities		377,713	1	179,254	1
2280	Current lease liabilities		197,390	1	163,606	-
2320	Long-term liabilities, current portion	6(13)	560,418	1	1,222,298	3
2399	Other current liabilities, others		163,791	-	230,876	1
21XX	**Total Current Liabilities**		2,911,030	7	3,735,556	9
	Non-current liabilities					
2540	Long-term borrowings	6(13)	4,290,844	10	5,500,118	13
2570	Deferred income tax liabilities		2,472,206	6	2,271,064	5
2580	Non-current lease liabilities		1,635,932	4	1,540,513	4
2600	Other non-current liabilities	6(14)(15)	917,320	2	1,027,076	3
25XX	**Total Non-current liabilities**		9,316,302	22	10,338,771	25
2XXX	**TOTAL LIABILITIES**		12,227,332	29	14,074,327	34
	Equity attributable to owners of parent					
	Capital stock	6(16)				
3110	Common stock		10,671,411	25	10,671,411	26
	Capital surplus	6(17)				
3200	Capital surplus		4,286,854	10	4,277,360	10
	Retained earnings	6(18)				
3310	Legal reserve		2,467,071	6	2,352,848	6
3350	Unappropriated retained earnings		9,050,378	22	6,005,196	14
	Other equity interest	6(19)				
3400	Other equity interest		3,074,225	7	4,336,510	10
31XX	**Equity attributable to owners of the parent**		29,549,939	70	27,643,325	66
36XX	Non-controlling interest		270,584	1	87,628	-
3XXX	**TOTAL EQUITY**		29,820,523	71	27,730,953	66
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	**TOTAL LIABILITIES AND EQUITY**		$ 42,047,855	100	$ 41,805,280	100

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

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

			Year ended December 31			
			2022		2021	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(20) and 7	$ 17,586,956	100	$ 8,880,226	100
5000	Operating costs	6(25) and 7	(13,087,458)	(75)	(7,526,982)	(85)
5900	Gross profit		4,499,498	25	1,353,244	15
	Operating expenses	6(25) and 7				
6100	Selling expenses		(549,941)	(3)	(114,086)	(1)
6200	General and administrative expenses		(745,468)	(4)	(285,519)	(3)
6450	Expected credit (loss) gain	12(2)	(2,370)	-	5,844	-
6000	Total operating expenses		(1,297,779)	(7)	(393,761)	(4)
6900	Operating profit		3,201,719	18	959,483	11
	Non-operating income and expenses					
7100	Interest income	6(21)	44,714	-	10,033	-
7010	Other income	6(22)	768,060	5	177,114	2
7020	Other gains and losses	6(23)	130,506	1	16,070	-
7050	Finance costs	6(24)	(126,703)	(1)	(88,784)	(1)
7060	Share of profit of associates and joint ventures accounted for using equity method	6(6)	121,442	1	131,601	1
7000	Total non-operating income and expenses		938,019	6	246,034	2
7900	**Profit before income tax**		4,139,738	24	1,205,517	13
7950	Income tax expense	6(27)	(469,106)	(3)	(122,160)	(1)
8200	**Profit for the year**		$ 3,670,632	21	$ 1,083,357	12

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EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

	Items	Notes	2022 AMOUNT	2022 %	2021 AMOUNT	2021 %
	Other comprehensive income,net					
	Items that will not be reclassified to profit or loss					
8311	Remeasurement of defined benefit plan	6(15)	$ 78,864	-	$ 47,452	-
8316	Total unrealised (losses) gains from financial assets measured at fair value through other comprehensive income	6(3)(19)	(2,467,121)	(14)	3,630,017	41
8349	Income tax related to the components of other comprehensive profit	6(27)	(15,509)	-	(6,510)	-
	Items that will be reclassified to profit or loss					
8361	Exchange differences arising on translation of foreign operations		1,203,480	7	(129,225)	(1)
8399	Income tax related to the components of other comprehensive profit	6(27)	(415)	-	-	-
8300	**Total other comprehensive (loss) income for the year, net**		($ 1,200,701)	(7)	$ 3,541,734	40
8500	**Total comprehensive income for the year**		$ 2,469,931	14	$ 4,625,091	52
	Profit attributable to:					
8610	Owners of the parent		$ 3,526,415	20	$ 1,064,544	12
8620	Non-controlling interest		144,217	1	18,813	-
			$ 3,670,632	21	$ 1,083,357	12
	Comprehensive income attributable to:					
8710	Owners of the parent		$ 2,323,976	13	$ 4,604,437	52
8720	Non-controlling interest		145,955	1	20,654	-
			$ 2,469,931	14	$ 4,625,091	52
	Earnings per share	6(28)				
9750	Basic earnings per share (in dollars)		$ 3.30		$ 1.00	
9850	Diluted earnings per share (in dollars)		$ 3.30		$ 1.00	

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

YEARS ENDED DECEMBER 31, 2022 AND 2021

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

		Equity attributable to owners of the parent								
				Retained Earnings		Other equity interest				
	Notes	Common stock	Capital surplus	Legal reserve	Unappropriated retained earnings	Exchange differences arising on translation of foreign operation	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total	Non-controlling interest	Total equity
2021										
Balance at January 1, 2021		$ 10,671,411	$ 4,267,947	$ 2,286,736	$ 5,249,225	($ 915,412)	$ 1,789,710	$ 23,349,617	$ -	$ 23,349,617
Profit for the year		-	-	-	1,064,544	-	-	1,064,544	18,813	1,083,357
Other comprehensive income (loss) for the year	6(19)	-	-	-	38,009	(129,152)	3,631,036	3,539,893	1,841	3,541,734
Total comprehensive income (loss) for the year		-	-	-	1,102,553	(129,152)	3,631,036	4,604,437	20,654	4,625,091
Appropriation of 2020 earnings	6(18)									
Legal reserve		-	-	66,112	(66,112)	-	-	-	-	-
Cash dividends		-	-	-	(320,142)	-	-	(320,142)	-	(320,142)
Changes in equity of associates and joint ventures accounted for using equity method		-	6	-	-	-	-	6	-	6
Other changes in capital surplus		-	9,407	-	-	-	-	9,407	-	9,407
Changes in non-controlling interests		-	-	-	-	-	-	-	66,974	66,974
Disposal of investments in equity instruments measured at fair value through other comprehensive income	6(3)(18)(19)	-	-	-	39,672	-	(39,672)	-	-	-
Balance at December 31,2021		$ 10,671,411	$ 4,277,360	$ 2,352,848	$ 6,005,196	($ 1,044,564)	$ 5,381,074	$ 27,643,325	$ 87,628	$ 27,730,953
2022										
Balance at January 1, 2022		$ 10,671,411	$ 4,277,360	$ 2,352,848	$ 6,005,196	($ 1,044,564)	$ 5,381,074	$ 27,643,325	$ 87,628	$ 27,730,953
Profit for the year		-	-	-	3,526,415	-	-	3,526,415	144,217	3,670,632
Other comprehensive income (loss) for the year	6(19)	-	-	-	60,942	1,196,426	(2,459,807)	(1,202,439)	1,738	(1,200,701)
Total comprehensive income (loss) for the year		-	-	-	3,587,357	1,196,426	(2,459,807)	2,323,976	145,955	2,469,931
Appropriation of 2021 earnings	6(18)									
Legal reserve		-	-	114,223	(114,223)	-	-	-	-	-
Cash dividends		-	-	-	(426,856)	-	-	(426,856)	-	(426,856)
Changes in equity of associates and joint ventures accounted for using equity method		-	310	-	-	-	-	310	(4)	306
Other changes in capital surplus		-	9,184	-	-	-	-	9,184	-	9,184
Changes in non-controlling interests		-	-	-	-	-	-	-	37,005	37,005
Disposal of investments in equity instruments measured at fair value through other comprehensive income	6(3)(18)(19)	-	-	-	(1,096)	-	1,096	-	-	-
Balance at December 31, 2022		$ 10,671,411	$ 4,286,854	$ 2,467,071	$ 9,050,378	$ 151,862	$ 2,922,363	$ 29,549,939	$ 270,584	$ 29,820,523

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

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 4,139,738	$ 1,205,517
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(25)	1,208,676	2,158,598
Amortisation	6(25)	21,703	6,324
Expected credit loss (gain)		2,370	(5,844)
(Gain) loss on financial assets at fair value through profit or loss	6(2)	(150)	100
Interest expense	6(24)	126,205	88,620
Interest income	6(21)	(378,697)	(10,022)
Dividend income	6(22)	(607,826)	(155,026)
Share of profit of associates and joint ventures accounted for using equity method	6(6)	(121,442)	(131,601)
Gain on disposal of property, plant and equipment	6(23)	(4,792)	(94,235)
Gain from bargain purchase	6(22)(29)	(132,345)	(5,119)
Income from subleasing right-of-use assets		(92)	-
Gain on lease modification	6(8)(23)	-	(7)
Other income	6(8)	-	(49)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets mandatorily measured at fair value through profit or loss		(215,000)	225,000
Current contract assets		32,672	(29,532)
Notes receivable, net		17,848	(25,135)
Accounts receivable, net		356,360	372,030
Accounts receivable, net - related parties		1,065,356	(37,710)
Other receivables		7,695	(10,657)
Inventories		(481)	(5,732)
Prepayments		(4,957)	1,662
Other current assets		177,415	(156,857)
Other non-current assets		28	(201)
Changes in operating liabilities			
Current contract liabilities		(34,808)	56,351
Notes payable		(20,534)	26,352
Notes payable - related parties		989	-
Accounts payable		(269,231)	209,383
Accounts payable - related parties		(101,750)	(247,129)
Other payables		24,719	(289,882)
Other payables - related parties		(44,264)	(41,465)
Other current liabilities, others		(94,848)	71,100
Other non-current liabilities		(141,358)	(59,995)
Cash inflow generated from operations		5,009,199	3,114,839
Interest received		372,367	10,332
Interest paid		(122,060)	(87,402)
Income tax paid		(299,692)	(134,486)
Net cash flows from operating activities		4,959,814	2,903,283

(Continued)

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through other comprehensive income		($ 303,891)	($ 57,679)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	13,356	97,575
Proceeds from capital reduction of financial assets at fair value through other comprehensive income		153,205	-
Acquisition of financial assets at amortised cost		(1,696,696)	(1,254,963)
Proceeds from disposal of financial assets at amortised cost		1,930,355	648,631
Acquisition of investments accounted for using equity method		(53,478)	-
Net cash flow from acquisition of subsidiaries	6(30)	82,148	(516,240)
Acquisition of property, plant and equipment (including prepayments for equipment)	6(30)	(2,562,535)	(5,057,494)
Proceeds from disposal of property, plant and equipment		13,586	1,883,753
Cash received from finance lease receivable		-	7,790
Increase in refundable deposits		(29,596)	-
Decrease in refundable deposits		-	494
Acquisition of intangible assets		(4,342)	(101)
Dividends received		651,590	186,283
Net cash flows used in investing activities		(1,806,298)	(4,061,951)
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in short-term loans		(60,000)	-
Proceeds from long-term borrowings	6(31)	729,580	3,803,386
Repayment of long-term borrowings	6(31)	(2,996,117)	(2,512,738)
Increase in guarantee deposits received	6(31)	66,432	-
Decrease in guarantee deposits received	6(31)	-	(259)
Repayment of lease liabilities	6(31)	(180,114)	(140,601)
Dividends paid	6(18)	(426,856)	(320,142)
Change in non-controlling interests		(1,756)	-
Other financing activities		9,184	9,407
Net cash flows (used in) from financing activities		(2,859,647)	839,053
Effect of exchange rate changes		337,019	15,579
Net increase (decrease) in cash and cash equivalents		630,888	(304,036)
Cash and cash equivalents at beginning of year		3,654,637	3,958,673
Cash and cash equivalents at end of year		$ 4,285,525	$ 3,654,637

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

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

1. HISTORY AND ORGANISATION

(1) Incorporated in 1973, Evergreen International Storage and Transport Corporation (the "Company") was initially operated under the name of "Everglory Transport Corporation". In July 1986, the Company was renamed as "Evergreen Transport Corporation". Shares of the Company have been traded on the Taiwan Stock Exchange since 1990. In September 2001, the Company was renamed again and is currently known as "Evergreen International Storage and Transport Corporation". The Company is principally engaged in container trucking, operation of container distribution centers, ship chartering, operation of gasoline station and passenger transportation.

The Company merged with Evergreen Container Terminal Corporation and Uniglory Marine Corporation on March 31, 2002 and November 1, 2002, respectively. On May 1, 2003, the Company merged with Evervoyage Transportation Corporation, a subsidiary of the Company, which was conducted in accordance with the Business Mergers and Acquisitions Law.

(2) Gaining Enterprise S.A. (GESA) was incorporated in Panama on December 16, 1993 and is primarily engaged in ship trading, transportation and chartering, operation and investments of container yards, leases and investments of overseas container terminals and marine transportation related business.

(3) Shun An Enterprise Corporation (SAEC) was initially incorporated on November 10, 2008, and is primarily engaged in management consulting and employment agency.

(4) Evergreen Logistics Corporation (ELC) was incorporated on November 9, 2006 and is primarily engaged in the marine and air freight forwarding, customs brokerage and other related business. It became a subsidiary of the Company since October 2021.

(5) Ever Reward Logistics Corporation (ERL) was incorporated on April 21, 2000, formerly known as Evergreen Reward Development Industrial Corporation, and changed its name to Ever Reward Logistics Corporation on August 19, 2000. It is primarily engaged in the international trading, packaging, marine freight forwarding, storage and warehousing, information administration and other business. It became a subsidiary of the Company since October 2021.

(6) The Company and its subsidiaries are collectively referred herein as the "Group".

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised for issuance by the Board of Directors on March 9, 2023.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRSs") that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became effective from 2022 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 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

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

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

New standards, interpretations and amendments endorsed by the FSC effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) 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 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
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC(collectively referred herein as the “IFRSs”).

(2) Basis of preparation

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

(a) Financial assets 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 that came into effect 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 Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

			Ownership(%)		
Name of investor	Name of subsidiary	Main business activities	December 31, 2022	December 31, 2021	Description
The Company	SAEC	Management consulting and employment agency	100.00	100.00	
The Company	GESA	Ship trading, transportation and chartering, operation and investments of container yards, leases and investments of overseas container terminals and marine transportation related business	100.00	100.00	
The Company	ELC	Marine and air freight forwarding, customs brokerage and other related business	91.21	91.21	Note 1
The Company	ERL	International trading, packing, marine freight forwarding, storage and warehousing, information administration	60.00	60.00	Note 2
ELC	Round The World Logistics (U.S.A.) Corp.	Marine and air freight forwarding, customs brokerage and other related business	100.00	100.00	Note 3
ELC	Evergreen Logistics (Thailand) Co., Ltd.	Marine and air freight forwarding, customs brokerage and other related business	49.00	0.00	Note 4
ELC	Evergreen Logistics Malaysia Sdn. Bhd.	Marine and air freight forwarding, customs brokerage and other related business	100.00	0.00	Note 5
ELC	Evergreen International Logistics (HK) Ltd.	Marine and air freight forwarding, customs brokerage and other related business	100.00	0.00	Note 6
ELC	Evergreen Logistics Vietnam Co., Ltd.	Marine and air freight forwarding, customs brokerage and other related business	100.00	0.00	Note 7
ELC	Evergreen Logistics (India) Private Ltd.	Marine and air freight forwarding, customs brokerage and other related business	99.99	0.00	Note 8

Name of investor	Name of subsidiary	Main business activities	Ownership(%) December 31, 2022	Ownership(%) December 31, 2021	Description
Evergreen International Logistics (HK) Ltd.	Evergreen International Logistics (Shanghai) Co., Ltd.	Marine and air freight forwarding, customs brokerage and other related business	100.00	0.00	Note 9
ELC	Evergreen Logistics (Cambodia) Co., Ltd.	Marine and air freight forwarding, customs brokerage and other related business	100.00	0.00	Note 10
ELC	Evergreen International Logistics (Korea) Co., Ltd.	Marine and air freight forwarding, customs brokerage and other related business	100.00	0.00	Note 11
ELC	Evergreen Logistics Philippines Corp.	Marine and air freight forwarding, customs brokerage and other related business	100.00	0.00	Note 12

Note 1: On August 24, 2021, the Board of Directors of the Company resolved to participate in the capital increase raised by ELC and acquire all equity interests in ELC held by the related parties, Evergreen International Corp. and Round The World S.A. The effective date for the above transactions was set on October 1, 2021.

Note 2: The Company indirectly held a 30% equity interest in ERL through the acquisition of a 91.21% equity interest in ELC. Along with the 30% previously held equity interest, the Company held a total of 60% equity interest and obtained control over ERL. Thus, it became a subsidiary of the Company.

Note 3: On December 8, 2021, the Board of Directors of ELC resolved to acquire a 100% equity interest in Round The World Logistics (U.S.A.) Corp. from a related party, Round The World S.A. with the effective date set on December 10, 2021.

Note 4: On March 10, 2022, the Board of Directors of ELC resolved to acquire a 49% equity interest in Evergreen Logistics (Thailand) Co.Ltd. from a related party, Round The World S.A. with the effective date set on April 25, 2022.

Note 5: On March 10, 2022, the Board of Directors of ELC resolved to acquire a 100% equity interest in Evergreen Logistics Malaysia Sdn. Bhd. from a related party, Round The World S.A. with the effective date set on April 28, 2022.

Note 6: On December 8, 2021, the Board of Directors of ELC resolved to incorporate a subsidiary, Evergreen International Logistics (HK) Ltd., in Hong Kong. The capital contribution was completed on May 25, 2022.

Note 7: On March 10, 2022, the Board of Directors of ELC resolved to acquire a 100% equity interest in Evergreen Logistics Vietnam Co. Ltd. from a related party, Round The World S.A. with the effective date set on June 20, 2022.

Note 8: On March 10, 2022, the Board of Directors of ELC resolved to acquire a 99.99% equity interest in Evergreen Logistics (India) Private Ltd. from a related party, Evergreen Logistics (HK) Ltd. with the effective date set on June 21, 2022.

Note 9: On December 8, 2021, the Board of Directors of ELC resolved to incorporate a subsidiary, Evergreen International Logistics (Shanghai) Co., Ltd., in Shanghai. The capital contribution was completed on October 11, 2022.

Note 10: On June 22, 2022, the Board of Directors of ELC resolved to incorporate a subsidiary, Evergreen Logistics (Cambodia) Co., Ltd., in Cambodia. The capital contribution was completed on November 1, 2022.

Note 11: On October 13, 2022, the Board of Directors of ELC resolved to incorporate a subsidiary, Evergreen International Logistics (Korea) Co., Ltd., in Korea. The capital contribution was completed on November 15, 2022.

Note 12: On March 10, 2022, the Board of Directors of ELC resolved to acquire a 100% equity interest in Evergreen Logistics Philippines Corp. from a related party, Round The World S.A. with the effective date set on December 28, 2022.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Foreign currency translations

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan Dollars, which is the Company's functional and the Group's 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.

(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 foreign exchange gains and losses 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 group 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 Group 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 Group 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.

(5) 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.

(6) 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 that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) 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 Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

(8) 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 Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.

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 Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:

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 Group and the amount of the dividend can be measured reliably.

(9) 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 Group’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. The Group'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.

(10) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

For financial assets at amortised cost including accounts receivable that have a significant financing component, at each reporting date, the Group 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 Group recognises the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

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

A. The contractual rights to receive the cash flow from the financial asset expire.

B. The contractual rights to receive cash flows from the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.

C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(13) Leasing arrangements (lessor)－finance leases/ operating leases

A. Based on the terms of a lease contract, a lease is classified as a finance lease if the lessee assumes substantially all the risks and rewards incidental to ownership of the leased asset.

(a) At commencement of the lease term, the lessor should record a finance lease in the balance sheet as 'lease receivables' at an amount equal to the net investment in the lease (including initial direct costs). The difference between gross lease receivable and the present value of the receivable is recognised as 'unearned finance income of finance lease'.

(b) The lessor should allocate finance income over the lease term based on a systematic and rational basis reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

(c) Lease payments (excluding costs for services) during the lease term are applied against the gross investment in the lease to reduce both the principal and the unearned finance income.

B. 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.

(14) Inventories

The perpetual inventory system is adopted for inventory recognition. Inventories are stated at cost. The cost is determined using the moving weighted average method. At the end of period, inventories are evaluated at the lower of cost or net realisable value, and the individual item approach is used in the comparison of cost and net realisable value. The calculation of net realisable value is based on the estimated selling price in the normal course of business, net of estimated costs of completion and estimated selling expenses.

(15) Investments accounted for using equity method / associates

A. Associates are all entities over which the Group 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% 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.

B. The Group'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 Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred constructive obligations or made payments on behalf of the associate.

C. 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 Group's ownership percentage of the associate, the Group recognises change in ownership interest in the associate in 'capital surplus' in proportion to its ownership.

D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group'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 Group.

E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for using 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 Group'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.

F. Upon loss of significant influence over an associate, the Group 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.

G. When the Group 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.

H. When the Group 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, then the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(16) 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 Group 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:

Asset	Useful Life
Land improvements	3 - 25 years
Buildings	15 - 55 years
Machinery	3 - 15 years
Loading/unloading equipment	5 - 20 years
Transportation equipment	4 - 10 years
Ships	23 - 29 years
Office equipment	2.5 - 10 years
Leasehold improvements	2 - 10 years
Other equipment	2 - 50 years

The significant components of buildings include hydroelectric facilities and buildings, which are depreciated over 15 to 55 years.

(17) <u>Leasing arrangements (lessee)－right-of-use assets/ lease liabilities</u>

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 Group. 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 Group 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.

(18) 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 3~55 years.

(19) Intangible assets

A. Computer software is amortised on a straight-line basis over its estimated useful life of 3 years.

B. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

C. Customer relationship

Client relationship arises from the business combination is measured initially at their fair values at the acquisition date. Customer relationship has a finite useful life and is amortised on a straight-line basis.

(20) Impairment of non-financial assets

The Group 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 recognising 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.

(21) Borrowings

A. Borrowings comprise bank borrowings. 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.

(22) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(23) Derecognition of financial liabilities

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

(24) 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.

(25) 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 Group 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 Group 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. 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.

(26) 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 Group operates and generates 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 consolidated balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. 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 Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred 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 tax asset is realised or the deferred tax liability is settled.

D. Deferred income 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.

(27) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(28) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities.

(29) Revenue recognition

A. Sales of goods

The Group sells oil. Revenue arising from the sales of goods is recognised when the Group has delivered the goods to the customer, and the transition price taking into account of business tax, returns, rebates and discounts. The delivery of goods is completed when the significant risks and rewards of ownership have been transferred to the customer, the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the customer has accepted the goods based on the sales contract or there is objective evidence showing that all acceptance provisions have been satisfied.

B. Sales of services

The Group provides passenger transportation, container transportation, container yard services, marine and air freight forwarding. Revenue is recognised based on the actual service provided up to the end of the reporting period as a proportion of the total services to be provided.

C. Leasing service

The Group follows the guidance of IFRS 16 "Leases" to recognise revenue from the leasing of ships and container. Leases are required to be classified as either finance lease or operating lease according to the extent of transition of risks and rewards of ownership. Revenue is recognised through the period of leases.

(30) Business combination

A. The Group 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 Group 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.

(31) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Group's 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 consolidated financial statements requires management to make critical judgements in applying the Group'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; the information is addressed below:

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

Lease term

The Group needs to consider all relevant facts and circumstances that create an economic incentive for the lessees to exercise an option or not when determining the lease term. This includes anticipated modifications in all facts and circumstances from the commencement date of the lease to the option exercise date. Key considerations include the terms and conditions of the contract for the period covered by the options, significant leasehold improvements during the term of the contract and the importance of the underlying assets to the operation of the lessees. Lessees are required to reassess the lease term when significant events or changes in circumstances occur that are within the control of the Group.

(2) Critical accounting estimates and assumptions

Financial assets—fair value measurement of unlisted stocks without active market

The fair value of unlisted stocks held by the Group that are not traded in an active market is determined considering fair value assessment of other companies of the same type, market conditions and other economic indicators existing on balance sheet date. Any changes in these judgements and estimates will impact the fair value measurement of these unlisted stocks. Please refer to Note 12(3) for the financial instruments fair value information.

As of December 31, 2022, the carrying amount of unlisted stocks without active market was $644,817.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand and petty cash	$ 3,824	$ 3,440
Checking accounts and demand deposits	2,081,537	678,872
Time deposits	2,200,164	2,972,325
	$ 4,285,525	$ 3,654,637

A. The Group 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 Group has no cash and cash equivalents pledged to others.

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

Items	December 31, 2022	December 31, 2021
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	$ 350,000	$ 135,000
Valuation adjustment	422	272
	$ 350,422	$ 135,272

A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	Year ended December 31, 2022	Year ended December 31, 2021
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	$ 2,595	$ 852

Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

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

Items	December 31, 2022	December 31, 2021
Current items:		
Equity instruments		
Listed stocks	$ 925,399	$ 907,940
Valuation adjustment	2,244,111	4,059,119
Total	$ 3,169,510	$ 4,967,059
Non-current items:		
Equity instruments		
Listed stocks	$ 612,093	$ 509,240
Emerging stocks	3,100	-
Unlisted stocks	260,244	246,584
Subtotal	875,437	755,824
Valuation adjustment	713,010	1,362,071
Total	$ 1,588,447	$ 2,117,895

A. The Group has elected to classify investments in listed, emerging, and unlisted companies 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 $4,757,957 and $7,084,954 as at December 31, 2022 and 2021, respectively.

B. Aiming to satisfy the operational needs, the Group sold $13,356 and $97,575 of listed stocks investments at fair value and resulted in cumulative gains on disposal of ($1,096) and $39,672 during the years ended December 31, 2022 and 2021, respectively.

C. On May 30, 2022, the shareholders of the investee, Evergreen Marine Corp. (Taiwan) Ltd., at their meeting resolved to conduct a cash capital reduction to return capital to shareholders. The capital reduction ratio was 60%. The effective date of the capital reduction was September 16, 2022. The Group received the capital reduction proceeds amounting to $153,205 on September 29, 2022.

D. 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, 2022	Year ended December 31, 2021
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	($ 2,467,121)	$ 3,630,017
Income tax recognised in other comprehensive income	$ 2,050	$ 2,955
Cumulative gains reclassified to retained earnings due to derecognition	($ 1,096)	$ 39,672
Dividend income recognised in profit or loss		
Held at end of period	$ 607,676	$ 155,006
Derecognised during the period	150	20
	$ 607,826	$ 155,026

(4) Financial assets at amortised cost

Items	December 31, 2022	December 31, 2021
Current items:		
Restricted deposits	$ 357,467	$ 590,010
Time deposits	88,834	90,079
	$ 446,301	$ 680,089
Non-current items:		
Pledged time deposits	$ 127,899	$ 127,740

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

	Year ended December 31, 2022	Year ended December 31, 2021
Interest income	$ 2,069	$ 1,355

B. As at December 31, 2022 and 2021, 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 Group was $574,200 and $807,829, respectively.

C. The above restricted deposits pertain to an account that was used exclusively for specific purposes.

D. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

E. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The Group transacts with a variety of financial institutions all with high credit quality on investing time deposits, so it expects that the probability of counterparty default is remote.

(5) Notes and accounts receivable

	December 31, 2022	December 31, 2021
Notes receivable	$ 38,218	$ 55,645
Accounts receivable - non-related parties	$ 991,368	$ 1,112,983
Accounts receivable - related parties	549,880	700,618
Lease payment receivable - non-related parties - current	11,986	-
Lease payment receivable - related parties - current	1,227,989	-
Less: Allowance for bad debts	(1,196)	(882)
Unearned finance income	(293,950)	-
	$ 2,486,077	$ 1,812,719
Lease payment receivable - non -related-parties-non-current (Listed as long-term notes and accounts receivable)	$ 41,304	$ -
Lease payment receivable - related parties-non-current (Listed as long-term notes and accounts receivable - related parties)	5,194,496	-
Less: Allowance for bad debts	(1,558)	-
Unearned finance income	(414,276)	-
	$ 4,819,966	$ -

A. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	December 31, 2022			
	Accounts receivable		Notes receivable	
Without past due	$	7,426,957	$	30,569
Up to 3 months past due		511,872		7,649
Over 3 months past due		78,194		-
	$	8,017,023	$	38,218

	December 31, 2021			
	Accounts receivable		Notes receivable	
Without past due	$	1,606,586	$	55,645
Up to 3 months past due		202,588		-
Over 3 months past due		4,427		-
	$	1,813,601	$	55,645

The above ageing analysis was based on the number of days past due.

B. As of December 31, 2022 and 2021, and January 1, 2021, the balances of receivables (including notes receivable) from contracts with customers amounted to $1,435,432, $1,528,539 and $467,919, respectively.

C. As of December 31, 2022 and 2021, 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 Group’s notes and accounts receivable were $38,218 and $55,645; $7,306,043 and $1,812,719, respectively.

D. Information relating to lease payments receivable is provided in Note 6(9).

E. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(6) Investments accounted for using equity method

	2022	2021
At January 1	$ 1,101,599	$ 1,019,089
Increase in investments using the equity method	62,208	-
Share of profit or loss of investments accounted for using equity method	121,442	131,601
Earnings distribution of investments accounted for using equity method	(43,764)	(31,257)
Changes in capital surplus	369	8
Changes in other equity items	2,490	1,115
Acquired from business combinations	-	(18,957)
At December 31	$ 1,244,344	$ 1,101,599

	December 31, 2022	December 31, 2021
Associates :		
United Stevedoring Corp.	$ 33,596	$ 32,865
Taipei Port Container Terminal Corp.	1,071,397	1,007,541
Qingdao Evergreen Container Storage and Transportation Corp.	63,023	61,193
Round The World Logistics Corp. (M) Sdn. Bhd.	76,328	-
	$ 1,244,344	$ 1,101,599

A. The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarised below:

As of December 31, 2022 and 2021, the carrying amount of the Group's individually immaterial associates amounted to $1,244,344 and $1,101,599, respectively.

	Year ended December 31, 2022	Year ended December 31, 2021
Profit for the period from continuing operations	$ 652,491	$ 788,306
Other comprehensive income (loss) - net of tax	-	-
Total comprehensive income	$ 652,491	$ 788,306

B. The abovementioned investments accounted for using equity method are recognised as gain on investment in the investees' audited financial statements.

C. The Company's original comprehensive shareholding ratio in Taipei Port Container Terminal Corp. (Taipei Port) was 20%. As a result of Taipei Port increasing its capital several times and reserving certain shares for employees, the Company's comprehensive shareholding ratio in Taipei Port decreased to 19.49%. To integrate the investment structures, the Board of Directors of the third-tier subsidiary, Hazel Estate B.V., resolved to dispose 9.73% of equity interests of Taipei Port in November 2019, which were only subscribed 6.81% by the Company. Consequently, the Company's direct shareholding ratio in Taipei Port was increased to 16.57%. The Company's influence over the Taipei Port has no impact arising from the decrease of shareholding ratio based on the Company's assessment; therefore, Taipei Port is still assessed under equity method.

D. The Group holds 15% shareholding ratio of Qingdao Evergreen Container Storage and Transportation Corp. (QECT) and uses the equity method despite having less than 20% shareholding ratio because the Group has a significant number of directors and significant influence over QECT.

E. The Group is the single largest shareholder of United Stevedoring Corp. (USC) with shareholding ratio of 50%. Given that two other large shareholders (non-related parties) also operate transportation business and jointly hold 50% shares, and the seats held by the Group on the Board of USC were less than half, which indicates that the Group has no current ability to direct the relevant activities of USC, the Group has no control, but only has significant influence over the investee.

F. The Company indirectly held a 30% equity interest in ERL through the acquisition of a 91.21% equity interest in ELC in the fourth quarter of 2021. Therefore, along with a 30% previously held equity interest at 2021, the Company held a total of 60% equity interest and obtained control over ERL. Thus, it became a subsidiary of the Company.

(7) Property, plant and equipment

	2022											
	Land	Land improvements	Buildings	Machinery	Loading/ unloading equipment	Transportation equipment	Ships	Office equipment	Leasehold improvements	Other equipment	Construction in progress	Total
At January 1												
Cost	$ 8,802,162	$ 74,802	$ 1,149,730	$ 20,255	$ 2,217,745	$ 21,062,488	$ 4,569,153	$ 27,421	$ 68,850	$ 641,800	$ 1,984,210	$ 40,618,616
Accumulated depreciation	-	(49,120)	(949,776)	(18,266)	(1,390,264)	(8,972,136)	(4,361,453)	(15,293)	(60,809)	(555,336)	-	(16,372,453)
	$ 8,802,162	$ 25,682	$ 199,954	$ 1,989	$ 827,481	$ 12,090,352	$ 207,700	$ 12,128	$ 8,041	$ 86,464	$ 1,984,210	$ 24,246,163
Opening net book amount	$ 8,802,162	$ 25,682	$ 199,954	$ 1,989	$ 827,481	$ 12,090,352	$ 207,700	$ 12,128	$ 8,041	$ 86,464	$ 1,984,210	$ 24,246,163
Additions	30,590	3,064	8,060	364	9,550	455,853	43,362	7,567	13,615	18,708	608,234	1,198,967
Acquired from business combinations	(21,804)	-	55,108	-	-	1,614	-	598	463	469	-	36,448
Disposals	-	-	-	-	(1,506)	(4,339)	-	(34)	-	(81)	-	(5,960)
Reclassifications	(775,597)	33,292	4,535	-	33,437	(6,272,895)	964	8,879	539	58,316	(2,592,362)	(9,500,892)
Depreciation charge	-	(9,680)	(16,486)	(791)	(92,904)	(702,794)	(66,313)	(7,536)	(4,467)	(32,805)	-	(933,776)
Effect of exchange rate changes	6,394	-	11,843	-	98	1,249,152	18,974	397	37	219	-	1,287,114
Closing net book amount	$ 8,041,745	$ 52,358	$ 263,014	$ 1,562	$ 776,156	$ 6,816,943	$ 204,687	$ 21,999	$ 18,228	$ 131,290	$ 82	$ 16,328,064
At December 31												
Cost	$ 8,041,745	$ 106,777	$ 1,229,366	$ 20,515	$ 2,252,610	$ 9,619,971	$ 4,933,035	$ 44,463	$ 83,535	$ 713,921	$ 82	$ 27,046,020
Accumulated depreciation	-	(54,419)	(966,352)	(18,953)	(1,476,454)	(2,803,028)	(4,728,348)	(22,464)	(65,307)	(582,631)	-	(10,717,956)
	$ 8,041,745	$ 52,358	$ 263,014	$ 1,562	$ 776,156	$ 6,816,943	$ 204,687	$ 21,999	$ 18,228	$ 131,290	$ 82	$ 16,328,064

The Group has provided a negative pledge to the loan granting banks for the credits used to purchase the above transportation equipment.

	2021											
	Land	Land improvements	Buildings	Machinery	Loading/ unloading equipment	Transportation equipment	Ships	Office equipment	Leasehold improvements	Other equipment	Construction in progress	Total
At January 1												
Cost	$ 8,532,166	$ 74,641	$ 991,369	$ 19,792	$ 2,172,998	$ 17,962,148	$ 10,908,203	$ 15,413	$ 68,850	$ 621,322	$ 548,953	$ 41,915,855
Accumulated depreciation	-	(44,378)	(891,844)	(17,727)	(1,435,886)	(7,600,488)	(8,646,638)	(14,445)	(57,340)	(530,039)	-	(19,238,785)
	$ 8,532,166	$ 30,263	$ 99,525	$ 2,065	$ 737,112	$ 10,361,660	$ 2,261,565	$ 968	$ 11,510	$ 91,283	$ 548,953	$ 22,677,070
Opening net book amount	$ 8,532,166	$ 30,263	$ 99,525	$ 2,065	$ 737,112	$ 10,361,660	$ 2,261,565	$ 968	$ 11,510	$ 91,283	$ 548,953	$ 22,677,070
Additions	1,271	1,882	1,305	630	7,460	3,361,070	102,691	689	-	21,791	1,435,257	4,934,046
Acquired from business combinations	81,658	-	85,339	-	1,039	2,116	-	11,759	-	2,244	-	184,155
Disposals	-	-	-	-	-	(10,264)	(1,784,574)	(8)	-	(28)	-	(1,794,874)
Reclassifications	187,231	-	24,322	-	171,309	60,045	615	-	-	2,519	-	446,041
Depreciation charge	-	(6,463)	(10,366)	(706)	(89,437)	(1,511,796)	(357,727)	(1,273)	(3,469)	(31,342)	-	(2,012,579)
Effect of exchange rate changes	(164)	-	(171)	-	(2)	(172,479)	(14,870)	(7)	-	(3)	-	(187,696)
Closing net book amount	$ 8,802,162	$ 25,682	$ 199,954	$ 1,989	$ 827,481	$ 12,090,352	$ 207,700	$ 12,128	$ 8,041	$ 86,464	$ 1,984,210	$ 24,246,163
At December 31												
Cost	$ 8,802,162	$ 74,802	$ 1,149,730	$ 20,255	$ 2,217,745	$ 21,062,488	$ 4,569,153	$ 27,421	$ 68,850	$ 641,800	$ 1,984,210	$ 40,618,616
Accumulated depreciation	-	(49,120)	(949,776)	(18,266)	(1,390,264)	(8,972,136)	(4,361,453)	(15,293)	(60,809)	(555,336)	-	(16,372,453)
	$ 8,802,162	$ 25,682	$ 199,954	$ 1,989	$ 827,481	$ 12,090,352	$ 207,700	$ 12,128	$ 8,041	$ 86,464	$ 1,984,210	$ 24,246,163

1. The Group has provided a negative pledge to the loan granting banks for the credits used to purchase the above transportation equipment.

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

Amount of borrowing costs capitalised as part of property, plant and equipment is as follows:

	Year ended December 31, 2022	Year ended December 31, 2021
Amount capitalised	$ 8,689	$ 11,860

(8) Leasing arrangements－lessee

A. The Group leases various assets including land, buildings and other equipment. Rental contracts are typically made for periods of 1.75 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

B. Short-term leases with a lease term of 12 months or less comprise land. Low-value assets comprise other equipment.

C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2022	December 31, 2021
	Book value	Book value
Land	$ 1,202,997	$ 1,226,020
Buildings	510,451	411,998
Other equipment	18,910	18,084
	$ 1,732,358	$ 1,656,102

	Year ended December 31, 2022	Year ended December 31, 2021
	Depreciation charge	Depreciation charge
Land	$ 120,212	$ 115,738
Buildings	54,838	25,816
Other equipment	2,078	1,671
	$ 177,128	$ 143,225

D. For the years ended December 31, 2022 and 2021, the additions to right-of-use assets were $208,736 and $6,225, respectively.

E. The information on income and expense accounts relating to lease contracts is as follows:

	Year ended December 31, 2022	Year ended December 31, 2021
Items affecting profit or loss		
Interest expense on lease liabilities	$ 29,733	$ 28,694
Expense on short-term lease contracts	915	334
Expense on leases of low-value assets	1,559	346
Gain on sublease of right-of-use assets	1,404	71
Gain on lease modification	-	7

F. For the years ended December 31, 2022 and 2021, the Group's total cash outflow for leases were $212,321 and $169,975, respectively.

G. The Group's lease contracts that contain variable lease payment terms are for land, buildings and other equipment. Various lease payments are adjusted mainly based on the agreed prices.

H. In determining the lease term, the Group takes into consideration all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. The assessment of lease period is reviewed if a significant event occurs which affects the assessment.

(9) Leasing arrangements – lessor

A. The Group leases various assets including land, buildings, ships and transportation equipment. Rental contracts are typically made for periods of 1 to 10.5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

B. The Group rents transportation equipment and subleases a portion of abovementioned land and buildings under a finance lease. Information on profit or loss in relation to lease contracts is as follows:

	Year ended December 31, 2022	Year ended December 31, 2021
Finance income from the net investment in the finance lease	$ 334,012	$ 71

C. The maturity analysis of the undiscounted lease payments in the finance lease is as follows:

	December 31, 2022
2023	$ 1,239,975
2024	3,021,026
2025	1,107,657
2026	549,388
2027	537,528
After 2028	20,201
Total	$ 6,475,775

	December 31, 2021
2022	$ 6,485

D. Reconciliation of the undiscounted lease payments and the net investment in the finance lease is provided as follows:

	December 31, 2022	
	Current	Non-current
Undiscounted lease payments	$ 1,239,975	$ 5,235,800
Unearned finance income	(293,950)	(414,276)
Net investment in the lease	$ 946,025	$ 4,821,524

	December 31, 2021	
	Current	Non-current
Undiscounted lease payments	$ 6,485	$ -
Unearned finance income	(36)	-
Net investment in the lease	$ 6,449	$ -

E. Gain arising from operating lease agreements for the years ended December 31, 2022 and 2021 are as follows:

	Year ended December 31, 2022	Year ended December 31, 2021
Rental income arising from fixed lease payments	$ 1,927,463	$ 2,676,853
Rental income arising from variable lease payments	$ 4,449	$ 4,450

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

	December 31, 2022
2023	$ 1,601,060
2024	706,010
2025	517,393
2026	438,017
2027	438,017
After 2028	221,306
Total	$ 3,921,803

	December 31, 2021
2022	$ 1,322,644
2023	892,274
2024	628,537
2025	460,616
After 2026	391,363
Total	$ 3,695,434

(10) Investment property

A. Changes in investment property:

	2022		
	Land	Buildings	Total
At January 1			
Cost	$ 452,352	$ 96,880	$ 549,232
Accumulated depreciation	-	(56,232)	(56,232)
	$ 452,352	$ 40,648	$ 493,000
Opening net book amount	$ 452,352	$ 40,648	$ 493,000
Additions	-	748	748
Reclassifications	827,915	2,606,548	3,434,463
Depreciation charge	-	(97,772)	(97,772)
Closing net book amount	$ 1,280,267	$ 2,550,172	$ 3,830,439
At December 31			
Cost	$ 1,280,267	$ 2,707,742	$ 3,988,009
Accumulated depreciation	-	(157,570)	(157,570)
	$ 1,280,267	$ 2,550,172	$ 3,830,439

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

	2021		
	Land	Buildings	Total
At January 1			
Cost	$ 639,583	$ 168,768	$ 808,351
Accumulated depreciation	-	(101,005)	(101,005)
	$ 639,583	$ 67,763	$ 707,346
Opening net book amount	$ 639,583	$ 67,763	$ 707,346
Reclassifications (Note)	(187,231)	(24,322)	(211,553)
Depreciation charge	-	(2,793)	(2,793)
Closing net book amount	$ 452,352	$ 40,648	$ 493,000
At December 31			
Cost	$ 452,352	$ 96,880	$ 549,232
Accumulated depreciation	-	(56,232)	(56,232)
	$ 452,352	$ 40,648	$ 493,000

Note: Transfers to owner-occupied property for those used for leasing between consolidated entities.

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

	Year ended December 31, 2022	Year ended December 31, 2021
Rental income from investment property	$ 271,941	$ 53,094
Direct operating expenses arising from the investment property that generated rental income during the year	$ 137,765	$ 5,541

C. The fair value of the investment property held by the Group as at December 31, 2022 and 2021 was $9,227,744 and $2,743,101, respectively, which was valued by the Group. Valuations were made using the income approach which is categorised within Level 3 in the fair value hierarchy. Key assumptions are as follows:

	December 31, 2022	December 31, 2021
Gross margin	51.320%	92.424%
Discount rate	2.220%	1.595%

D. The Company completed the property registration of the Dayuan Logistics Industrial Park on May 24, 2022 and the Park has been fully leased. To integrate the industry from downstream to upstream, the Park will continue to be leased to high-quality suppliers in the future, and thus the related assets were reclassified to the investment property.

(11) Short-term borrowings

Type of borrowings	December 31, 2022	December 31, 2021
Unsecured bank borrowings	$ 60,000	$ 120,000
Interest rate range	1.38000%~1.76000%	0.90078%~0.95000%

(12) Other payables (including related parties)

	December 31, 2022	December 31, 2021
Payable on equipment	$ 283,692	$ 623,207
Others	512,426	403,804
	$ 796,118	$ 1,027,011

(13) Long-term borrowings

Type of borrowings	December 31, 2022	December 31, 2021
Unsecured bank borrowings	$ 2,337,162	$ 4,937,896
Secured bank borrowings	2,514,100	1,784,520
	4,851,262	6,722,416
Less: Current portion	(560,418)	(1,222,298)
	$ 4,290,844	$ 5,500,118
Expiry year	2024~2037	2022~2037
Interest rate range	1.54067%~5.77000%	0.95022%~1.47375%

Some of the aforementioned bank borrowings were drawn down from loan facilities provided by the financial institution for the purpose of acquiring Round The World Logistics (U.S.A.) Corp., and the Group provided a negative pledge to the loan granting bank.

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

(14) Other non-current liabilities

	December 31, 2022	December 31, 2021
Accrued pension obligations	$ 827,893	$ 1,004,200
Guarantee deposits received	88,196	21,764
Others	1,231	1,112
	$ 917,320	$ 1,027,076

(15) Pensions

A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, 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 Law. 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 contributes monthly an amount equal to 9% 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. The foreign subsidiary paid the pension directly to the retired employees when they have their own defined benefit pension plan.

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

	December 31, 2022	December 31, 2021
Present value of defined benefit obligations	($ 5,451)	($ 5,612)
Fair value of plan assets	6,541	5,955
Net defined benefit asset	$ 1,090	$ 343
Present value of defined benefit obligations	($ 2,054,055)	($ 2,142,869)
Fair value of plan assets	1,226,162	1,138,669
Net defined benefit liability	($ 827,893)	($ 1,004,200)

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

	2022		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	($ 2,148,481)	$ 1,144,624	($ 1,003,857)
Current service cost	(33,345)	-	(33,345)
Interest (expense) income	(12,700)	6,523	(6,177)
Past service cost	(3,416)	-	(3,416)
	(2,197,942)	1,151,147	(1,046,795)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	87,836	87,836
Change in demographic assumptions	(63,838)	-	(63,838)
Change in financial assumptions	105,325	-	105,325
Experience adjustments	(50,459)	-	(50,459)
	(8,972)	87,836	78,864
Pension fund contribution	-	115,523	115,523
Paid pension	151,593	(121,803)	29,790
Exchange difference	(112)	-	(112)
Effect of business combination	(4,073)	-	(4,073)
At December 31	($ 2,059,506)	$ 1,232,703	($ 826,803)

	2021		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	($ 2,217,264)	$ 1,126,348	($ 1,090,916)
Current service cost	(44,709)	-	(44,709)
Interest (expense) income	(6,077)	3,044	(3,033)
	(2,268,050)	1,129,392	(1,138,658)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	17,588	17,588
Change in demographic assumptions	(2,251)	-	(2,251)
Change in financial assumptions	63,747	-	63,747
Experience adjustments	(31,632)	-	(31,632)
	29,864	17,588	47,452
Pension fund contribution	-	86,462	86,462
Paid pension	116,655	(94,580)	22,075
Effect of business combination	(26,950)	5,762	(21,188)
At December 31	($ 2,148,481)	$ 1,144,624	($ 1,003,857)

(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 authorised 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, 2022 and 2021 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, 2022	Year ended December 31, 2021
Discount rate	1.18%~7.50%	0.50%~0.70%
Future salary increases	1.75%~7.00%	1.75%~2.00%

The assumption of future death rate depends on the Taiwan Standard Ordinary Experience Mortality Table for the years ended December 31, 2022 and 2021.

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%~1%	Decrease 0.25%~1%	Increase 0.25%~1%	Decrease 0.25%~1%
December 31, 2022				
Effect on present value of defined benefit obligation	($ 56,257)	$ 79,101	$ 78,234	($ 56,156)
December 31, 2021				
Effect on present value of defined benefit obligation	($ 84,143)	$ 91,029	$ 89,479	($ 83,553)

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.

(f) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2023 amount to $76,062.

(g) As of December 31, 2022, the weighted average duration of the retirement plan is 6~27 years.

B. 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 not less than 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.

C. The pension costs and expenses under the defined contribution pension plans of the Group for the years ended December 31, 2022 and 2021 were $92,360 and $82,754, respectively.

(16) Capital stock

A. As of December 31, 2022, the Company's authorized capital was $11,000,000, consisting of 1,100,000 thousand shares of ordinary stock, and the paid-in capital was $10,671,411 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

B. The Company has the same weighted average number of ordinary shares outstanding at the beginning and ending of the years ended December 31, 2022 and 2021.

(17) 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 capitalized 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.

(18) Retained earnings

	2022	2021
At January 1	$ 6,005,196	$ 5,249,225
Profit for the year	3,526,415	1,064,544
Appropriation, release and distribution	(541,079)	(386,254)
Remeasurement on post employment benefit obligations, net of tax	60,942	38,009
Disposal of investments in equity instruments measured at fair value through other comprehensive income	(1,096)	39,672
At December 31	$ 9,050,378	$ 6,005,196

A. Under the Company's Articles of Incorporation, any profit made by the Company for each fiscal year shall, after deduction of tax, be applied first towards making up any losses incurred by the Company in previous years, then 10% of the balance thereof shall be retained as the legal reserve, and set aside the special reserve in compliance with regulations, together with the accumulated unallocated profit of the previous period, shall be allocated pursuant to the proposal made by the Board of Directors and adopted by the shareholders at their meeting.

B. The Company's dividend policy is summarized below:

Stockholders' dividends shall be distributed all in cash or in a combination of both cash and shares, but the cash dividend shall comprise at least 10% of the total dividend amount.

C. 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 distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. (a) 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.

(b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Sheng-Fa-Si Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed or reclassified subsequently.

E. The Company declared the earnings and distribution for 2021 at the Board of Directors' meeting on June 14, 2022. The appropriation of 2020 earnings had been resolved after meeting the statutory voting threshold on June 13, 2021 via the electronic voting platform for shareholders' meeting. Details are summarized below:

	2021		2020	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 114,223		$ 66,112	
Cash dividends	426,856	$ 0.40	320,142	$ 0.30
	$ 541,079		$ 386,254	

In accordance with Jing-Shang-Zi Letter No. 10802432410 of Ministry of Economic Affairs, R.O.C, dated January 9, 2020, the legal surplus of the earnings distribution is based on profit for the year plus the amount of unappropriated retained earnings other than profit for the year. The information about the appropriation of earnings resolved at the stockholders' meeting will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

F. The Company declared the earnings distribution for 2022 at the Board of Directors' meeting on March 9, 2023. The information is summarised below:

	2022	
	Amount	Dividends per share (in dollars)
Legal reserve	$ 358,626	
Cash dividends	1,333,926	$ 1.25
	$ 1,692,552	

The information about the aforementioned earnings distribution in 2022 has not been resolved at the stockholders' meeting up until March 9, 2023.

G. For information relating to employees' compensation and directors' remuneration, please refer to Note 6(26).

(19) Other equity items

	2022		
	Unrealised gains (losses) on valuation	Currency translation	Total
At January 1	$ 5,381,074	($ 1,044,564)	$ 4,336,510
Revaluation-gross	(2,461,857)	-	(2,461,857)
Revaluation-tax	2,050	-	2,050
Revaluation transferred to retained earnings-gross	1,096	-	1,096
Currency translation:			
- Group	-	1,196,804	1,196,804
- Tax on Group	-	(378)	(378)
At December 31	$ 2,922,363	$ 151,862	$ 3,074,225

	2021		
	Unrealised gains (losses) on valuation	Currency translation	Total
At January 1	$ 1,789,710	($ 915,412)	$ 874,298
Revaluation-gross	3,628,081	-	3,628,081
Revaluation-tax	2,955	-	2,955
Revaluation transferred to retained earnings-gross	(39,672)	-	(39,672)
Currency translation:			
- Group	-	(129,152)	(129,152)
At December 31	$ 5,381,074	($ 1,044,564)	$ 4,336,510

(20) Operating revenue

	Year ended December 31, 2022	Year ended December 31, 2021
Revenue from contracts with customers	$ 15,049,091	$ 6,145,829
Rental income	2,537,865	2,734,397
	$ 17,586,956	$ 8,880,226

A. Revenue can be disaggregated by the following major product lines and transfer of goods and services over time and at a point in time:

Year ended December 31, 2022	Inland Transportation	Container Terminals	International Marine Business	Gasoline Station	Freight Forwarder	Others	Total
Revenue from contracts with customers							
At a point in time	$ -	$ -	$ -	$ 482,949	$ 4,328,901	$ -	$ 4,811,850
Over time	1,623,119	652,268	1,473,301	-	6,488,553	-	10,237,241
	1,623,119	652,268	1,473,301	482,949	10,817,454	-	15,049,091
Rental income	22,071	178,286	2,229,714	-	60,187	47,607	2,537,865
	$ 1,645,190	$ 830,554	$ 3,703,015	$ 482,949	$ 10,877,641	$ 47,607	$17,586,956

Year ended December 31, 2021	Inland Transportation	Container Terminals	International Marine Business	Gasoline Station	Freight Forwarder	Others	Total
Revenue from contracts with customers							
At a point in time	$ -	$ -	$ -	$ 480,547	$ 485,417	$ -	$ 965,964
Over time	1,548,274	588,577	1,509,396	-	1,533,618	-	5,179,865
	1,548,274	588,577	1,509,396	480,547	2,019,035	-	6,145,829
Rental income	19,762	12,471	2,651,975	-	5,588	44,601	2,734,397
	$ 1,568,036	$ 601,048	$ 4,161,371	$ 480,547	$ 2,024,623	$ 44,601	$ 8,880,226

B. Contract assets and contract liabilities

(a) The Group has recognised the following revenue-related contract assets and contract liabilities:

	December 31, 2022	December 31, 2021	January 1, 2021
Contract assets			
Contract assets – Freight forwarder	$ -	$ 29,532	$ -
Contract liabilities			
Contract liabilities – Freight forwarder	($ 32,827)	($ 57,390)	$ -
Contract liabilities – Services	-	(37)	-
Contract liabilities – Deferred revenue from passenger transportation, oil sales, and inland container transportation	(8,640)	(8,671)	(9,747)
Total	($ 41,467)	($ 66,098)	($ 9,747)

(b) The contract liability balance at the beginning of the period was eliminated during the period

	Year ended December 31, 2022	Year ended December 31, 2021
Revenue from passenger transportation, oil sales, inland container transportation, freight forwarder and services	$ 61,716	$ 1,456

(21) Interest income

	Year ended December 31, 2022	Year ended December 31, 2021
Interest income from bank deposits	$ 42,616	$ 8,596
Interest income from financial assets at amortised cost	2,069	1,355
Imputed rate of interest for deposits	29	11
Interest income from finance lease receivable	-	71
	$ 44,714	$ 10,033

(22) Other income

	Year ended December 31, 2022	Year ended December 31, 2021
Dividend income	$ 607,826	$ 155,026
Gain from bargain purchase	132,345	5,119
Other income - others	27,889	16,969
	$ 768,060	$ 177,114

(23) Other gains and losses

	Year ended December 31, 2022	Year ended December 31, 2021
Gains on disposal of property, plant and equipment	$ 4,792	$ 94,235
Income from subleasing right-of-use assets	92	-
Gains on lease modifications	-	7
Net currency exchange gains (losses)	148,931	(62,275)
Gains on financial assets at fair value through profit or loss	2,595	852
Other losses	(25,904)	(16,749)
	$ 130,506	$ 16,070

(24) Finance costs

	Year ended December 31, 2022	Year ended December 31, 2021
Interest expense:		
Interest expense on bank borrowings	$ 105,104	$ 71,786
Imputed rate of interest for deposits	498	164
Interest expense on lease liabilities	29,733	28,694
Other interest expense	57	-
	135,392	100,644
Less: Capitalized borrowing costs	(8,689)	(11,860)
	$ 126,703	$ 88,784

(25) Expenses by nature

	Year ended December 31, 2022	Year ended December 31, 2021
Employee benefit expense	$ 2,171,371	$ 1,582,890
Depreciation	1,208,676	2,158,598
Amortisation	21,703	6,324
Other operating costs and expenses	10,983,487	4,172,931
Operating costs and operating expenses	$ 14,385,237	$ 7,920,743

(26) Employee benefit expense

	Year ended December 31, 2022	Year ended December 31, 2021
Wages and salaries	$ 1,862,267	$ 1,277,639
Labor and health insurance fees	146,153	94,904
Pension cost	92,360	82,754
Directors' remuneration	14,000	11,914
Other personnel expenses	56,591	115,679
	$ 2,171,371	$ 1,582,890

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 1% for employees' compensation and shall not be higher than 2% for directors' remuneration.

B. For the years ended December 31, 2022 and 2021, employees' compensation was accrued at $38,000 and $17,000, respectively; directors' remuneration was accrued at $6,456 and $4,800, respectively.

The employees' compensation was estimated on the basis of the Company's Articles of Incorporation and consideration of legal reserve with distributable profit of current period for the year ended December 31, 2022.

Employees' compensation and directors' remuneration of 2021 as resolved by the Board of Directors were in agreement with those amounts recognized in the 2021 financial statements.

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

(27) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Year ended December 31, 2022	Year ended December 31, 2021
Current tax:		
Current tax on profit for the year	$ 490,159	$ 211,332
Tax on unappropriated earnings	30,806	15,547
Investment tax credits	(67,940)	-
Prior year income tax overestimation	(5,635)	(15,010)
Deferred tax:		
Origination and reversal of temporary differences	21,716	(89,709)
Income tax expense	$ 469,106	$ 122,160

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

	Year ended December 31, 2022	Year ended December 31, 2021
Changes in fair value of financial assets at fair value through other comprehensive income	($ 2,050)	($ 2,955)
Currency translation differences	415	-
Remeasurement of defined benefit obligations	17,559	9,465
	$ 15,924	$ 6,510

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

	Year ended December 31, 2022	Year ended December 31, 2021
Changes in equity of associates and joint ventures accounted for using equity method	$ 63	$ 2

B. Reconciliation between income tax expense and accounting profit:

	Year ended December 31, 2022	Year ended December 31, 2021
Tax calculated based on profit before tax and statutory tax rate	$ 1,128,394	$ 289,084
Expenses disallowed by tax regulation	(431)	(67,257)
Tax exempt income by tax regulation	(402,926)	(91,774)
Temporary differences not recognised as deferred tax assets	(26,774)	(10,160)
Effect from investment tax credits	(206,436)	-
Change in assessment of realisation of deferred tax assets	1	-
Tax on unappropriated earnings	30,806	15,547
Prior year income tax overestimation	(5,635)	(15,010)
Others	(47,893)	-
Income tax expense	$ 469,106	$ 122,160

Note: The basis for computing the applicable tax rate are the rates applicable in the respective countries where the Group's entities operate.

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	2022						
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	Translation differences	Acquired from business combinations	December 31
Deferred tax assets:							
-Temporary differences:							
Unrealised exchange loss	$ 1,831	$ 1,717	$ -	$ -	$ -	$ -	$ 3,548
Unrealised expenses	12,692	7,849	-	-	7	-	20,548
Net defined benefit liabilities	126,677	(16,627)	(27,973)	-	-	133	82,210
Fixed asset	-	62	-	-	(2)	-	60
Investment tax credits	-	138,496	-	-	-	-	138,496
Tax losses	-	-	-	-	-	43	43
Others	262	-	-	-	-	-	262
Subtotal	141,462	131,497	(27,973)	-	5	176	245,167
Deferred tax liabilities:							
-Temporary differences:							
Unrealised exchange revenue	-	(112)	-	-	-	-	(112)
Unrealised revenues	(528)	(297)	-	-	(59)	-	(884)
Net defined benefit liabilities	(94)	-	(149)	-	-	-	(243)
Investments income (overseas)	(1,203,665)	(159,340)	12,198	(63)	-	-	(1,350,870)
Fixed asset	(1,826)	886	-	-	(934)	(9,077)	(10,951)
Difference between depreciation for financial reporting and tax purpose	(1,760)	1,761	-	-	-	-	1
Reserve for land revaluation increment tax	(1,063,191)	-	-	-	-	-	(1,063,191)
Others	-	3,889	-	-	(1,301)	(48,544)	(45,956)
Subtotal	(2,271,064)	(153,213)	12,049	(63)	(2,294)	(57,621)	(2,472,206)
Total	($ 2,129,602)	($ 21,716)	($ 15,924)	($ 63)	($ 2,289)	($ 57,445)	($ 2,227,039)

	2021						
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	Translation differences	Acquired from business combinations	December 31
Deferred tax assets:							
-Temporary differences:							
Unrealised exchange loss	$ 4	$ 1,423	$ -	$ -	$ -	$ 404	$ 1,831
Unrealised expenses	11,150	(937)	-	-	-	2,479	12,692
Net defined benefit liabilities	142,031	(10,004)	(9,442)	-	-	4,092	126,677
Others	1,172	(910)	-	-	-	-	262
Subtotal	154,357	(10,428)	(9,442)	-	-	6,975	141,462
Deferred tax liabilities:							
-Temporary differences:							
Unrealised exchange revenue	-	131	-	-	-	(131)	-
Unrealised revenues	-	(62)	-	-	(9)	(457)	(528)
Net defined benefit liabilities	-	(213)	119	-	-	-	(94)
Investments income (overseas)	(1,292,685)	86,209	2,813	(2)	-	-	(1,203,665)
Fixed asset	-	83	-	-	3	(1,912)	(1,826)
Difference between depreciation for financial reporting and tax purpose	(15,749)	13,989	-	-	-	-	(1,760)
Reserve for land revaluation increment tax	(1,063,191)	-	-	-	-	-	(1,063,191)
Subtotal	(2,371,625)	100,137	2,932	(2)	(6)	(2,500)	(2,271,064)
Total	($ 2,217,268)	$ 89,709	($ 6,510)	($ 2)	($ 6)	$ 4,475	($ 2,129,602)

D. Details of the amount the Company is entitled as investment tax credit and unrecognised deferred tax assets are as follows:

	December 31, 2022		
Qualifying items	Unused tax credits	Unrecognised deferred tax assets	Expiry year
Operation equipment - Newly established main buildings	$ 138,496	$ -	2026

E. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2022 and 2021, the amounts of temporary difference unrecognised as deferred tax liabilities were $1,203,885 and $1,081,087, respectively.

F. The Company's income tax returns through 2020 have been assessed and approved by the Tax Authority.

(28) Earnings per share

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 3,526,415	1,067,141	$ 3.30
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	3,526,415	1,067,141	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	1,367	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 3,526,415	1,068,508	$ 3.30

	Year ended December 31, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,064,544	1,067,141	$ 1.00
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	1,064,544	1,067,141	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	580	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 1,064,544	1,067,721	$ 1.00

(29) Business combination

A. On August 24, 2021, the Board of Directors of the Company resolved to participate in the capital increase raised by ELC by acquiring 25,432,000 shares, equivalent to $254,320, and acquire all equity interests in ELC held by the related parties, Evergreen International Corp. and Round The World S.A.(RTW), by acquiring 1,200,000 shares, equivalent to $350,400. The effective date for the above transactions was set on October 1, 2021. The Company will hold 91.21% ownership and obtain control over ELC upon the completion of those transactions.

The Company indirectly held a 30% equity interest in ERL through the aforementioned acquisition. Along with a 30% previously held equity interest, the Company held a total of 60% equity interest and obtained control over ERL.

(a) The purchase price allocation of consideration paid for the acquisition of ELC will be completed within a year. The following table, based on an unconfirmed acquisition report, summarises the fair values of the assets acquired and liabilities assumed at the acquisition date:

		October 1, 2021
Purchase consideration		
Cash paid	$	604,720
Fair value of equity interest in ERL held before the business combination		18,957
Fair value of non-controlling interests		66,974
		690,651
Fair value of the identifiable assets acquired and liabilities assumed		
Cash and cash equivalents		289,737
Other current assets		941,713
Financial assets at fair value through other comprehensive income		80,180
Property, plant and equipment		8,939
Right-of-use assets		18,691
Intangible assets		179,417
Deferred income tax assets		6,976
Other non-current assets		46,732
Short-term borrowings	(	120,000)
Other current liabilities	(	680,729)
Deferred income tax liabilities	(	35,996)
Lease liabilities	(	18,845)
Other non-current liabilities	(	21,256)
Total identifiable net assets		695,559
Gain from bargain purchase	($	4,908)

(b) Had ELC and ERL been acquired from January 1, 2021, the consolidated statement of comprehensive income for the year ended December 31, 2021 would show operating revenue and profit before income tax of $4,789,255 and $447,671, respectively.

B. On December 8, 2021, the Group acquired 100% of the share capital of Round The World Logistics (U.S.A.) Corp. (RTWUS) for a cash consideration of $415,650 and obtained control over RTWUS. The effective date of share transfer was set on December 10, 2021. RTWUS is engaged in the marine and air freight forwarding, customs brokerage and other related business in the US. As a result of the acquisition, the Group is expected to expand its business and increase operating sites in the US in a timely manner.

(a) The purchase price allocation of consideration paid for the acquisition of RTWUS will be completed within a year, and it is currently recognised based on the carrying amount of RTWUS's identifiable net assets and liabilities as follows:

	December 10, 2021	
Purchase consideration		
Cash paid	$	415,650
Fair value of the identifiable assets acquired and liabilities assumed		
Cash and cash equivalents		214,393
Other current assets		446,824
Property, plant and equipment		181,255
Right-of-use assets		147,459
Intangible assets		48,243
Deferred income tax assets		138
Other non-current assets		2,503
Other current liabilities	(	419,353)
Deferred income tax liabilities	(	22,503)
Lease liabilities	(	147,459)
Other non-current liabilities	(	586)
Total identifiable net assets		450,914
Gain from bargain purchase	($	35,264)

(b) Had RTWUS been acquired from January 1, 2021, the consolidated statement of comprehensive income for the year ended December 31, 2021 would show operating revenue and profit before income tax of $3,150,497 and $160,402, respectively.

C. On March 10, 2022, the Group acquired 49% of the share capital of Evergreen Logistics (Thailand) Co., Ltd. (ELCTH), 100% of the share capital of Evergreen Logistics Malaysia Sdn. Bhd.(ELCMY), 100% of the share capital of Evergreen Logistics Vietnam Co., Ltd.(ELCVN), 99.99% of the share capital of Evergreen Logistics (India) Private Ltd.(ELCIN) and 100% of the share capital of Evergreen Logistics Philippines Corp.(ELCPH) obtained control. The effective date of share transfer was set on April 25, 2022, April 28, 2022, June 20, 2022, June 21, 2022 and December 28, 2022. The above-mentioned companies is engaged in the marine and air freight forwarding, customs brokerage and other related business in the Southeast Asia. As a result of the acquisition, the Group is expected to expand its business and increase operating sites in the Southeast Asia in a timely manner.

(a) The following table summarises the consideration paid for the acquisition of ELCTH and the fair values of the assets acquired and liabilities assumed at the acquisition date:

	April 25, 2022
Purchase consideration	
Cash paid	$ 19,028
Net asset value of non-controlling interests	38,762
	57,790
Fair value of the identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	55,293
Other current assets	152,651
Property, plant and equipment	852
Right-of-use assets	1,424
Other non-current assets	673
Other current liabilities	(130,171)
Lease liabilities	(1,424)
Other non-current liabilities	(3,294)
Total identifiable net assets	76,004
Gain from bargain purchase	($ 18,214)

(b) The following table summarises the consideration paid for the acquisition of ELCMY and the fair values of the assets acquired and liabilities assumed at the acquisition date:

	April 28, 2022	
Purchase consideration		
Cash paid	$	2,665
Fair value of the identifiable assets acquired and liabilities assumed		
Cash and cash equivalents		5,424
Other current assets		3,173
Property, plant and equipment		938
Right-of-use assets		855
Other non-current assets		73
Other current liabilities	(	6,976)
Lease liabilities	(	855)
Total identifiable net assets		2,632
Goodwill	$	33

(c) The following table summarises the consideration paid for the acquisition of ELCVN and the fair values of the assets acquired and liabilities assumed at the acquisition date:

	June 20, 2022	
Purchase consideration		
Cash paid	$	59,285
Fair value of the identifiable assets acquired and liabilities assumed		
Cash and cash equivalents		42,806
Other current assets		286,957
Property, plant and equipment		27,683
Right-of-use assets		5,009
Other non-current assets		62,084
Other current liabilities	(	327,292)
Deferred income tax liabilities	(	1,698)
Lease liabilities	(	5,009)
Total identifiable net assets		90,540
Gain from bargain purchase	($	31,255)

(d) The following table summarises the consideration paid for the acquisition of ELCIN and the fair values of the assets acquired and liabilities assumed at the acquisition date:

		June 21, 2022
Purchase consideration		
Cash paid	$	2,302
Net asset value of non-controlling interests		1
		2,303
Fair value of the identifiable assets acquired and liabilities assumed		
Cash and cash equivalents		4,057
Other current assets		5,010
Property, plant and equipment		630
Right-of-use assets		3,785
Other non-current assets		628
Other current liabilities	(	6,845)
Lease liabilities	(	3,785)
Total identifiable net assets		3,480
Gain from bargain purchase	($	1,177)

(e) The following table summarises the consideration paid for the acquisition of ELCPH and the fair values of the assets acquired and liabilities assumed at the acquisition date:

		December 28, 2022
Purchase consideration		
Cash paid	$	32,184
Fair value of the identifiable assets acquired and liabilities assumed		
Cash and cash equivalents		90,032
Other current assets		13,929
Property, plant and equipment		306
Right-of-use assets		1,020
Deferred income tax assets		133
Other non-current assets		130
Other current liabilities	(	33,651)
Lease liabilities	(	1,020)
Other non-current liabilities	(	779)
Total identifiable net assets		70,100
Gain from bargain purchase	($	37,916)

(f) Had the above company been acquired from January 1, 2022, the consolidated statement of comprehensive income for the year ended December 31, 2022 would show operating revenue and profit before income tax of $1,735,741 and $157,944, respectively.

(30) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Year ended December 31, 2022	Year ended December 31, 2021
Acquisition of property, plant and equipment (including prepayments for equipment)	$ 2,223,446	$ 5,200,705
Add : Opening balance of payable on equipment	622,781	479,570
Less : Ending balance of payable on equipment	(283,692)	(622,781)
Cash paid during the year	$ 2,562,535	$ 5,057,494

B. The balances of the assets and liabilities of consolidated subsidiaries for the current year are as follows:

	Year ended December 31, 2022
Cash and cash equivalents	$ 197,612
Other current assets	461,720
Property, plant and equipment	30,409
Right-of-use assets	12,093
Intangible assets	33
Deferred income tax assets	133
Other non-current assets	63,588
Other current liabilities	(504,935)
Deferred income tax liabilities	(1,698)
Lease liabilities	(12,093)
Other non-current liabilities	(4,073)
Gain from bargain purchase	(88,562)
	$ 154,227
Cash paid for the acquisition	$ 115,464
Cash and cash equivalents	(197,612)
Net cash paid for the acquisition	($ 82,148)

(31) Changes in liabilities from financing activities

	2022			
	Long-term borrowings (including current portion)	Lease liabilities	Guarantee deposits received	Liabilities from financing activities-gross
At January 1	$ 6,722,416	$ 1,704,119	$ 21,764	$ 8,448,299
Changes in cash flow from financing activities	(2,266,537)	(180,114)	66,432	(2,380,219)
Interest paid	-	(29,733)	-	(29,733)
Impact of changes in foreign exchange rate	-	15,213	-	15,213
Acquired from business combinations	-	12,093	-	12,093
Changes in other non-cash items	395,383	311,744	-	707,127
At December 31	$ 4,851,262	$ 1,833,322	$ 88,196	$ 6,772,780

	2021			
	Long-term borrowings (including current portion)	Lease liabilities	Guarantee deposits received	Liabilities from financing activities-gross
At January 1	$ 5,472,481	$ 1,650,893	$ 22,023	$ 7,145,397
Changes in cash flow from financing activities	1,290,648	(140,601)	(259)	1,149,788
Interest paid	-	(28,694)	-	(28,694)
Impact of changes in foreign exchange rate	(42,688)	-	-	(42,688)
Acquired from business combinations	-	166,304	-	166,304
Changes in other non-cash items	1,975	56,217	-	58,192
At December 31	$ 6,722,416	$ 1,704,119	$ 21,764	$ 8,448,299

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Group
Evergreen Marine Corp. (Taiwan) Ltd.	The entities which have significant influence to the Group
Evergreen Logistics Corp.	Other related parties (A subsidiary since October 2021)
Ever Reward Logistics Corp.	Associate (A subsidiary since October 2021)
Round The World Logistics (U.S.A.) Corp.	Other related parties (Indirect subsidiary since December 2021)
Evergreen Logistics (Thailand) Co., Ltd.	Other related parties (Indirect subsidiary since April 2022)
Evergreen Logistics Malaysia Sdn. Bhd.	Other related parties (Indirect subsidiary since April 2022)
Evergreen International Logistics (HK) Ltd.	Indirect subsidiary since May 2022
Evergreen Logistics Vietnam Co., Ltd.	Other related parties (Indirect subsidiary since June 2022)
Evergreen Logistics (India) Private Ltd.	Other related parties (Indirect subsidiary since June 2022)
Evergreen International Logistics (Shanghai) Co., Ltd.	Indirect subsidiary since Ocober 2022
Evergreen Logistics (Cambodia) Co., Ltd.	Indirect subsidiary since November 2022
Evergreen International Logistics (Korea) Co., Ltd.	Indirect subsidiary since November 2022
Evergreen Logistics Philippines Corp.	Other related parties (Indirect subsidiary since December 2022)
Taipei Port Container Terminal Corp.	Associate
United Stevedoring Corp.	Associate
Qingdao Evergreen Container Storage & Transportation Co., Ltd.	Associate
Round The World Logistics Corp. (M) Sdn. Bhd.	Associate
Chang Yung-Fa Foundation	Other related parties
Chang Yung-Fa Charity Foundation	Other related parties
Evergreen Security Corp.	Other related parties
Ever Shine (Shanghai) Enterprise Management Consulting Co., Ltd.	Other related parties
Evergreen Shipping Agency (China) Co., Ltd.	Other related parties
EVA Airways Corp.	Other related parties

Names of related parties	Relationship with the Group
Evergreen Aviation Technologies Corp.	Other related parties
Evergreen Airline Service Corp.	Other related parties
Evergreen Sky Catering Corp.	Other related parties
Evergreen Air Cargo Services Corp.	Other related parties
EverFun Travel Services Corp.	Other related parties
Ge Evergreen Engine Services Corp.	Other related parties
Evergreen International Corp.	Other related parties
Central Reinsurance Corp.	Other related parties
Evergreen Laurel Hotel	Other related parties
UNI Airways Corp.	Other related parties
Ever Accord Construction Corp.	Other related parties
Evergreen Steel Corp.	Other related parties
Hsin Yung Enterprise Corp.	Other related parties
Evergreen Logistics (Shanghai) Ltd.	Other related parties
Evergreen Transportation and Terminal (Shanghai) Co.,Ltd.	Other related parties
Evergreen International S.A.	Other related parties
Evergreen Marine (Asia) Pte. Ltd.	Other related parties
Evergreen Marine (Hong Kong) Ltd.	Other related parties
Evergreen Marine (Singapore) Pte. Ltd.	Other related parties
Evergreen Marine (UK) Ltd.	Other related parties
Greencompass Marine S.A.	Other related parties
Italia Marittima S.P.A.	Other related parties
Evergreen Marine Corp. (Malaysia) Sdn. Bhd.	Other related parties
Evergreen Shipping Agency (America) Corp.	Other related parties
Evergreen Shipping Agency (India) Private Ltd.	Other related parties
Evergreen Shipping Agency (Thailand) Co. Ltd.	Other related parties
Evergreen Shipping Agency (Vietnam) Corp.	Other related parties
Evergreen Shipping Agency Philippines Corp.	Other related parties
PT. Evergreen Shipping Agency Indonesia	Other related parties
Everport Terminal Services Inc.	Other related parties
Evergreen Logistics (HK) Ltd.	Other related parties
PT. Evergreen Logistics Indonesia	Other related parties
Round The World S.A.	Other related parties
Evergreen Insurance Co., Ltd.	Other related parties
Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Other related parties
All directors, general manager and vice general manager	Key management of the Group

(2) Significant related party transactions and balances

A. Operating revenue

	Year ended December 31, 2022	Year ended December 31, 2021
The entities which have significant influence to the Group	$ 1,193,633	$ 1,173,126
Associates	358,984	245,910
Other related parties		
Evergreen International S.A.	1,164,879	1,683,607
Others	3,391,755	1,969,925
	$ 6,109,251	$ 5,072,568

The terms on the above transactions with the related parties are not materially different from those with non-related parties.

B. Purchases of goods

	Year ended December 31, 2022	Year ended December 31, 2021
The entities which have significant influence to the Group	$ 860,912	$ 195,836
Associates	42,226	4,676
Other related parties		
Evergreen Marine (Asia) Pte. Ltd.	1,954,521	280,844
Others	1,888,702	500,277
	$ 4,746,361	$ 981,633

The terms on the above transactions with the related parties are not materially different from those with non-related parties.

C. Receivables from related parties

	December 31, 2022	December 31, 2021
Accounts receivable:		
The entities which have significant influence to the Group	$ 241,117	$ 25,489
Associates	28,592	19,764
Other related parties		
Evergreen International Corp.	693	159,396
Evergreen International S.A.	1,078,349	307,692
Others	135,825	188,088
Subtotal	1,484,576	700,429
Other receivables:		
The entities which have significant influence to the Group	$ 1,978	$ -
Associates	3,220	-
Other related parties		
Evergreen International Corp.	300	1,743
Evergreen Marine (Asia) Pte. Ltd.	-	19,115
Others	671	10
Subtotal	6,169	20,868
Long-term receivables:		
Other related parties		
Evergreen International S.A.	4,780,665	-
Subtotal	4,780,665	-
Total	$ 6,271,410	$ 721,297

D. Payables to related parties

	December 31, 2022	December 31, 2021
Accounts payable:		
The entities which have significant influence to the Group		
Evergreen Marine Corp. (Taiwan) Ltd.	$ 40,735	$ 21,597
Associates	2,266	327
Other related parties		
Evergreen Shipping Agency (America) Corp.	22,579	59,314
Evergreen Logistics (Shanghai) Ltd.	55,215	-
Others	48,247	80,156
Subtotal	169,042	161,394
Notes payable:		
Other related parties	989	-
Subtotal	989	-
Other payables:		
The entities which have significant influence to the Group	6,981	3,309
Associates	-	23
Other related parties		
Ever Accord Construction Corp.	230,015	198,026
Evergreen Heavy Industrial Corp. (Malaysia) Berhad	-	402,580
Others	39,273	19,937
Subtotal	276,269	623,875
Total	$ 446,300	$ 785,269

E. Property transactions

(a) Acquisition of property, plant and equipment (including prepayments for equipment)

	Year ended December 31, 2022	Year ended December 31, 2021
The entities which have significant influence to the Group	$ -	$ 2,546
Other related parties		
Ever Accord Construction Corp.	677,052	1,386,304
Evergreen Security Corp.	8,515	-
Evergreen Heavy Industrial Corp. (Malaysia) Berhad	454,814	1,655,571
Evergreen International Corp.	960	2,370
	$ 1,141,341	$ 3,046,791

(b) Disposal of property, plant and equipment

	Year ended December 31, 2022	
	Proceeds	Gain/(loss)
Other related parties		
Evergreen International S.A.	$ 4,234,737	$ 521
	$ 4,234,737	$ 521

	Year ended December 31, 2021	
	Proceeds	Gain/(loss)
Other related parties		
Evergreen Marine (Hong Kong) Ltd.	$ 1,874,208	$ 89,633
Evergreen International S.A.	12,046	2,045
	$ 1,886,254	$ 91,678

(c) Acquisition of financial assets

	Account	No. of shares	Objects	2022 Consideration
Other related parties	Financial assets at fair value through other comprehensive income-non-current	50,000	Evergreen Security Corp.	$ 1,528
Other related parties	Financial assets at fair value through other comprehensive income-non-current	1,439,509	EverFun Travel Services Corp.	14,395
Total				$ 15,923

F. Borrow from related parties

	December 31, 2022	December 31, 2021
Associates	$ 5,541	$ -
Other related parties	3,060	-
	$ 8,601	$ -

G. Lease transactions－lessee

(a) The Group leases land and buildings from the entities which have significant influence to the Group, associates and other related parties. Rental contracts are typically made for periods of 3 to 5 years. Rents are paid according to the contract.

(b) Acquisition of right-of-use assets

The Group increased right-of-use assets by $90,930 and $5,075 for the years ended December 31, 2022 and 2021, respectively.

(c) Lease liabilities

(i) Outstanding balance:

	December 31, 2022	December 31, 2021
The entities which have significant influence to the Group	$ 90,930	$ 5,075
Associates	1,245	4,206
Other related parties	17,993	17,034
	$ 110,168	$ 26,315

(ii) Interest expense:

	Year ended December 31, 2022	Year ended December 31, 2021
The entities which have significant influence to the Group	$ 32	$ 37
Associates	34	73
Other related parties	276	309
	$ 342	$ 419

H. On March 10, 2022, the Board of Directors of the subsidiary, ELC, resolved to acquire equity interests of 49% in ELCTH, 100% in ELCMY, 49% in RTWMY, 100% in ELCVN, 99.99% in ELCIN and 100% in ELCPH from other related parties, RTW and ELCHK, for a total transaction price of $168,942.

I. To expand business and increase operating sites in the U.S.A. in a timely manner, the Board of Directors of the subsidiary, ELC, resolved to acquire equity interests of 100% in Round The World Logistics (U.S.A.) Corp. from a related party, Round The World S.A. for a cash consideration of $415,650 and obtained control on December 8, 2021. The effective date of share transfer was set on December 10, 2021.

J. On August 24, 2021, the Board of Directors of the Company resolved to participate in the capital increase raised by ELC by acquiring 25,432 thousand shares, equivalent to $254,320, and acquire all equity interests in ELC held by the related parties, ELC and RTW, by acquiring 228 thousand shares and 972 thousand shares, equivalent to $66,576 and $283,824, respectively. The effective date was set on October 1, 2021.

K. Due to contributions to society for charity activities, the Group donated $442 and $442 to Chang Yung-Fa Foundation and Chang Yung-Fa Charity Foundation for the years ended December 31, 2022 and 2021, respectively.

(3) Key management compensation

	Year ended December 31, 2022	Year ended December 31, 2021
Short-term employee benefits	$ 51,502	$ 27,746
Post-employment benefits	988	434
	$ 52,490	$ 28,180

8. PLEDGED ASSETS

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

	Book value		
Pledged assets	December 31, 2022	December 31, 2021	Purpose
Financial assets at amortised cost - non-current	$ 127,899	$ 127,740	To purchase supplies and materials and execute contracts etc.
Property, plant and equipment - Land	-	827,915	Long-term borrowings
Investment property - Land and buildings	2,613,590	-	Long-term borrowings
	$ 2,741,489	$ 955,655	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

(a) As of December 31, 2022, December 31, 2021 and January 1, 2021, the Group has guarantees provided by financial institutions amounting to $78,284, $23,716 and $15,800, respectively, for the operational needs.

(b) As of December 31, 2022, December 31, 2021 and January 1, 2021, the Group issued guarantee notes all amounting to $353,933, $118,000 and $118,000, respectively, for the operational needs.

(c) To meet operational needs, the Group signed the transportation equipment contracts with the manufacturers on April 26, 2022 and May 26,2022, for a total contract price of USD6,306 thousand. Capital expenditure contracted for as of December 31, 2022 but not yet incurred amounted to USD4,724 thousand.

(d) Considering that the integrity of the land rights in Xizhi District is beneficial to long-term operation planning, on December 21, 2022, the Group signed a land sale contract amounting to $763,111. Capital expenditure contracted for as of December 31, 2022 but not yet incurred amounted to $228,933.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group'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 Group 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, 2022	December 31, 2021
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ 350,422	$ 135,272

	December 31, 2022	December 31, 2021
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	$ 4,757,957	$ 7,084,954
Financial assets at amortised cost		
Cash and cash equivalents	$ 4,285,525	$ 3,654,637
Financial assets at amortised cost	574,200	807,829
Contract assets	-	29,532
Notes receivable	38,218	55,645
Accounts receivable	7,306,043	1,812,719
Finance lease receivable	-	6,449
Other receivables	25,591	28,126
Refundable deposits	39,909	7,799
	$ 12,269,486	$ 6,402,736
Financial liabilities		
Financial liabilities at amortised cost		
Short-term borrowings	$ 60,000	$ 120,000
Contract liabilities	41,467	66,098
Notes payable	26,355	35,783
Accounts payable	687,778	690,630
Other payables	796,118	1,027,011
Long-term borrowings (including current portion)	4,851,262	6,722,416
Guarantee deposits received	88,196	21,764
	$ 6,551,176	$ 8,683,702
Lease liabilities	$ 1,833,322	$ 1,704,119

B. Financial risk management policies

(a) The Group’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.

(b) Risk management is carried out by the Group under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group’s operating units.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD. Exchange rate risk arises from future commercial transactions and recognised assets and liabilities.

ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency.

iii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other subsidiaries' functional currency: USD). 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, 2022		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 66,745	30.5950	$ 2,042,049
Financial liabilities			
Monetary items			
USD:NTD	$ 10,983	30.5950	$ 336,035

	December 31, 2021				
	Foreign currency amount (In thousands)		Exchange rate	Book value (NTD)	
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD:NTD	$	48,981	27.6545	$	1,354,534
EUR:NTD		527	31.3837		16,543
JPY:NTD		13,587	0.2404		3,266
CNY:NTD		59	4.3425		254
Financial liabilities					
Monetary items					
USD:NTD	$	8,638	27.6545	$	238,873
EUR:NTD		328	31.3837		10,307
JPY:NTD		4,055	0.2404		975

iv. Total exchange gain or loss including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2022 and 2021, amounted to $148,931 and ($62,275), respectively.

v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	Year ended December 31, 2022				
	Sensitivity analysis				
	Degree of variation	Effect on profit or loss		Effect on other comprehensive income	
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD:NTD	1%	$	20,420	$	-
Financial liabilities					
Monetary items					
USD:NTD	1%	$	3,360	$	-

	Year ended December 31, 2021		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 13,545	$ -
EUR:NTD	1%	165	-
JPY:NTD	1%	33	-
CNY:NTD	1%	3	-
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 2,389	$ -
EUR:NTD	1%	103	-
JPY:NTD	1%	10	-

Price risk

i. The Group's equity securities and open-end funds, which are exposed to price risk, are included in financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage the price risk of its investments in equity securities, the Group diversifies its investment portfolio.

ii. The Group primarily invests in equity securities issued by domestic and foreign companies and open-end funds. The prices of these equity securities are affected by the uncertainty of the future value of the investment targets. If the prices of these equity securities had increased/decreased by 10% with all other variables held constant, post-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by $35,042 and $13,527, respectively, as a result of gains/losses on equity securities measured at fair value through profit or loss. Other comprehensive income would have increased/decreased by $475,796 and $708,495, respectively, as a result of gains/losses on equity securities measured at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

i. The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. For the years ended December 31, 2022 and 2021, the Group's borrowings at variable rates were denominated in NTD and USD.

ii. The Group's borrowings are measured at amortised cost. The interest rates on the borrowings are periodically adjusted, which expose the Group to the risk of future changes in market interest rates.

iii. If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, after-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by \$39,216 and \$52,495, respectively. This is primarily because of changes in interest rate expenses from floating rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients of 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, and the contract cash flows of debt instruments stated at amortised cost.

ii. The Group manages its credit risk from a consolidated perspective. Each entity assesses the credit quality of the customers, taking into account their financial position, past experience and other factors before setting terms and conditions for payment and delivery of goods and services.

iii. Only banks and financial institutions with optimal credit ratings are accepted by the Group.

iv. The Group adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.

v. The basis that the Group used in determining whether the credit risk of financial instruments has significantly increased since initial recognition was that 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.

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; and

(iv) Adverse changes in national or regional economic conditions that are expected to cause a default.

vii. The accounts receivable of the customers are segmented according to the characteristics of the operating unit, and expected credit losses are estimated based on provision matrices and default rates, using a simplified approach.

viii. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. As of December 31, 2022 and 2021, the Group has no written-off financial assets that are still under recourse procedures.

ix. The Group used the forecast ability of overall economic information to adjust historical and timely information to assess the default possibility of accounts receivable. As of December 31, 2022 and 2021, the provision matrix is as follows:

	Without past due	Up to 3 months past due	Over 3 months past due	Total
At December 31, 2022				
Expected loss rate	0.03%~0.09%	0.03%~27.23%	100%	
Total book value	$ 7,426,957	$ 511,872	$ 78,194	$ 8,017,023
Loss allowance	$ 2,191	$ 563	$ -	$ 2,754

	Without past due	Up to 3 months past due	Over 3 months past due	Total
At December 31, 2021				
Expected loss rate	0.03%~0.06%	0.03%~54.20%	100%	
Total book value	$ 1,606,586	$ 202,588	$ 4,427	$ 1,813,601
Loss allowance	$ 352	$ 407	$ 123	$ 882

x. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	2022
	Accounts receivable
At January 1	($ 882)
Provision of impairment loss	(3,111)
Reversal of impairment loss	741
Write-offs	557
Effect of exchange rate changes	(59)
At December 31	($ 2,754)

	2021
	Accounts receivable
At January 1	($ 6,735)
Provision of impairment loss	(17)
Reversal of impairment loss	5,827
Write-offs	90
Effect of exchange rate changes	35
Acquired from business combination	(82)
At December 31	($ 882)

(c)Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by the Group’s treasury department. The Group’s treasury department monitors rolling forecasts of the Group’s liquidity requirements to ensure it has sufficient cash to meet operational needs.

ii. The Group invested in interest bearing deposits, time deposits and securities with residual capital. Those instruments have appropriate maturity dates and sufficient liquidity to provide sufficient capital movement. The Group has no significant liquidity risk because the Group’s holding capital at the balance sheet date is higher than accrued liability for the coming year.

iii. The Group has the following undrawn borrowing facilities:

	December 31, 2022	December 31, 2021
Floating rate	$ 497,900	$ 1,267,480

iv. The table below analyses the Group’s non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. As of December 31, 2022 and 2021, accounts payable and other payables would expire within one year. As of December 31, 2022 and 2021, lease liabilities and long-term borrowings are analysed based on the remaining period. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities :

December 31, 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Lease liabilities	$ 223,573	$ 224,780	$ 654,115	$ 854,829	$ 1,957,297
Long-term borrowings (including current portion)	$ 699,393	$ 945,061	$ 2,268,145	$ 1,461,869	$ 5,374,468

Non-derivative financial liabilities :

December 31, 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Lease liabilities	$ 192,957	$ 183,213	$ 516,032	$ 961,777	$ 1,853,979
Long-term borrowings (including current portion)	$ 1,290,055	$ 1,120,353	$ 3,119,426	$ 1,466,706	$ 6,996,540

(3) Fair value information

A. Details of the fair value of the Group's investment property measured at cost are provided in Note 6(10).

B. 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 Group's investment in listed stocks and beneficiary certificates are included in Level 1.

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. The fair value of the Group's investment in equity investment without active market is included in Level 3.

C. The carrying amounts of the Group's financial instruments not measured at fair value (including cash and cash equivalents, financial assets at amortised cost,contract assets, notes receivable, accounts receivable, finance lease receivable, other receivables, refundable deposits, short-term borrowing, contract liabilities, notes payable, accounts payable, other payables, lease liabilities, loan and guarantee deposits received) are approximate to their fair values.

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, 2022	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets measured at fair value through profit or loss				
Beneficiary certificates	$ 350,422	$ -	$ -	$ 350,422
Financial asset measured at fair value through other comprehensive income				
Equity securities	4,113,140	-	644,817	4,757,957
	$ 4,463,562	$ -	$ 644,817	$ 5,108,379

December 31, 2021	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets measured at fair value through profit or loss				
Beneficiary certificates	$ 135,272	$ -	$ -	$ 135,272
Financial asset measured at fair value through other comprehensive income				
Equity securities	6,468,333	-	616,621	7,084,954
	$ 6,603,605	$ -	$ 616,621	$ 7,220,226

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

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

	Listed shares	Open-end fund
Market quoted price	Closing price	Net asset value

ii. For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. The valuation model is normally applied to derivative financial instruments, debt instruments with embedded derivatives or securitised instruments. Certain inputs used in the valuation model are not observable at market, and the Group must make reasonable estimates based on its assumptions. The effect of unobservable inputs to the valuation of financial instruments is provided in Note 12(3)9.

iii. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group'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 Group'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 consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

iv. The Group 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 Group's credit quality.

E. For the years ended December 31, 2022 and 2021, 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, 2022 and 2021:

	Equity securities	
	Year ended December 31, 2022	Year ended December 31, 2021
Opening net book amount	$ 616,621	$ 587,632
Acquired in the period	15,923	3,100
Gains and losses recognised in other comprehensive income(loss)	12,580	(44,918)
Transfers out from level 3	(3,100)	-
Effect of exchange rate changes	2,793	(573)
Others	-	71,380
Closing net book amount	$ 644,817	$ 616,621

G. Because Evergreen Aviation Technologies Corp. has obtained the Emerging Stock Market registration in February 2022, and there is sufficient observable market information available, the Group has transferred the fair value from Level 3 into Level 1 at the end of the month when the event occurred. For the year ended December 31, 2021, there was no transfer into or out from Level 3.

H. Financial segment 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. Investment property is valuated regularly by the Group's financial segment based on the valuation methods and assumptions announced by the Financial Supervisory Commission, Securities and Futures Bureau or through outsourced appraisal performed by the external valuer.

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, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non - derivative equity instrument:					
Unlisted shares	$ 644,817	Market comparable companies	Price to earnings ratio multiple	4.46	The higher the multiple, the higher the fair value.
			Price to book ratio multiple	0.975~4.07	The higher the multiple, the higher the fair value.
			Discount for lack of marketability	20%~40%	The higher the discount for lack of marketability, the lower the fair value.

	Fair value at December 31, 2021		Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non - derivative equity instrument:						
Unlisted shares	$	616,621	Market comparable companies	Price to earnings ratio multiple	5.27	The higher the multiple, the higher the fair value.
				Price to book ratio multiple	0.82~2.505	The higher the multiple, the higher the fair value.
				Discount for lack of marketability	20%~30%	The higher the discount for lack of marketability, the lower the fair value.

J. The Group 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 and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

			December 31, 2022			
			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 multiple, price to book ratio multiple, discount for lack of marketability	±1%	$ -	$ -	$ 6,448	$ 6,448

			December 31, 2021			
			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 multiple, price to book ratio multiple, discount for lack of marketability	±1%	$ -	$ -	$ 6,166	$ 6,166

(4) Others

In response to the impact of Covid-19, the Group implemented several measures to mitigate the impact of the pandemic in accordance with the governments' prevention measures, including adopting work shifts, redundancy and enhancing employees' health management. At the same time, the Group assessed that Covid-19 did not have a significant impact on the Group's operations and ability to continue as a going concern.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: Please refer to table 1.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 2.

D. Aggregate purchases or sales of the same securities reaching NT$300 million or 20% of the Company's paid-in capital or more: Please refer to table 3.

E. Acquisition of real estate reaching $300 million or 20% of the Company's paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of the Company's paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of the Company's paid-in capital or more: Please refer to table 4.

H. Receivables from related parties reaching $100 million or 20% of the Company's paid-in capital or more: Please refer to table 5.

I. Derivative financial 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

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 conducted with investees in Mainland China directly or indirectly through other companies in the third areas.：None.

(4) Major shareholders information

Major shareholders information: Please refer to table 9.

14. SEGMENT INFORMATION

(1) General information

The Group has included several operating segments with similar economic characteristics and meeting the requirements as reportable segments and have included other operating segments that do not meet the quantitative thresholds as other segments. Products for sale and types of services of every reportable segment are summarised as follows:

(a) Inland transportation involves the business of carrying cargo and passengers.

(b) Container terminals involve the business of container and cargo loading.

(c) International marine business involves the business of container terminals and leased ships and containers.

(d) Gasoline station involves the business of selling different kinds of petroleum products.

(e) Freight forwarder involves the business of marine and air freight forwarding, customs brokerage.

(f) Other businesses are those not classified under items (a) to (e).

(2) Information about segment profit or loss, assets and liabilities

The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

Year ended December 31, 2022	Inland Transportation	Container Terminals	International Marine Business	Gasoline Station	Freight Forwarder	Others	Adjustments and Write- off	Total
Revenue from outside the Group	$ 1,646,545	$ 884,760	$ 3,703,015	$ 482,953	$ 11,702,954	$ 55,149	($ 888,420)	$ 17,586,956
Operating profit	$ 39,275	$ 166,059	$ 1,288,570	$ 2,468	$ 1,656,284	$ 46,802	$ 2,261	$ 3,201,719
Identifiable assets	$ 1,396,498	$ 11,066,500	$ 8,942,819	$ 67,398	$ 1,540,628	$ 567,046	($ 637,175)	$ 22,943,714
Depreciation and amortisation	$ 100,986	$ 152,870	$ 903,674	$ 2,645	$ 122,849	$ 3,869	($ 56,514)	$ 1,230,379

Year ended December 31, 2021	Inland Transportation	Container Terminals	International Marine Business	Gasoline Station	Freight Forwarder	Others	Adjustments and Write- off	Total
Revenue from outside the Group	$ 1,568,289	$ 601,607	$ 4,161,370	$ 480,549	$ 2,046,234	$ 54,392	($ 32,215)	$ 8,880,226
Operating profit	$ 11,847	$ 63,729	$ 546,823	$ 10,768	$ 280,470	$ 45,906	($ 60)	$ 959,483
Identifiable assets	$ 1,336,575	$ 9,896,854	$ 14,235,536	$ 70,625	$ 537,292	$ 570,852	$ 9,522	$ 26,657,256
Depreciation and amortisation	$ 115,624	$ 47,816	$ 1,987,728	$ 3,441	$ 8,244	$ 3,967	($ 1,898)	$ 2,164,922

(3) Reconciliation for segment income (loss)

A reconciliation of reportable segment profit or loss to the profit before tax and discontinued operations for the years ended December 31, 2022 and 2021 is provided as follows:

	Year ended December 31, 2022	Year ended December 31, 2021
Reportable segments operating profit and loss	$ 3,162,459	$ 913,637
Other segments operating profit and loss	39,260	45,846
Total segments	3,201,719	959,483
Total non-operating income and expenses	938,019	246,034
Profit before tax	$ 4,139,738	$ 1,205,517

(4) Information on products and services

Please refer to Note 6 (20) for the related information.

(5) Geographical information

Geographical information for the years ended December 31, 2022 and 2021 is as follows:

	Year ended December 31, 2022		Year ended December 31, 2021	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	$ 9,097,665	$ 15,964,689	$ 5,921,198	$ 14,698,728
America	6,363,456	6,666,904	2,513,787	11,966,671
Others	2,125,835	-	445,241	-
	$ 17,586,956	$ 22,631,593	$ 8,880,226	$ 26,665,399

The non-current assets do not include financial instruments and deferred income tax assets.

(6) Major customer information

Major customer information of the Group for the years ended December 31, 2022 and 2021 is as follows:

	Year ended December 31, 2022		Year ended December 31, 2021	
	Revenue	Segment	Revenue	Segment
Evergreen Marine Corp. (Taiwan) Ltd.	$ 1,193,633	Inland transportation, container terminals, international marine business, gasoline station, freight forwarder and others	$ 1,173,126	Inland transportation, container terminals, international marine business, gasoline station, freight forwarder and others
Evergreen International S.A.	1,164,879	International marine transportation	1,683,607	International marine transportation

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES
Provision of endorsements and guarantees to others
Year ended December 31, 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 1

Number (Note 1)	Endorser / guarantor	Party being endorsed / guaranteed		Ceiling on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount during the year ended December 31, 2022	Outstanding endorsement/ guarantee amount at December 31, 2022	Actual amount drawn down	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 / gurantees provided (Note 3)	Provision of endorsements / guarantees by parent company to subsidiary	Provision of endorsements / guarantees by subsidiary to parent company	Provision of endorsements / guarantees to the party in Mainland China	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
0	Evergreen International Storage and Transport Corporation	Gaining Enterprise S.A.	2	$ 44,324,909	$ 4,450,379	$ 1,690,374	$ 1,353,829	$ -	5.72	$ 44,324,909	Y	N	N	
1	Evergreen Logistics Corporation	Evergreen International Logistic(HK) Ltd.	4	3,325,526	244,760	244,760	-	-	11.04	3,325,526	N	N	N	

Note 1: The numbers filled in for the endorsements/guarantees provided by the Group 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 seven categories; fill in the number of category each case belongs to:
(1) Having business relationship.
(2) The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
(3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
(4) The endorser/guarantor company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.
(5) Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
(6) Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
(7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: Under the Company’s “Procedures for Provision of Endorsements and Guarantees” No.13, the Company’s total guarantees and endorsements to others should not exceed 150% of the Company’s net asset value, and total guarantees and endorsements provided for a single party should not exceed 30% of the Company’s net asset value. The Company’s endorsements and guarantees provided toward its subsidiaries are not restricted by the above, but should not exceed 150% of the Company’s net asset value. The calculation is shown below:
The net assets based on latest financial report 29,549,939 thousand dollars × 150% ＝ 44,324,909 thousand dollars
The net assets based on latest financial report 29,549,939 thousand dollars × 30% ＝8,864,982 thousand dollars
Under the Evergreen Logistics Corporation’s“Procedures for Provision of Endorsements and Guarantees” No.13, the Company’s total guarantees and endorsements to others should not exceed 150% of the Company’s net asset value, and total guarantees and endorsements provided for a single party should not exceed 30% of the Company’s net asset value. The Company’s endorsements and guarantees provided toward its subsidiaries are not restricted by the above, but Evergreen Logistics Corp. should not exceed 150% of the Company’s net asset value. The calculation is shown below:
The net assets based on latest financial report 2,217,017 thousand dollars × 150% ＝ 3,325,526 thousand dollars
The net assets based on latest financial report 2,217,017 thousand dollars × 30% ＝665,105 thousand dollars

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES

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

December 31, 2022

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

Table 2

Securities held by	Type and name of marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2022				Footnote
				Number of shares or units	Book value	Ownership (%)	Fair value	
Evergreen International Storage and Transport Corporation	Beneficiary certificate							
	Yuanta De Bao Money Market Fund	None	Financial assets at fair value through profit or loss - current	14,352,519.40	$ 175,124	-	$ 175,124	
	Yuanta De Li Money Market Fund	None	Financial assets at fair value through profit or loss - current	8,761,829.70	145,178	-	145,178	
	Yuanta Wan Tai Money Market Fund	None	Financial assets at fair value through profit or loss - current	1,959,730.70	30,120	-	30,120	
	Equity securities							
	Evergreen Steel Corp.	Investee of the Company's major institutional stockholder	Financial assets at fair value through other comprehensive income - current	2,492,000	128,587	0.60	128,587	
	Evergreen Marine Corp. (Taiwan) Ltd.	Major institutional stockholder of the Company	Financial assets at fair value through other comprehensive income - current	10,101,644	1,646,568	0.48	1,646,568	
	EVA Airways Corp.	Investee of the Company's major institutional stockholder	Financial assets at fair value through other comprehensive income - current	48,957,013	1,378,140	0.91	1,378,140	
	Central Reinsurance Corp.	Subsidiary of the Company's major institutional stockholder	Financial assets at fair value through other comprehensive income - non-current	50,353,414	856,008	6.29	856,008	
	Taiwan Terminal Services Co., Ltd.	Subsidiary of the Company's major institutional stockholder	Financial assets at fair value through other comprehensive income - non-current	1,200,000	13,207	12.00	13,207	
	Universal Venture Fund Inc.	None	Financial assets at fair value through other comprehensive income - non-current	348,909	2,850	2.98	2,850	
	UNI Airways Corp.	Investee of the Company's major institutional stockholder	Financial assets at fair value through other comprehensive income - non-current	15,693,273	406,098	4.17	406,098	
	Ever Accord Construction Corp.	Investee of the Company's major institutional stockholder	Financial assets at fair value through other comprehensive income - non-current	9,163,277	104,759	15.27	104,759	
	Evergreen Security Corp.	Subsidiary of the Company's major institutional stockholder	Financial assets at fair value through other comprehensive income - non-current	50,000	1,510	0.25	1,510	

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES

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

December 31, 2022

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

Table 2

Securities held by	Type and name of marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2022				Footnote
				Number of shares or units	Book value	Ownership (%)	Fair value	
Evergreen International Storage and Transport Corporation	EverFun Travel Services Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	1,439,509	$ 34,725	8.82	$ 34,725	
Shun An Enterprise Corporation	Evergreen Marine Corp. (Taiwan) Ltd.	Major institutional stockholder of the Company	Financial assets at fair value through other comprehensive income - current	82,207	13,400	-	13,400	
	EVA Airways Corp.	Investee of the Company's major institutional stockholder	Financial assets at fair value through other comprehensive income - current	100,000	2,815	-	2,815	
	Evergreen Aviation Technologies Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	50,000	4,058	0.01	4,058	
Gaining Enterprise S.A.	Greenpen Properties Sdn. Bhd.	None	Financial assets at fair value through other comprehensive income - non-current	950,000	20,043	19.00	20,043	
Evergreen Logistics Corporation	Evergreen Steel Corp.	Investee of the Company's major institutional stockholder	Financial assets at fair value through other comprehensive income - non-current	1,249,000	64,449	0.30	64,449	
	Evergreen Marine Corp. (Taiwan) Ltd.	Major institutional stockholder of the Company	Financial assets at fair value through other comprehensive income - non-current	100,000	16,300	-	16,300	
	EVA Airways Corp.	Investee of the Company's major institutional stockholder	Financial assets at fair value through other comprehensive income - non-current	100,000	2,815	-	2,815	
	UNI Airways Corp.	Investee of the Company's major institutional stockholder	Financial assets at fair value through other comprehensive income - non-current	206,000	5,324	0.05	5,324	
	Evergreen Air Cargo Services Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	2,400,000	56,301	2.00	56,301	

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES
Aggregate purchases or sales of the same securities reaching NT$300 million or 20% of the Company's paid-in capital or more
Year ended December 31, 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 3

Investor	Type and name of marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note 2)	Balance as at January 1, 2022 (Note 4)		Addition (Note 3)		Disposal (Note 3)				Balance as at December 31, 2022 (Note 4)	
					Number of shares or units	Amount	Number of shares or units	Amount	Number of shares or units	Selling price	Book value	Gain (loss) on disposal	Number of shares or units	Amount
Beneficiary certificate														
Evergreen International Storage and Transport Corporation	FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current			3,565,612.10	$ 55,000	18,067,605.00	$ 280,000	21,633,217.10	$ 336,002	$ 335,000	$ 1,002	-	$ -
	Yuanta De Li Money Market Fund	Financial assets at fair value through profit or loss - current			1,824,792.80	30,000	19,660,481.80	325,000	12,723,444.90	210,371	210,000	371	8,761,829.70	145,000

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.
Note 2: Fill in the columns the counterparty and relationship if securities are accounted for under the equity method; otherwise leave the columns blank.
Note 3: Aggregate purchases and sales amounts should be calculated separately at their market values to verify whether they individually reach NT$300 million or 20% of paid-in capital or more.
Note 4:Valuation adjustments at year-end are not included.

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of the Company's paid-in capital or more

Year ended December 31, 2022

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

Table 4

Purchaser / seller	Counterparty	Relationship with the Counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases/ Sales	Amount	Percentage of total purchases / sales (%)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)(%)	
Evergreen International Storage and Transport Corporation	Evergreen Marine Corp. (Taiwan) Ltd.	Major institutional stockholder of the Company	Operating revenues	$ 839,083	17.16	20~60 Days	-	-	Accounts Receivable 164,390	37.27	
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of Company's major institutional stockholder	Operating revenues	789,317	16.14	30~60 Days	-	-	-	-	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of Company's major institutional stockholder	Operating revenues	209,070	4.27	30~60 Days	-	-	-	-	
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Company's major institutional stockholder	Operating revenues	183,186	3.75	30~60 Days	-	-	-	-	
	Eva Airways Corp.	Investee of the Company's major institutional stockholder	Operating revenues	123,002	2.51	20~60 Days	-	-	Accounts Receivable 12,022	2.73	
	United Stevedoring Corp.	Investee of the Company's subsidiary accounted for using equity method	Operating revenues	255,020	5.21	15~60 Days	-	-	Accounts Receivable 21,717	4.92	

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of the Company's paid-in capital or more

Year ended December 31, 2022

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

Table 4

Purchaser / seller	Counterparty	Relationship with the Counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases/ Sales	Amount	Percentage of total purchases / sales (%)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)(%)	
Gaining Enterprise S.A.	Evergreen Marine Corp. (Taiwan) Ltd.	Major institutional stockholder of the Company	Operating revenues	$ 184,887	9.83	30 Days	-	-	-	-	
	Evergreen International S.A.	The main stockholder of the major institutional stockholder of the Company	Operating revenues	1,164,879	61.91	120 Days	-	-	Accounts Receivable 1,078,348	18.40	Note 2
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of Company's major institutional stockholder	Operating revenues	171,525	9.12	30 Days	-	-	-	-	
	Italia Marittima S.p.A.	Investee of the Company's major institutional stockholder	Operating revenues	360,188	19.14	30 Days	-	-	-	-	
Evergreen Logistics Corporation	Evergreen Marine Corp. (Taiwan) Ltd.	Major institutional stockholder of the Company	Operating revenues	169,573	2.43	150 Days	-	-	Accounts Receivable $76,727	10.46	
	Round The World Logistics (U.S.A.) Corp	Indirect subsidiary of the Company	Operating revenues	525,878	7.53	30 Days	-	-	Accounts Receivable 23,532	3.21	Note 1
	Round The World S.A.	Other related parties	Operating revenues	668,665	9.57	30 Days	-	-	Accounts Receivable 30,478	4.15	
	Ge Evergreen Engine Services Corp.	Other related parties	Operating revenues	143,966	2.06	90~120 Days	-	-	Accounts Receivable 28,249	3.85	

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of the Company's paid-in capital or more

Year ended December 31, 2022

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

Table 4

Purchaser / seller	Counterparty	Relationship with the Counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases/ Sales	Amount	Percentage of total purchases / sales (%)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)(%)	
Evergreen Logistics Corporation	Evergreen Logistics (HK) Ltd.	Other related parties	Operating revenues	$ 122,180	1.75	30 Days	-	-	Accounts Receivable 8,399	1.14	
	Evergreen Marine Corp. (Taiwan) Ltd.	Major institutional stockholder of the Company	Operating costs	440,226	7.97	5~20 Days	-	-	Accounts Payable 10,389	5.23	
	Round The World Logistics (U.S.A.) Corp	Indirect subsidiary of the Company	Operating costs	236,772	4.28	30 Days	-	-	Accounts Payable 28,716	14.46	Note 1
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of Company's major institutional stockholder	Operating costs	1,047,260	18.95	5~20 Days	-	-	-	-	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of Company's major institutional stockholder	Operating costs	132,096	2.39	5~20 Days	-	-	Accounts Payable 152	0.08	
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Operating costs	448,607	8.12	5~20 Days	-	-	-	-	
	EVA Airways Corp.	Investee of the Company's major institutional stockholder	Operating costs	436,411	7.90	15~30 Days	-	-	Accounts Payable 12,527	6.31	

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of the Company's paid-in capital or more

Year ended December 31, 2022

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

Table 4

Purchaser / seller	Counterparty	Relationship with the Counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases/ Sales	Amount	Percentage of total purchases / sales (%)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)(%)	
Round The World Logistics (U.S.A.) Corp.	Evergreen Logistics Corporation	Subsidiary of the Company	Operating revenues	$ 236,772	6.66	30 Days	-	-	Accounts Receivable 28,716	12.88	Note 1
	Round The World Logistics Corp. (M) Sdn. Bhd.	An investee company of subsidiary accounted for using equity method	Operating revenues	102,426	2.88	30 Days	-	-	Accounts Receivable 6,610	2.96	
	Evergreen Logistics (HK) Ltd.	Other related parties	Operating revenues	127,791	3.59	30 Days	-	-	Accounts Receivable 6,132	2.75	
	Evergreen Marine Corp. (Taiwan) Ltd.	Major institutional stockholder of the Company	Operating costs	283,921	8.26	5~20 Days	-	-	Accounts Payable 6,861	5.59	
	Evergreen Logistics Corporation	Subsidiary of the Company	Operating costs	525,878	15.30	30 Days	-	-	Accounts Payable 23,532	19.18	Note 1
	Evergreen Marine (Asia) Pte. Ltd.	Investee of the Company's major institutional stockholder	Operating costs	687,100	19.99	5~20 Days	-	-	-	-	
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Operating costs	276,660	8.05	5~20 Days	-	-	-	-	

Note 1 : The investment is a consolidated entity. The transaction was eliminated when the consolidated financial statements were prepared.

Note 2 : Receivables excluding long-term accounts receivable amounting to $4,780,665.

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES

Receivables from related parties reaching NT$100 million or 20% of the Company's paid-in capital or more

December 31, 2022

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

Table 5

Creditor	Counterparty	Relationship with the Company	Balance as at December 31, 2022	Turnover rate (times) (Note)	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Evergreen International Storage and Transport Corporation	Evergreen Marine Corp. (Taiwan) Ltd.	Major institutional stockholder of the Company	$ 164,390	9.15	$ -	-	$ 164,390	$ 231
Gaining Enterprise S.A.	Evergreen International S.A.	The main stockholder of the major institutional stockholder of the Company	5,859,013	1.68	-	-	348,629	1,970

Note : To determine the turnover rate of Gaining Enterprise S.A., receivables excludes long-term accounts receivable amounting to $4,780,665.

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES

Significant inter-company transactions during the reporting periods

Year ended December 31, 2022

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

Table 6

Number (Note 1)	Company name	Counterparty	Relationship with the Company (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
1	Evergreen Logistics Corporation	Round The World Logistics (U.S.A.) Corp.	3	Operating revenues	$ 525,878	Note 4	2.99
1	Evergreen Logistics Corporation	Round The World Logistics (U.S.A.) Corp.	3	Operating costs	236,772	Note 4	1.35

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 INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES

Information on investees (not including investees in Mainland China)

Year ended December 31, 2022

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

Table 7

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2022			Net income (loss) of the investee during the year ended December 31, 2022	Investment income (loss) recognised by the Company during the year ended December 31, 2022	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value			
Evergreen International Storage and Transport Corporation	Gaining Enterprise S.A.	Republic of Panama	1.Ship trading, transportation and chartering 2.Operation and investments of container yards 3.Leases and investments of overseas container terminals 4.Marine transportation related business	$ 4,977,435	$ 4,977,435	1,570,000	100.00	$ 12,571,548	$ 892,454	$ 892,454	Subsidiary of the Company (Note)
〃	Shun An Enterprise Corp.	Taiwan	Management consulting and employment agency	30,000	30,000	2,500,000	100.00	62,186	4,202	4,202	Subsidiary of the Company (Note)
〃	Evergreen Logistics Corp.	Taiwan	Marine and air freight forwarding, customs brokerage and other related business	604,722	604,720	54,723,440	91.21	2,172,810	1,465,459	1,350,113	Subsidiary of the Company (Note)
〃	Ever Reward Logistics Corp.	Taiwan	International trading, packing, marine freight forwarding, storage and warehousing, information administration	22,777	22,777	740,000	30.00	16,635	7,842	2,352	Subsidiary of the Company (Note)
〃	Taipei Port Container Terminal Corp.	Taiwan	Container distribution and cargo stevedoring	859,742	859,742	86,183,263	16.57	1,071,397	385,283	63,856	Investee of the Company accounted for using equity method
Evergreen Logistics Corporation	Round The World Logistics(U.S.A.) Corp.	America	Marine and air freight forwarding, customs brokerage and other related business	415,650	415,650	5,200	100.00	584,665	86,148	86,148	Indirect subsidiary of the Company (Note)

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES

Information on investees (not including investees in Mainland China)

Year ended December 31, 2022

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

Table 7

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2022			Net income (loss) of the investee during the year ended December 31, 2022	Investment income (loss) recognised by the Company during the year ended December 31, 2022	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value			
Evergreen Logistics Corporation	Evergreen Logistics (Thailand) Co., Ltd.	Thailand	Marine and air freight forwarding, customs brokerage and other related business	$ 19,028	$ -	98,000	49.00	$ 51,418	$ 63,009	$ 12,646	Indirect subsidiary of the Company (Note)
〃	Evergreen Logistics Malaysia Sdn. Bhd.	Malaysia	Marine and air freight forwarding, customs brokerage and other related business	2,665	-	1,400,000	100.00	8,563	(381)	(399)	Indirect subsidiary of the Company (Note)
〃	Evergreen International Logistics (HK) Ltd.	Hongkong	Marine and air freight forwarding, customs brokerage and other related business	73,788	-	2,500,000	100.00	72,673	(5,530)	(5,530)	Indirect subsidiary of the Company (Note)
〃	Evergreen Logistics Vietnam Co., Ltd.	Vietnam	Marine and air freight forwarding, customs brokerage and other related business	59,285	-	-	100.00	118,030	60,697	27,490	Indirect subsidiary of the Company (Note)
〃	Evergreen Logistics (India) Private Ltd.	India	Marine and air freight forwarding, customs brokerage and other related business	2,302	-	1 ,399,999	99.99	3,183	1,056	(202)	Indirect subsidiary of the Company (Note)
〃	Evergreen Logistics (Cambodia) Co. Ltd.	Cambodia	Marine and air freight forwarding, customs brokerage and other related business	6,446	-	200,000	100.00	5,013	(1,121)	(1,121)	Indirect subsidiary of the Company (Note)
〃	Evergreen International Logistics (Korea) Co. Ltd.	Korea	Marine and air freight forwarding, customs brokerage and other related business	9,401	-	400,000	100.00	8,157	(1,505)	(1,505)	Indirect subsidiary of the Company (Note)

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES

Information on investees (not including investees in Mainland China)

Year ended December 31, 2022

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

Table 7

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2022			Net income (loss) of the investee during the year ended December 31, 2022	Investment income (loss) recognised by the Company during the year ended December 31, 2022	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value			
Evergreen Logistics Corporation	Evergreen Logistics (Philippines) Co. Ltd.	Philippines	Marine and air freight forwarding, customs brokerage and other related business	$ 32,184	$ -	1,100,000	100.00	$ 70,100	$ 36,712	$ -	Indirect subsidiary of the Company (Note)
〃	Round The World Logistics Corp. (M) Sdn. Bhd.	Malaysia	Marine and air freight forwarding, customs brokerage and other related business	53,478	-	245,000	49.00	76,328	71,683	25,469	Investee of the Company’s subsidiary accounted for using equity method
〃	Ever Reward Logistics Corp.	Taiwan	International trading, packing, marine freight forwarding, storage and warehousing, information administration	22,784	22,784	740,230	30.00	20,438	7,842	2,353	Subsidiary of the Company (Note)
Shun An Enterprise Corporation	United Stevedoring Corp.	Taiwan	Cargo and labor service stevedoring	25,000	25,000	2,500,000	50.00	33,596	7,967	3,983	Investee of the Company’s subsidiary accounted for using equity method

Note：The investment is a consolidated entity. The transaction was eliminated when the consolidated financial statements were prepared.

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES

Information on investments in Mainland China- basic information

Year ended December 31, 2022

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

Table 8

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, 2022	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan during the year ended December 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income (loss) of the investee during the Nine-month period ended December, 31, 2022	Ownership held by the Company (direct or indirect) (%)	Investment income (loss) recognised by the Company during the year ended December 31, 2022 (Note 2)	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Qingdao Evergreen Container Storage & Transportation Co.,Ltd.	1. Main businesses: Inland container transportation, storage, loading, discharging, repair, cleaning and related activities. 2. Impact on operations of the Company: Increase investment income.	$ 186,724	2	$ -	$ -	$ -	$ -	$ 187,558	15.00	$ 28,134	$ 63,023	$ -	Investment Income (loss) Note 2 (2) B
Evergreen International Logistics (Shanghai) Co., Ltd.)	1. Main businesses: International freight forwarding, domestic freight forwarding, Domestic container cargo transportation agency, NVOCC, warehousing services. 2. Impact on operations of the Company: Increase investment income.	63,500	2	-	63,500	-	63,500	(2,398)	91.21	(2,187)	60,014	-	Investment Income (loss) Note 2 (2) B

Name of the company	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	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 International Storage and Transport Corporation	$ 63,500	$ 168,273	$ 17,892,314

Note 1: Investment methods are classified into the following three categories:

(1) Directly invest in a company in Mainland China.

(2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.：Gaining Enterprise S.A., Evergreen International Logistics (HK) Ltd.

(3) Others.

Note 2: In the 'Investment income (loss) recognised by the Company for the year ended December 31, 2022 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.

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES

Major shareholders information

December 31, 2022

Table 9

Name of major shareholders	Shares	
	Name of shares held	Ownership (%)
Evergreen Marine Corp. (Taiwan) Ltd.	430,692,189	40.36
Evergreen International Corp.	89,847,968	8.41

Note 1: Information on the above table is based on the calculation provided by the Taiwan Depository & Clearing Corporation for stockholders holding greater than 5% of ordinary shares and special shares who have completed the process of registration and book-entry delivery issued in dematerialised form (including treasury shares) on the last business day of the current quarter. There may be a discrepancy between the number of shares recorded on the Company’s consolidated financial statements and its dematerialised securities due to the difference in basis of preparation and calculation.

Note 2: According the above information, the delivery of shares to the trust by shareholders is disclosed by the individual trustee who opened the trust account. In accordance with the Securities Exchange Act, shareholders who acquire more than 10% of shareholding have to disclose their insider ownerships, including their own shares held, delivery to the trust and shares that have the right to make decisions on trust property, etc. Information on insider ownership declaration is available at the Market Observation Post System website of the Taiwan Stock Exchange.