



長榮國際儲運股份有限公司
EVERGREEN INTERNATIONAL STORAGE & TRANSPORT CORP.

<https://www.evergreen-etc.com.tw>

Taiwan Stock Exchange Observation Post System

<https://mops.twse.com.tw>



Print Date : April 1, 2024

Stock Code: 2607

2023

ANNUAL REPORT

Notice to readers

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

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NAME OF ANY EXCHANGES WHERE THE COMPANY'S SECURITIES ARE TRADED OFFSHORE, AND THE METHOD BY WHICH TO ACCESS INFORMATION ON SAID OFFSHORE SECURITIES

The Company doesn't issue offshore securities.

CORPORATE WEBSITE

[https:// www.evergreen-eitc.com.tw](https://www.evergreen-eitc.com.tw)

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I. Letter to Shareholders

1.1 Business Performance in 2023

1.1.1 Business Fulfillment in 2023

In 2023, Taiwan experienced a sharp decline in annual exports due to the sluggish international economy and inventory adjustments. Besides, the uncertainty surrounding the US-China trade dispute, the ongoing conflict between Russia and Ukraine, the impact of the Israeli-Palestinian conflict, the Red Sea crisis and climate change have also increased shipping risks and transportation costs in the global shipping industry. Additionally, high inflation has further weakened the global economic performance. However, the strong demand in the domestic market has created a relatively favorable economic environment. The launch of new technological products and the high demand for AI and cloud services have benefited to exports.

In recent years, in the face of the competitive business environment and rising operating costs, the Company strove to expand new businesses and seek cross-industry alliances. In addition, through strict internal control mechanisms, the Company effectively controlled operating costs. The Company also upgraded the software and hardware for digital platform operations, simplified the administrative process of official documents, and budgeted for replacement of old operating equipment with new ones every year to reduce maintenance costs effectively, so as to achieve the effect of tapping new sources of revenue and cutting down expenditures.

An overview of the Company's business are as follows:

1. Inland Transportation Service

With the maritime inland transportation market shifting towards an international logistics model, over and above offering current business as usual operations such as ship side, transshipment and empty container transportation and replenishment, the Company also actively participated in the domestic import and export large-scale transportation bidding, developed the more profitable line of import/export Container Yard (CY) shipments and undertook the business of intermodal transportation services of hypermarket logistic centers.

2. Container Terminal and Inland Container Depot Services

Our company is located at TCG Port Container Terminal 32 and 33. In 2023, we experienced a downturn in the shipping market, along with unfavorable factors such as a decrease in the berthing rate of various shipping companies, reduced ship schedules, and adverse weather conditions at Port of Taichung. However, we have been consistently working to secure berthing for cross-strait routes, handle import and export routes, and provide bonded warehousing services. We have also adjusted our rates based on market demand and submitted requests to Maritime Port Bureau for approval of the revised fee schedule.

3. Coach Services

With benefiting from the post-pandemic tourism wave and the reopening of borders in various countries, airlines have significantly expanded their international routes and flights to meet the

increasing demand from passengers traveling by air for entry, exit, and transit to Taiwan. Consequently, the number of shuttle services and revenue for flight crews have also risen. Additionally, the lifting of domestic epidemic situation has led to a continuous growth in demand for domestic tourism and transportation services. In 2023, the overall revenue of the passenger transport business increased by approximately 31.58% compared with the same period in 2022.

4. Marine Container and Ship Leasing Business

In response to market demand, the Company continued to operate marine container and ship leasing business to bolster revenue.

5. Dayuan Logistics Park

In response to the demand of Taiwan's international logistics warehousing supply chain in recent years, the Company's Dayuan Logistics Park officially opened in the second quarter of 2022. The entire 35,000 pings of the warehouses has been leased out. The area for lease in the office building is about 1,800 pings. So far, 67 pings on the first floor has already been leased out to a convenience store; 101 pings on the fourth floor has been leased on a short-term basis to an e-commerce company; 332 pings on the fifth floor to an e-commerce company. The Company will continue to seek cross-industry alliances.

6. International Freight Business Undertaking

Evergreen Logistics, a subsidiary of the Company, offers rapidly integrating logistics services in the United States, Canada, and Malaysia. We have also achieved significant results in the logistics warehouse at Kaohsiung Container Terminal 7 and in attracting global investment for project initiatives. As a result of ongoing expansion of market allocation to different regions worldwide, active development of supply chain solutions and project-based businesses have taken place.

1.1.2 Business Targets and Performance Overview

The Company's forecasted consolidated revenue for 2023 was NT\$18.762 billion and the actual revenue was NT\$16.394 billion. The achievement rate was 87.38%. The forecasted net profit before tax was NT\$3.55 billion and the actual net profit before tax was NT\$3.775 billion. The achievement rate was 106.33%.

1.1.3 Financial Revenue and Profit Analysis

1. Financial Revenue

The Company's consolidated revenue for 2023 was NT\$16.394 billion, a year-on-year decrease of 6.78%. The operating cost was NT\$12.302 billion, a year-on-year decrease of 6.01%. Other net income was NT\$1.168 billion, a year-on-year increase of NT\$230 million. Net profit after tax was NT\$2.832 billion, a year-on-year decrease of NT\$839 million.

2. Profit Analysis

The return on assets for 2023 was 6.83%, return on equity was 9.18%, net profit margin was 17.28%, and earnings per share was NT\$2.55.

1.1.4 Research and Development

1. Environmentally-Friendly Fleet

In terms of passenger and freight transport, older vehicles were progressively replaced with new ones with Euro 6 rated environmentally friendly engines, which will help improve air quality and save fuel. These vehicles are also equipped with active driver assistance to enable safe transportation services.

2. Initiative of Procurement of New Container Trucks

The newly procured container trucks were deployed at Taipei port and TCG Port Container Terminal to enhance the efficiency and safety of container trucks in terminal operations.

3. Construction of green building and installation of solar energy facilities in Dayuan Logistics Park

To promote sustainable development, enhance the environmental value of the enterprise, and improve competitiveness in the international market, we have installed solar energy facilities on the roofs of buildings in Dayuan Logistics Park. We have also obtained the Bronze-level Green Building Label, aligning with the government's energy transformation policies. These efforts meet the requirements for ecology, energy conservation, carbon reduction, and health, aiming for the sustainable development of building resources.

4. Information and Communication Security System

Privileged Account Management and Email Social Engineering Drill Service have been introduced to actively defend, monitor servers, databases, network security devices, and other privileged account management systems. This strengthens the company's information security. To enhance the company's personnel cybersecurity awareness, we conduct annual email social engineering drills and train personnel who fall into trap by opening fishing emails or clicking on links.

5. Implementation of Warehouse Management System

In 2023, Evergreen Logistics Company has officially launched the warehouse management system. This enhances our capabilities in managing orders, inventory, cargo handling, equipment, and labor force. Additionally, it enables our clients to track inventory in real-time through our cargo tracking platform.

1.1.5 Enhancement of ESG Corporate Governance and Fulfillment of Social Welfare and Care

With an aim to entrench the vision of sustainable development and fulfill corporate social responsibility, the Company ceaselessly promoted the establishment of a corporate culture centered around Environment, Social, and Governance (ESG), and endeavored to improve the transparency of corporate governance. The Company has achieved good results in previous corporate governance evaluations of TWSE/TPEX-listed companies.

In response to climate change, the Company has adopted control measures for greenhouse gas emissions, relentlessly strengthened climate change governance and risk management, and actively

implemented relevant energy conservation and carbon reduction measures, including energy-saving management of transportation business, energy conservation management in the workplace and promotion of electronic document signing among other business energy conservation management. TCG Port Container Terminal and Dayuan Logistics Park were installed with solar power equipment to provide green energy and reduce carbon emissions. In response to the government's Net Zero Emissions target, our company conducted a carbon inventory in 2023 and implemented ISO 14064-1 Greenhouse Gas Inventory System, which is expected to complete the verification in 2024. The Company regularly conducts risk assessments and formulates risk management strategies and plans in accordance with the principle of materiality, considering economic, environmental and social aspects of corporate governance issues that have a significant impact on investors, customers and other stakeholders. The execution status is reported to the Board of Directors once a year.

1.2 Operation Strategy for 2024

1.2.1 Operation Direction

Our company's newly established Dayuan Logistics Park has officially begun operations in the second quarter of 2022. In light of the consistently strong demand in the global logistics supply chain, we are actively planning the construction of additional logistics warehouses. Due to the easing of the epidemic domestically, there has been a strong demand in the domestic travel market. Our company has invested in five new environmentally friendly Euro-6 tour buses in 2023 to meet the demand in the post-epidemic aviation tourism industry and to enhance the overall revenue of the passenger transport industry. In 2023, we have added a gantry crane to our operations to improve operational efficiency. We are actively planning to apply for the operation of maritime express handling units. Furthermore, Evergreen Logistics, a subsidiary of the Company, promotes air and sea transport business and new projects as the main axis. The new project will concentrate on expanding the business of major e-commerce customers from different countries and managing their reverse logistics. Evergreen Logistics is also committed to developing high-threshold logistics services, including transportation, customs clearance, and solutions for machinery and equipment of large enterprises. In the air freight consolidation projects, we will develop operational models based in Taiwan to connect potential markets in mainland China and Southeast Asia. Furthermore, we will be implementing an international logistics and supply chain center to ensure standardized management of our logistics centers. Additionally, we will actively support environmentally-friendly logistics enterprises in line with our company's ESG vision.

There are details of operation directions as below:

1. Comprehensive Business Operation and Diversified Cross-Industry Alliance

Businesses scope:

Over the years, the company has diversified its operations, which now includes sea and air cargo handling, third-party logistics services, sea and air freight agency, large-scale logistics parks, container terminal operations, inland transportation, inland container yards, container repairs, container leasing, vessel leasing, container terminal loading and unloading, transportation vehicles, tourism services, gas stations, and vehicle maintenance and inspection facilities. The

Company has consistently achieved stable profitability and growth.

Business expansion:

- (1) Dayuan Logistics Park was completed and became operational in the second quarter of the year 2022. The leasing of warehouses achieved a 100% success rate. The park covers an area of approximately 28,000 ping and has a total floor area of approximately 40,000 ping (including office building and warehouse). Dayuan Logistics Park has been evaluated as a candidate for a green building by the Ministry of the Interior and received the Bronze-level Green Building Label in the year 2023. The entire leasable area of 35,000 ping on the fourth floor of the warehouse building in the park has been successfully leased out. The office building has secured a convenience store and an e-commerce company as tenants, and it's still available for rent, contributing to the Company's revenue.
- (2) With a view to expand the global service network, the Company's reinvestment, Evergreen Logistics, actively sets foot in markets across the world. The Company is establishing the logistics and warehousing center of the Asia-Pacific operation base in Kaohsiung Container Terminal 7. The center is officially put into operation in the second quarter of 2023. Along with that, in response to business opportunities arising from the imbalance between supply and demand of third-party bonded logistics, the Dayuan Logistics Park also commences operations in the third quarter of 2023. Through the bonded platform, based on needs, customers can arrange for processing, batch pick-up and delivery, essentially alleviating the pressure on their capital and production costs and enhancing the long-term competitiveness and competitive edge of customers.
- (3) In consideration of the business prospects of TCG Port Container Terminal 32, investment in equipment, among others, the procurement of one new gantry crane and four rail-mounted gantry cranes (ARMG) were made in 2023 to complement current operations, overhaul of electrified rubber tired gantry cranes (ERTG), would be conducted to elevate operation efficiency.
- (4) The inland container yards have successfully raised the rates for container yard operations for shipping companies, cargo consolidators and direct customers in 2023. In terms of the inland transportation business, a comprehensive review was also conducted to reflect reasonable freight rates and the Company actively sought to secure large-scale container transport tenders.
- (5) To serve a vast numbers of consumers, the passenger transport business has established an independent official website for Evergreen Bus. The Company has actively expanded its marketing outreach and amalgamated the resources of the Group to develop diversified marketing strategies. In 2024, we will be adding 13 new European tour buses to our fleet, as we actively embrace the thriving post-pandemic tourism transportation industry.
- (6) Evergreen Marine Corp. Kaohsiung Container Terminal 7 officially commenced operations in May 2023. Our company has gradually undertaken its warehousing and shipside container unloading operations.

2. Occupational Safety and Health

Our company continues to implement the equipment replacement plan as per annual schedules, actively preventing abnormal operations and occupational accidents. To enhance operational efficiency, we have updated the container warehouse operating system (Tospro2), implemented improvements in document processing quality processes, strengthened internal control audit mechanisms, and created a safe working environment for employees while ensuring a high level of operational safety services. In addition to TCG Port Container Terminal obtaining ISO-45001 certification for Occupational Health and Safety Management System, the Taoyuan region also achieved dual certifications for ISO-45001 Occupational Health and Safety Management System and the TOSHMS Taiwan Occupational Health and Safety Management System in 2023. Moving forward, safety protection will be maintained through the Occupational Health and Safety Management System.

3. Increasing Awareness of Environment Protection and Fulfill Sustainable Development

- (1) In order to enhance ESG environmental management, we implemented ISO 14001 environmental management system in 2023 to systematically manage operational processes and minimize environmental impact. We anticipate obtaining verification in 2024.
- (2) The Company owns a large fleet of tractors and coaches. In response to the government's environmental regulations, the Company purchased 14 Euro-6 environmentally friendly tractors and 13 coaches in 2024. The Company complies with energy-saving and carbon-reduction measures, improves air quality, and reduces the impact on the environment.
- (3) In terms of sustainability development, Our company sponsors the Chang Yung-Fa Foundation to support social welfare and cultural promotion activities as part of our commitment to sustainable development. We aim to foster children's understanding of marine culture and cultivate the next generation with enhanced international competitiveness. To achieve this, we invite students from the Taoyuan area to participate in an extracurricular educational charity event organized by the Evergreen Maritime Museum.

4. Certifications and Accolades

- (1) On February 22, 2013, the Company established an AEO taskforce to drive the certification for AEO and supply chain security management among other related activities. The Company obtained AEO certificate (certificate number: TWAE0-102000059) issued by Keelung Customs on November 22 of the same year and has continued to maintain the validity of the certificate until now.
- (2) The air freight department of the Company's reinvestment, Evergreen Logistics, had the commendable achievement of being conferred EVA Air Cargo Annual Contribution Award by EVA Airlines for more than 10 consecutive years.

1.2.2 Forecast of Business Performance

Between 2021 and 2022, the shipping and logistics industry experienced a surge in demand and shipping costs due to the pandemic. Businesses stockpiled goods, leading to a booming industry. However, after the pandemic in 2023, the economic situation suddenly reversed as companies

faced pressure to reduce their inventories. To combat high inflation, countries implemented monetary tightening policies, which eroded consumer purchasing power and brought shipping costs back to pre-pandemic levels. Since the third quarter of 2022, freight volume has been steadily declining, exacerbated by geopolitical risks such as the Russia-Ukraine conflict, the Israel-Palestine conflict, and the competition between the United States and China. The decline in end-demand, driven by increased trade protectionism, along with uncertainties in monetary policies and the ongoing pandemic, present challenges for the shipping and logistics industry and shippers in 2024, particularly with the influx of new vessels into the market. In light of the declining concept of globalization, the manufacturing industry is actively seeking low-cost resources in close proximity. This is expected to result in a continuous increase in trade between different regions. Looking ahead to the future, Evergreen Logistics will strategically position itself in the regional economy, adhering to its business policy, continuously developing target industries and customers, and establishing long-term competitiveness and advantages. The company will also focus on comprehensively improving operational performance.

1.2.3 Key Business Strategies

1. Inland Transportation Service

Our company is actively working towards operating container unloading trucks at Kaohsiung Container Terminal 7 in response to its operation in 2023. The operations are expected to commence in July 2024.

2. Container Depot Business

Taoyuan Container Terminal

Customs Administration Keelung Customs Taoyuan Branch has shifted their office to the Company's Taoyuan Container Terminal in 2023. We are going to attract more container storage business of multiple airlines, thus boosting import customers container storage and elevating the overall utilization rate of Taoyuan Container Terminal.

Shichih Container Terminal

In 2024, we successfully secured the route business of the world's largest container shipping company, thereby enhancing the operational efficiency of Shichih Container Terminal.

TCG Port Container Terminal

In the challenging shipping market of the year 2024, our company is committed to updating the ERTG equipment facilities, while maintaining high levels of operational efficiency and service quality, without disrupting current business operations. Furthermore, in 2024, we plan to apply to Taichung Customs for maritime express handling units, with the anticipation of expanding our business scope into cross-border e-commerce.

3. Coach Services

With a view to elevate the overall business competitiveness of coach business, 13 new Euro-6 environmentally friendly tour buses will be purchased in 2024. Bolster the operational performance for domestic tourism through enhancing the marketing efforts for the independent

official website of Evergreen Bus, and drastically improve the quality of coach service through customer communication and feedback channel on the official website.

4. Gas Station Business

In order to attract potential customers in the diesel wholesale industry and improve the competitiveness of fuel sales, the gas station business is actively promoting sales promotions, such as offering free car wash vouchers with fuel purchases, and providing self-service fueling at discounted rates.

5. Warehouse and Logistic Business

With the intense demand for logistics and warehousing business in the domestic market, post the successful inaugural of Dayuan Logistics Park, the Company will continue to evaluate and invest in the warehousing and logistics market in the future to revitalize the Company's assets and expand the scale of operation.

6. International Freight Business Undertaking

Evergreen Logistics offers exceptional transportation and logistics solutions on a global scale. These solutions encompass a wide range of areas including warehousing, customs clearance, road transportation, rail transportation, maritime shipping, and air transportation. Evergreen Logistics builds upon the traditional foundation of maritime and air transportation management to continuously expand logistics opportunities in global regions. The company undertakes in-depth development of specialized projects and high-threshold logistics solutions. Evergreen Logistics is dedicated to projecting a professional, efficient, and dependable image, delivering exceptional logistics services, and becoming the preferred global transportation and logistics partner for our clients.

1.3 Future Development Strategies

1.3.1. Business Strategies

1. The company is dedicated to maintaining high quality and safety in its services, constantly innovating and strengthening its core business operations. By integrating internal resources, the company collaboratively explores new business opportunities to increase revenue, while also effectively managing costs and adjusting fees in a timely manner to maximize revenue. Integrate professional transportation supply chains by combining port operations, transshipment, inland transportation, and integrated warehousing and logistics operations.
2. Evergreen Logistics, a subsidiary of the Company, will prioritize the promotion of traditional air and sea freight businesses, along with new project initiatives. These new projects will specifically aim to expand the business of major international e-commerce clients and enhance their reverse logistics operations. In non-containerized projects, Evergreen Logistics is committed to researching and developing high-threshold logistics services, including transportation, customs clearance, and solutions for machinery and equipment of large enterprises. In the air freight consolidation projects, we will develop operational models based in Taiwan to connect potential markets in mainland China and Southeast Asia. Additionally, we

will introduce an international logistics operation center to establish standardized management of our logistics center.

1.3.2 Cost Strategies

1. We continuously replace outdated machinery, equipment, and vehicles in order to reduce carbon emissions and lower fuel and maintenance costs.
2. Upgrade IT systems for improvement of performance of internal information system management and reducing cost incurred by operation errors with various internal control measures.
3. Ceaselessly drive use of e-documents, to reduce paper usage and significantly increase operations efficiency.

1.3.3 Sustainable Development

1. Enhance the talent development program to improve employee expertise, enhance service quality, and increase industry adaptability.
2. Provide employees with a safe and healthy work environment, along with conducting safety and health training and health checkups on a regular basis.
3. In order to carry out greenhouse gas inventory operations, it is important to set environmental protection and energy-saving carbon reduction goals. Additionally, implementing an environmental management system can help reduce the impact of operations on the environment through effective management controls.
4. Improve corporate governance, fulfill corporate social responsibility, promote the advancement of the economy, environment, and society, and unceasingly pursue the Company's goals of sustainable development.
5. Evergreen Logistics will contribute to the establishment of an environmentally-friendly logistics enterprise, aligning with our ESG vision.

1.4 Effects of External Competitive Environment, Laws and Macroeconomy

1.4.1 External Competitive Environment

International oil prices experienced significant volatility in the year 2023 due to geopolitical risks and the Federal Reserve System's interest rate policies. Despite the announcement of production cuts by the Organization of the Petroleum Exporting Countries and its allies (OPEC+), concerns about potential supply disruptions were raised at the end of the year due to the Israel-Palestine conflict. However, this conflict did not result in a decline in oil prices. The sluggish global economic growth may dampen the demand for crude oil in 2024. However, geopolitical tensions are bolstering oil prices. Currently, most research institutions anticipate the average price of crude oil in 2024 to be approximately \$84.43 per barrel, slightly higher than the average price of \$80 per barrel in 2023.

1.4.2 Regulatory Requirements

1. In response to international concerns about sustainability and the impact of climate change, the Financial Supervision Commission officially launched ‘Sustainable Development Roadmap’ in 2022. All listed companies are required to complete a greenhouse gas inventory by 2027 and provide verification of the inventory by 2029. Among the listed companies with billions of dollars in capital, they are at the forefront of implementing carbon inventory. They must disclose the individual inventory information and assurance of the parent company in the annual report or sustainability report of 2024, and starting from 2025, they must continue to disclose the reduction targets, strategies, and specific action plans for the previous year. The annual report or sustainability report was completed to disclose information regarding the investigation and confirmation of the merged company prior to 2027.
2. To enhance the quality and transparency of sustainable information reporting, the Financial Supervision Commission has officially launched the ‘Convergence of IFRS Sustainability Disclosure Standards Blueprint’ on August 17, 2023. Considering domestic capacity, the IFRS sustainability disclosure standards will be implemented in three stages, starting from the 2026 accounting year. Listed companies with a capital of over one billion NT dollars are obligated to adhere to the IFRS sustainability standards (S1: general requirements for disclosure of sustainable financial information and S2: disclosure of climate-related information) in their 2026 annual report.
3. On January 10, 2023, Taiwan passed the Climate Change Response Act through the third reading of the Legislative Yuan. Article 28 of the Climate Act allows for the gradual imposition of carbon fees on sources of greenhouse gas emissions. The charging regulations specify the objects, calculation method, collection method, and emission calculation method for declaration and charging. To ensure timely implementation of carbon fee collection, the Ministry of Environment has issued the Guidelines for Establishing Carbon Fee Rate Review Councils on December 1, 2023. The ministry now presents a draft of the carbon fee charging method, which mandates that the power industry and large-scale manufacturing industry, with an annual emission of 25,000 metric tons of carbon dioxide equivalent, will be subject to the fee. From the year 2024 onward, the annual greenhouse gas emissions of carbon fee payers will be factored into the pricing, marking the official beginning of the era of carbon emissions valuation.

1.4.3 Macroeconomy

1. Major international forecasting institutions all believe that the global economic growth rate in 2024 will be slightly lower. The International Monetary Fund (IMF) predicts a global economic growth rate of 2.9% in 2024, while the Organization for Economic Cooperation and Development (OECD) predicts 2.7%. Both predictions are lower than the forecasted rates of 3.0% and 2.9% in 2023. Various institutions in Taiwan estimate that the domestic economic growth rate in 2024 will range from 3.03% (Chung-Hua Institution for Economic Research) to 3.35% (Directorate-General of Budget, Accounting and Statistics).

2. The global economy will continue to face numerous challenges, with both the United States and China grappling with factors such as weak consumer demand and economic sluggishness. Trends in raw material prices, the intensification of geopolitical conflicts, and the direction of monetary policies by central banks around the world are all contributing to these difficulties. Taiwan, which relies on manufacturing exports, is expected to benefit from the gradual recovery of global end-demand as companies reduce their inventories. We will closely monitor changes in market demand and continuously upgrade our equipment. Our investment direction will be adjusted based on economic conditions, demonstrating operational resilience in an uncertain economic environment. Additionally, we will deepen corporate governance, promote sustainability initiatives, and reaffirm our commitment to implementing sustainable development.

Chairman : Chiu, Shien-Yuh

President : Lin, Jenn-Fang

April 1, 2024

II. Company Profile

2.1 Date of Incorporation

Registration Date of the Company : October 5, 1973

2.2 Company History

2.2.1 Incorporated on September 1, 1973, Evergreen International Storage and Transport Corporation (“the Company”) was founded with NT\$ 20 million paid-in capital and a goal of NT\$ 40 million capital for its operation. The Company initially focused on container trucking service, providing marine shipping industry and a variety of Company’s optimal land transport service.

The Company reached the goal of NT\$ 40 million capital with NT\$ 10 million capital increase by cash for operation equipment procurement on June 5, 1975 and NT\$ 10 million capital increase by cash and retained earnings on May 18, 1978.

The Company used NT\$ 10 million, NT\$ 20 million and NT\$ 10 million of its accumulated earnings from the prior year on July 25, 1979, October 7, 1980 and June 10, 1982, respectively, to increase its capital, in order to strengthen its financial position, adding up to a total amount of capital of NT\$ 80 million.

The Company set up Kaohsiung Office on March 23, 1981 to optimize its services for customers in central and southern Taiwan.

Total capital of the Company amounted to NT\$ 90 million after a NT\$ 10 million capital increase by cash on August 12, 1983. In order to expand its business and improve its service quality, the Company carried out two capital increases, NT\$ 60 million by retained earnings on May 14, 1984 and NT\$ 30 million by cash on October 15 of the same year , adding up to a total amount of capital of NT\$ 180 million.

The Company was relocated from Shichih to Nangang in Taoyuan in September, 1985 , in order to meet its needs for operational activities and space. The Company set up Taichung Office on May 16, 1986.

In July 1986, Everglory Transport Corporation was renamed as “Evergreen Transport Corporation”.

Total capital of the Company amounted to NT\$ 185 million after a capital increase by cash of NT\$ 5 million for procurement of equipment, including tractors, to increase its operational capacity on June 5, 1987. In order to enhance its business performance, the Company carried out a capital increase of NT\$ 115 million by cash on December 24, 1988 for procurement of equipment and a variety of vehicles, adding up to a total amount of NT\$ 300 million paid-in capital.

Total paid-in capital of the Company amounted to NT\$ 400 million after a total of NT\$ 100 million capital increase for strengthening financial position, including NT\$ 9.7 million cash and NT\$ 90.3 million retained earnings on December, 28, 1989.

Total paid-in capital of the Company amounted to NT\$ 500 million after a NT\$ 100 million capital increase by retained earnings for procurement of tractors and bank loan repayment on May 5,

1990. The Company formally issued its shares through public offering on December 14 of the same year.

Total paid-in capital of the Company amounted to NT\$ 770 million after a capital increase by NT\$ 95 million cash, NT\$ 125 million retained earnings and NT\$ 50 million capital reserve on December, 1, 1993 for procurement of tractors and repayment of bank loans.

On December 7, 1994, gas stations of the Company kicked off their operation for implementation of business diversification policy.

Total paid-in capital of the Company amounted to NT\$ 808.5 million after a capital increase by NT\$ 38.5 million capital reserve on July 7, 1996.

Total paid-in capital of the Company amounted to NT\$ 1,010,625,000 after a capital increase by NT\$ 202,125,000 retained earnings and capital reserve on July 8, 1998.

Total paid-in capital of the Company amounted to NT\$ 1,263,281,250 after a capital increase by NT\$ 252,656,250 retained earnings and capital reserve on July 12, 1999.

Total paid-in capital of the Company amounted to NT\$ 1,452,773,450 after a capital increase by NT\$ 189,492,200 retained earnings and capital reserve, which was approved in a regular shareholders' meeting on May 17, 2000.

The Company was renamed again and is currently known as the "Evergreen International Storage and Transport Corporation".

According to a resolution approved in the special shareholders' meeting on September 11, 2001, the Company merged with Evergreen Container Terminal Corporation (EGCT) and started to provide container distributing center business, storage and warehousing and warehouse leasing services. With the record date of March 31, 2002, the merger was conducted through exchange of 0.8 common share of EGCT for 1 common share of the Company. After the merger, the Company's total stock value amounted to NT\$3,766,152,680 and its total capital reached NT\$5,218,926,130.

According to a resolution approved in the shareholders' meeting on June 27, 2002, the Company merged with Uniglory Marine Corporation (UGMC) and started to provide ship transportation and shipping agency services. With the record date of November 1, 2002, the mergers was conducted through exchange of 1.15 common share of UGMC for 1 common share of the Company. After the merger, the Company's total stock value amounted to NT\$5,452,484,810 and its total capital reached NT\$10,671,410,940.

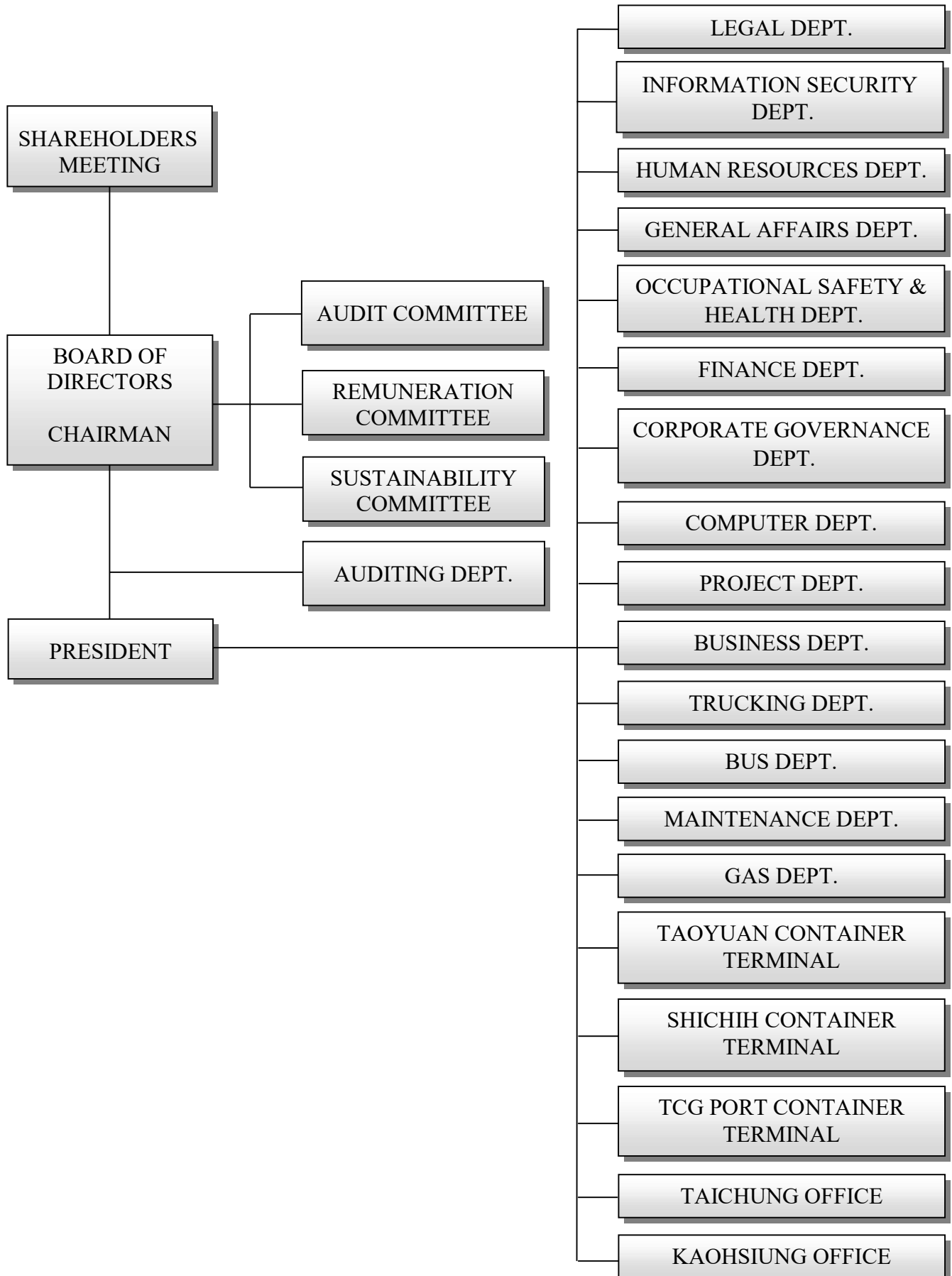
On March 3, 2003, the Company's Board of Directors approved the resolution to merge with Evervoyage Transportation Corporation (EUTC), a wholly-owned subsidiary of the Company, in accordance with Article 19 of the Business Mergers and Acquisitions Act and started to provide highway bus transportation. The merger's record date was May 1, 2003, with EUTC being the dissolved Company. The Company's total amount of capital remained unchanged after the merger.

- 2.2.2 Gaining Enterprise S.A. 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.
- 2.2.3 Shun An Enterprise Corporation was initially incorporated on November 10, 2008, and is primarily engaged in management consulting and employment agency.
- 2.2.4 Evergreen Logistics Corp. was incorporated on November 9, 2006 and is primarily engaged in the marine and air freight forwarding and other related business.
- 2.2.5 Ever Reward Logistics Corp. was incorporated on April 21, 2000, formerly known as Evergreen Reward Development Industrial Corp., and changed its name to Ever Reward Logistics Corp. on August 19, 2000. It is primarily engaged in the international trading, packaging, marine freight forwarding, storage and warehousing, information administration and other business.

III. Corporate Governance Report

3.1 Organization

3.1.1 Organizational Chart



3.1.2 Major Corporate Functions

1. According to the Article of Incorporation, the Company shall have seven to nine Directors; The Directors constitute the Board and the Company's material business operations shall be resolved by the Board of Directors. The Chairman of the Board of Directors shall be elected at a meeting attended by at least two-thirds (2/3) or more of the entire Directors and by a simple majority vote of the Directors present at the meeting and may also elect a Vice Chairman in the same manner. The Chairman of the Board of Directors shall externally represent the Company and oversee corporate operations.

For establishing sound corporate governance and enhancing the functions of the Board of Directors, the Audit Committee, Remuneration committee and Sustainability Committee is subordinated under Board of Directors :

- (1)The Audit Committee is composed of the entire independent directors and the members shall not be fewer than three persons in number. The main function is to supervise fair presentation of the financial reports, the appointmentandindependence of CPAs, the effective implementation of the internal control system and the risk management of the Company.
 - (2)The Remuneration Committee is composed of the members appointed by the Board of directors. The number of the committee members shall not be fewer than three and more than half of them shall be independent directors . The main function of the committee is to prescribe and periodically review the remuneration policy and remuneration for Directors and managers.
 - (3)The Sustainability Committee is composed of the members appointed by the Board of directors. The number of the committee members shall be 3-5 and more than half of them shall be independent directors. The main function is to review sustainability (including risk management) policies, strategies, objectives or management guidelines, sustainability annual plan, and to supervise and track the implementation progress of the team's work.
2. The Company has one president, who manages overall business as per the instructions of the Board. Its appointment, discharge and remuneration shall be handled in accordance with the provision of Article 29 of the Company Act.
 3. Auditing Department is responsible for the implementation of the internal control system.
 4. Legal Department is responsible for legal consultation, contracts reviews, litigation matters.
 5. The Information Security Department is responsible for the promotion of information security policies, the planning of information security system, monitoring and implementation of information security management.
 6. Human Resources Department is responsible for staffing activities, formulation of remuneration and benefits, hiring, and staff education and training.
 7. General Affairs Department is responsible for the procurement and sales of various equipment, property management, outsourcing of renovation works, etc.
 8. Occupational Safety & Health Department undertakes occupational safety and health-activities according to the Occupational Safety and Health Act.
 9. Finance Department is responsible for the account auditing, tax treatment, the preparation of the financial statements and announcements, cashier and cash-flow management, and others.
 10. Corporate Governance Department is responsible for corporate governance affairs, e.g. handling matters about shareholders' meeting, board of directors and functional committee affairs.

- 11.Computer Department is responsible for computer operating systems maintenance, network systems management, new systems design/ planning/developing and managing of the hardware asset.
- 12.Project Department is responsible for operational planning, new business development, outward investment, and business transformation planning.
- 13.Business Department is responsible for the operation analysis, business acquisition, customer management, contract preparation, billing for carriers, freight debit note, statements of business operation.
- 14.Trucking Department is responsible for the deployment and management of container haulage/ vehicles/drivers.
- 15.Bus Department is responsible for shuttle/ tour transport business.
- 16.Maintenance Department is responsible for maintenance and repair of customer vehicles, tire sale and purchase, vehicle inspection business, maintenance and repair for the Company's vehicles/ equipment/ plant, parts and materials management and container repairing in Taoyuan.
- 17.Gas Department is responsible for sales of gasoline, diesel, lubrication oil and others and the management of in-house gas stations in various regions.
- 18.Taoyuan Container Terminal and Shichih Container Terminal are responsible for receipt and delivery of inbound and outbound containers, container cargo slinging for storage, and cargo stuffing and unstuffing into/from the container, storage and customs clearance.
- 19.TCG Port Container Terminal is responsible for inbound/outnound container stevedoring , shipment scheduling, shipside operation, receipt and delivery of inbound and outbound containers, container cargo slinging for storage, and cargo stuffing and unstuffing into/from the container, storage, customs clearance in Taichung Port terminal.
- 20.Taichung Office and Kaohsiung Office are responsible for the transshipment of containers in the port and regional haulage operation.

3.2 Directors and Management Team

3.2.1 Directors

3.2.1.1 Information of Directors

April 1, 2024

Title (Note 1)	Nationality / Place of registration	Name	Gender Ages (Note 2)	Date of Election (Inauguration)	Tenure	Date of Initial Election Appointment (Note 3)	Shareholding when Elected		Present Shareholdings		Shares Held by Spouses & Dependents		Shares Held by Third Parties		Education & Experience (Note 4)	Concurrent Positions in the Company and/or in any Other Companies	Other Managers, Directors or Supervisors Related by Marriage or Within Second-degree kinship of Each Other		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Chairman	R.O.C.	HUI Corp.	Not applicable	2023.06.19	3 Years	2020.06.22	140,000	0.01	140,000	0.01	Not applicable		0	0.00	Not applicable	Not applicable	Not applicable		
	R.O.C.	Representative: Chiu, Shien-Yuh	Male 61~70 years old	2023.06.19	3 Years	2022.01.01	Not applicable		10,000	0.00	5,320	0.00	0	0.00	Please refer to page 22	Chairman, Shun An Enterprise Corp. Director: ▪ Evergreen Logistics Corp. ▪ United Stevedoring Corp. ▪ Taiwan Terminal Services Corp. Ltd.	None	None	None
Director	R.O.C.	Evergreen Marine Corp. (Taiwan) Ltd.	Not applicable	2023.06.19	3 Years	1984.12.07	430,690,830	40.36	430,690,830	40.36	Not applicable		0	0.00	Not applicable	Not applicable	Not applicable		
	R.O.C.	Representative: Ko, Lee-Ching	Female 71~80 years old	2023.06.19	3 Years	1990.06.15 (Note 6)	Not applicable		17,740	0.00	0	0.00	0	0.00	Please refer to page 22	Director: ▪ Evergreen Marine Corp. (Taiwan) Ltd. ▪ Evergreen Steel Corp. Supervisor: ▪ Evergreen Sky Catering Corp.	None	None	None
	R.O.C.	Representative: Chang, Yen-I	Male 61~70 years old	2023.06.19	3 Years	2020.11.06	Not applicable		0	0.00	0	0.00	0	0.00	Please refer to page 22	Chairman, Evergreen Marine Corp. (Taiwan) Ltd. Director, ▪ Taipei Port Container Terminal Corp. ▪ Taiwan Terminal Services Corp. Ltd.	None	None	None
	R.O.C.	Representative: Tai, Jiin-Chyuan	Male 61~70 years old	2023.06.19	3 Years	2014.06.12 (Note 7)	Not applicable		617,374	0.06	0	0.00	0	0.00	Please refer to page 23	Director: ▪ Evergreen Marine Corp. (Taiwan) Ltd. ▪ Eva airways Corp. ▪ Evergreen Steel Corp. ▪ Evergreen Sky Catering Corp. ▪ Taipei Port Container Terminal Corp.	None	None	None

Title (Note 1)	Nationality / Place of registration	Name	Gender Ages (Note 2)	Date of Election (Inauguration)	Tenure	Date of Initial Election Appointment (Note 3)	Shareholding when Elected		Present Shareholdings		Shares Held by Spouses & Dependents		Shares Held by Third Parties		Education & Experience (Note 4)	Concurrent Positions in the Company and/or in any Other Companies	Other Managers, Directors or Supervisors Related by Marriage or Within Second-degree kinship of Each Other		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Director	R.O.C.	HUI Corp.	Not applicable	2023.06.19	3 Years	2020.06.22	140,000	0.01	140,000	0.01	Not applicable		0	0.00	Not applicable	Not applicable	Not applicable		
	R.O.C.	Representative: Lin, Jenn-Fang	Male 51~60 years old	2023.06.19	3 Years	2023.02.01	Not applicable		5,000	0.00	0	0.00	0	0.00	Please refer to page 23	President of the Company	None	None	None
	R.O.C.	Representative: Yeh, Jia-Chyuan	Male 61~70 years old	2023.06.19	3 Years	2016.03.16 (Note 8)	Not applicable		0	0.00	0	0.00	0	0.00	Please refer to page 23	Director: Evergreen Aviation Technologies Corp.	None	None	None
Independent Director	R.O.C.	Chang, Ching-Ho	Male 61~70 years old	2023.06.19	3 Years	2014.06.12	0	0.00	0	0.00	0	0.00	0	0.00	Please refer to page 24	CPA, Shin Shin Public Accounting Firm Adjunct Lecturer, Department of Economics, National Chi Nan University	None	None	None
Independent Director	R.O.C.	Szu, Wen-Chang	Male 61~70 years old	2023.06.19	3 Years	2014.06.12	0	0.00	0	0.00	0	0.00	0	0.00	Please refer to page 24	Director and Chief Strategy Officer, Maxkit Technology Co., Ltd.	None	None	None
Independent Director	R.O.C.	Tseng, Yu-Chin	Male 71~80 years old	2023.06.19	3 Years	2017.06.28	0	0.00	0	0.00	0	0.00	0	0.00	Please refer to page 25	None	None	None	None

Note 1: For a corporate shareholder, the name of the corporate shareholder and its representative shall be listed separately (when listing the representative of a corporate shareholder, the name of the corporate shareholder shall also be noted), and Form 1 below shall also be completed.

Note 2: Please state the actual age, or, alternatively, state the age interval into which the actual age falls, e.g., 41~50 years, 51~60 years.

Note 3: Specify the time the person first began to serve as a director or supervisor of the Company. If there has been any break within a term or between terms, add a note specifying the circumstances.

Note 4: Specify experience and qualifications related to the current position. If during a period specified above the person has served in a position at a CPA firm that serves as external auditor/attestor, specify the position held and the duties for which the person was responsible.

Note 5: The chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of the Company are the same person, spouses, or relatives within the first degree of kinship: None.

Note 6: Ms. Ko, Lee-Ching has served as a supervisor of the Company from 1990.06.15 to 1993.02.12 and 2002.06.27 to 2014.06.11, and serves as a director of the Company from 2014.06.12 till present.

Note 7: Mr. Tai, Jiin-Chyuan has served as a director of the Company from 2014.06.12 to 2022.04.18 and 2022.10.07 to 2022.12.25, and from 2023.03.01 till present.

Note 8: Mr. Yeh, Jia-Chyuan has served as a supervisor of the Company from 2016.03.16 to 2017.06.28, and serves as a director of the Company from 2023.06.19 till present.

Note 9: The Company had issued 1,067,141,094 shares when current Board of Directors was elected on 2023.06.19. As of 2024.04.01, the Company has issued 1,067,141,094 shares.

Table 1 : Major Shareholders of the Institutional Shareholders

April 1, 2024

Name of Institutional Shareholders (Note 1)	Major Shareholders of Institutional Shareholders (Note 2)
Evergreen Marine Corp. (Taiwan) Ltd.	Chang, Kuo-Hua (6.30%) Capital Tip Customized Taiwan Select High Dividend ETF (6.19%) Chang, Sheng-En (4.14%) Chang, Yung-Fa (Deceased) (3.22%) Cathay United Bank Trust Account – Chang, Kuo-Hua (2.97%) New Labor Pension Fund (1.48%) Fubon Life Insurance Co., Ltd. (1.45%) J.P. Morgan Securities Plc (1.44%) Yang, Mei-Chen(1.25%) Cathay United Bank Trust Account – Yang, Mei-Chen (0.88%)
HUI Corp.	Yang, Mei-Chen (86.36%) Chang, Chien-Hui (13.64%)

Note 1: If the director is the representative of the institutional shareholders, the name of the institutional shareholders should be indicated.

Note 2: Fill in the name and shareholding ratio of the major shareholders (with the top-ten shareholding ratio) of the institutional shareholders. If the major shareholders are institutional shareholders, please fill out Table 2 below.

Note 3: When the institutional shareholder is not company organization, the mentioned name of institution and its shareholding ratio, which shall be disclosed, are defined as name of endower and its endowment ratio. The endower have passed away, add "died".

Note 4: The data is provided by institutional shareholders, and from public information on Administration of Commerce, MOEA website or MOPS.

Table 2 : Major Shareholders of the Company's Major Institutional Shareholders in Table 1

April 1, 2024

Legal Entity (Note 1)	Name of Institutional Shareholders (Note 2)	Major Shareholders of Institutional Shareholders (Note 3)
Evergreen Marine Corp. (Taiwan) Ltd.	Capital Tip Customized Taiwan Select High Dividend ETF	Not Applicable
	Cathay United Bank Trust Account - Chang, Kuo-Hua	Not Applicable
	New Labor Pension Fund	Not Applicable
	Fubon Life Insurance Co., Ltd.	Fubon Financial Holding Co., Ltd. (100%)
	J.P. Morgan Securities Plc	Not Applicable
	Cathay United Bank Trust Account - Yang, Mei-Chen	Not Applicable

Note 1: Name of Institutional Shareholders of Table 1.

Note 2: Name of Major Shareholders of Institutional Shareholders of Table 1.

Note 3: Fill in the name and shareholding ratio of the major shareholders (with the top-ten shareholding ratio) of the institutional shareholders.

Note 4: When the institutional shareholder is not company organization, the mentioned name of institution and its shareholding ratio, which shall be disclosed, are defined as name of endower and its endowment ratio. The endower has passed away, add "died".

Note 5: The data is provided by institutional shareholders, and from public information on Administration of Commerce, MOEA website or MOPS.

3.2.1.2 Disclosure of Professional Qualifications of Directors and Independence of Independent Directors

Criteria Name and Title	Professional Qualifications and Experience	Independence	Number of other public companies in which the individual is concurrently serving as an independent director or the member of remuneration committee
Chairman, Chiu, Shien-Yuh	1. Education: Master of Political Science, National Chengchi University 2. Professional qualifications and experience: Mr. Chiu, Shien-Yuh is the Chairman of the Company. Prior to this, Mr. Chiu was the Chairman of the Board and President of Evergreen Logistics Corp. and the President of Evergreen Logistics USA Corp.	Not applicable	0
Director, Ko, Lee-Ching	1. Education: National Keelung Girls' Senior High School 2. Professional qualifications and experience: Ms. Ko, Lee-Ching is the Director of Evergreen Marine Corp. (Taiwan) Ltd. and Evergreen Steel Corp. Prior to this, Ms. Ko was the Chairman of Evergreen International Corp. and the Vice Group Chairman of Evergreen Group.	Not applicable	0
Director, Chang, Yen-I	1. Education: Department of Navigation, China Maritime College of Technology (now called "Taipei University of Marine Technology"). 2. Professional qualifications and experience: Mr. Chang, Yen-I is the Chairman of Evergreen Marine Corp. (Taiwan) Ltd. Prior to this, Mr. Chang was the Chairman of Taipei Port Container Terminal Corp. and United Stevedoring Corp.	Not applicable	0

Criteria Name and Title	Professional Qualifications and Experience	Independence	Number of other public companies in which the individual is concurrently serving as an independent director or the member of remuneration committee
Director, Tai, Jiin-Chyuan	1. Education: Master of Maritime Law, National Taiwan Ocean University 2. Professional qualifications and experience: Mr. Tai, Jiin-Chyuan is the Director of Evergreen Marine Corp. (Taiwan) Ltd., EVA Airways Corp. and Evergreen Steel Corp. Prior to this, Mr. Tai was the President of Evergreen International Corp., and the Vice President of legal department of EVA Airways Corp. and Evergreen International Corp.	Not applicable	0
Director, Lin, Jenn-Fang (Convener of Sustainability Committee)	1. Education: Master of Business Administration, Chung-Yuan Christian University (EMBA) 2. Professional qualifications and experience: Mr. Lin, Jenn-Fang is the President of the Company. Prior to this, Mr Lin was the department heads of Project Dept., Business Dept., Bus Dept., and Gas Dept. of EITC.	Not applicable	0
Director, Yeh, Jia-Chyuan	1. Education: Master of College of Management, Yuan Ze University 2. Professional qualifications and experience: Mr. Yeh, Jia-Chyuan is the Director of Evergreen Aviation Technologies Corp. Prior to this, Mr. Yeh was the Vice President of Finance Department and Corporate Governance Officer of Evergreen Steel Corp. and the Supervisor of the Company.	Not applicable	0

Criteria Name and Title	Professional Qualifications and Experience	Independence	Number of other public companies in which the individual is concurrently serving as an independent director or the member of remuneration committee
Independent Director, Chang, Ching-Ho (Convener of the Audit Committee, and the member of Remuneration Committee and Sustainability Committee)	1. Education: Master of Accounting, Washington State University 2. Professional qualifications and experience: Mr. Chang, Ching-Ho is the CPA of Shin Shin Public Accounting Firm and adjunct lecturer of the department of economics of National Chi Nan University. Prior to this, Mr. Chang was the Independent Director of Tang Eng Iron Works Co., Ltd.	All of the Company's Independent Directors meet the independence criteria stipulated in "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" (Note 2).	0
Independent Director, Szu, Wen-Chang (Convener of the Remuneration Committee, and the member of Audit Committee and Sustainability Committee)	1. Education: Master of Business Administration, National Cheng Chi University 2. Professional qualifications and experience: Mr. Szu, Wen-Chang is the Director and Chief Strategy Officer of Maxkit Technology Corp. Prior to this, Mr. Szu was the director and chief strategy officer of Kaori Heat Treatment Corp., the vice president of CMC Investment Co., of Yulon Group and the business strategy consultant of ExoOne Bio Co., Ltd.	All of the Company's Independent Directors meet the independence criteria stipulated in "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" (Note 2).	0

Criteria Name and Title	Professional Qualifications and Experience	Independence	Number of other public companies in which the individual is concurrently serving as an independent director or the member of remuneration committee
Independent Director, Tseng, Yu-Chin (Member of Remuneration Committee, Audit Committee, and Sustainability Committee)	1. Education: Doctor of Laws, Graduate Institute Political Science, National Taiwan Normal University 2. Professional qualifications and experience: Mr. Tseng, Yu-Chin was the Vice President of S.F. Express Group Co., Ltd. and the Associate Professor of the Department of Marketing and Logistics, China University of Technology.	All of the Company's Independent Directors meet the independence criteria stipulated in "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" (Note 2).	0

Note 1: All of the Company's directors do not have any of the circumstances listed in Article 30 of the Company Act.

Note 2: The Company reviews the Independent Directors' eligibility once a year.

All of the 3 Independent Directors and their spouses, relatives within the second degree of kinship and lineal relatives by blood within the third degree of kinship hold no more than 1% shareholding of EITC, and they are neither among the top 10 shareholders of EITC nor the director, supervisor or employee of EITC and its subsidiaries. None of the 3 Independent Directors of EITC services as director, supervisor or employee of the related companies stipulated in subparagraph 5 to 8 of paragraph 1 of Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". And except for serving as the independent director and functional committee members of EITC, none of the 3 Independent Directors has provided auditing services, commercial, legal, financial, accounting or related services to EITC or its subsidiaries. Accordingly, all of the 3 Independent Directors meet the independence criteria.

3.2.1.3 Diversity, Independence and Professionality of the Board of Directors

1. Diversity of the Board of Directors

(1) The paragraph 3 of Article 20 of the Company's "Corporate Governance Best- Practice Principles" stipulates the composition of the board of directors shall be determined by taking diversity into consideration, and the paragraph 4 stipulates all directors of the Board shall have the necessary knowledge, skills, and experience to perform their duties well. The directors of the Company have expertise in different fields such as business management, transportation and logistics management, law, finance accounting, etc., which can enhance the professionalism of the board of directors' decision-making and improve the Company's operation and long-term development.

- (2)The board of directors of the Company consists of 9 directors, including 3 independent directors (accounting for 33.3%) and 1 employee of the Company (accounting for 11.1%). All directors are Taiwanese.
- (3)Gender equality in the board members' composition is deeply concerned by the Company, and the goal of female rate in board members is at least 10%. The current Board of Directors consists of 9 directors and 1 of whom is a female, which accounts for 11.1% of the board.
- (4)In order to improve corporate governance, the Company modifies the diversity policy in a timely manner according to the actual needs and operation situation of the board of directors.
- (5)The Diversification of the Company's Board of Directors is as follows:

Diversity Director	Basic composition						Professional knowledge/skills							
Title	Name	Nationality	Gender	Age	Concurrent positions in the Company	Tenure of Independent Director less than three	Business Management	Transportation & Logistics Management	Finance & Accounting	Law	Strategy Investment	Marketing & Logistics	Supply Chain Management	
Chairman	Chiu, Shien-Yuh	R.O.C.	Male	61-70		NA	✓	✓						
Director	Ko, Lee-Ching	R.O.C.	Female	71-80		NA	✓	✓	✓					
Director	Chang, Yen-I	R.O.C.	Male	61-70		NA	✓	✓						
Director	Tai, Jiin-Chyuan	R.O.C.	Male	61-70		NA	✓	✓		✓				
Director	Lin, Jenn-Fang	R.O.C.	Male	51-60	✓	NA	✓	✓						
Director	Yeh, Jia-Chyuan	R.O.C.	Male	61-70		NA	✓	✓	✓					
Independent Director	Chang, Ching-Ho	R.O.C.	Male	61-70			✓		✓					
Independent Director	Szu, Wen-Chang	R.O.C.	Male	61-70			✓		✓		✓			
Independent Director	Tseng, Yu-Chin	R.O.C.	Male	71-80		✓	✓	✓		✓		✓	✓	

2.Independence and Professionality of the Board of Directors

- (1)The Company has a total of 9 directors, including 3 independent directors (accounting for 33.3% of the total number of directors). In order to strengthen the independence and operational efficiency of the Board of Directors, the Company has formulated the Rules for the Scope of Responsibilities of Independent Directors". All independent directors perform their duties in accordance with the "Rule of Scope of Responsibilities of Independent Directors", and have not established any improper relationship with the Company's management or relative parties during their term of office. The three independent directors are able to independently and effectively supervise the operation of the board of directors.
- (2)There are no spousal relationship or the second degree of kinship among all directors of the Company. If the proposal of the board meeting involves the interests of the directors and may damage the interests of the Company, the directors shall not participate discussion and vote on the proposal so as to ensure that the board of directors can make a resolution independently and objectively.
- (3)According to the Company's "Corporate Governance Best-Practice Principles" paragraph 4 of Article 20, the members of the Board of Directors should focus on the gender equality. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:
- Ability to make operational judgments.
 - Ability to perform accounting and financial analysis.
 - Ability to conduct management administration.
 - Ability to conduct crisis management.

- e. Knowledge of the industry.
- f. An international market perspective.
- g. Ability to lead.
- h. Ability to make policy decisions.

Note 1: Professional qualifications and experience:

The professional qualifications and experience of individual directors should be stated. If they are members of the audit committee and possess accounting or financial expertise, they should also state their accounting or financial background and work experience. Additionally, it should be indicated whether there are any circumstances outlined in Article 30 of the Company Act.

Note 2: Independent directors are required to disclose their independence, which includes but is not limited to the following: whether they, their spouse, or relatives within the second degree are directors, supervisors, or employees of the Company or its affiliated companies; the number and proportion of the Company's shares held in the name of another person; whether they serve as a director, supervisor, or supervisor of a company that has a specific relationship with the Company (as defined in Article 3, Paragraph 1, Subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and the amount of remuneration received for providing business, legal, financial, accounting, and other services to the Company or its affiliates in the last two years

3.2.2 Management Team

April 1, 2024

Title (Note 1)	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience(Education) (Note 2)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
President	R.O.C.	Lin, Jenn-Fang	Male	2023.02.01	5,000	0.00	0	0.00	0	0.00	Experience : Senior Vice President of Evergreen International Storage & Transport Corp. Education : Department of Business Administration, Chung-Yuan Christian University (EMBA)	None	None		
Executive Vice President	R.O.C.	Yang, Hung-Chi	Male	2019.05.01	0	0.00	0	0.00	0	0.00	Experience : Deputy Senior Vice President of Evergreen International Storage & Transport Corp. Education : Department of Business Administration, Providence University (EMBA)	None	None		
Executive Vice President, Finance Dept. (Financial Officer)	R.O.C.	Chen, Cheng-Pang	Male	2014.01.01	753	0.00	1,692	0.00	0	0.00	Experience : Senior Vice President of Italia Marittima S.p.A. Education : Soochow University	Director: ▪ Evergreen Aviation Technologies Corp. Supervisor: ▪ Evergreen Logistics Corp. ▪ Shun An Enterprise Corp. ▪ United Stevedoring Corp. ▪ Taipei Port Container Terminal Corp.	None		
Vice President, Human Resources Dept.	R.O.C.	Huang, Yu	Female	2013.01.01	0	0.00	0	0.00	0	0.00	Experience : Deputy Senior Vice President of Evergreen International Storage & Transport Corp. Education : National Central University Department of Business Administration (EMBA)	None	None		
Vice President, Computer Dept./ Information Security Dept. (Chief Information Security Officer)	R.O.C.	Yang, Ting-Huei	Male	2015.04.27	7,000	0.00	0	0.00	0	0.00	Experience : Senior Vice President of Evergreen International Corp. Education : Tamkang University	None	None		
Vice President, General Affairs Dept.	R.O.C.	Shih, Yu-Feng	Female	2013.11.05	0	0.00	0	0.00	0	0.00	Experience : Deputy Senior Vice President of Evergreen Logistics Corp. Education : University of Northumbria	None	None		
Vice President, Finance Dept. (Accounting Officer)	R.O.C.	Chang, Hui-Chen	Female	2022.01.01	0	0.00	0	0.00	0	0.00	Experience : Junior Vice President of Evergreen International Storage & Transport Corp. Education : Chung-Yuan Christian University	None	None		
Vice President, Taoyuan Container Terminal	R.O.C.	Yang,Hsi-Chang	Male	2024.03.25	0	0.00	0	0.00	0	0.00	Experience : Junior Vice President of Evergreen International Storage & Transport Corp. Education : Lunghwa Junior College of Technology	None	None		

Title (Note 1)	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience(Education) (Note 2)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Vice President, TCG Port Container Terminal	R.O.C.	Chen, I-Hua	Male	2022.04.11	0	0.00	0	0.00	0	0.00	Experience : Junior Vice President of Evergreen International Storage & Transport Corp. Education : Shu-Teh Junior College of Technology	None	None		
Junior Vice President, Corporate Governance Dept. (Corporate Governance Officer)	R.O.C.	Lin, Hsueh-Ming	Female	2023.01.17	0	0.00	0	0.00	0	0.00	Experience : Junior Vice President of Evergreen Marine Corp. (Taiwan) Ltd. Education : Soochow University	None	None		

Note 1: It should include the information disclosure of the president, executive vice president, senior vice president, department heads, and branch officers; also, the position equivalent to president, executive vice president, or senior vice president.

Note 2: An experience relevant to the current position, such as, employed by the independent auditor's firm or its affiliated companies throughout the time period referred to above, please state the job title and the job responsibilities.

Note 3: President and the chairman of the board of directors or person of an equivalent post (the highest level manager) of the Company are the same person, spouses, or relatives within the first degree of kinship: None.

3.3 Remuneration paid during the most recent fiscal year to directors, the general manager, and assistant general manager

3.3.1 Remuneration of Directors, Independent Directors, President, and Vice Presidents

1. Remuneration of Directors and Independent Directors

Unit: NT\$ thousands

Title			Name (Note 1)		Remuneration								Sum of A+B+C+D and ratio to net income (Note 8)		Relevant Remuneration Received by Directors Who are Also Employees								Sum of A+B+C+D+E+F+G and ratio to net income (Note 8)		Remuneration from Ventures Other than Subsidiaries or from the Parent Company (Note 9)
					Base Compensation (A) (Note 2)		Severance Pay (B)		Directors Remuneration (C) (Note 3)		Allowances(D) (Note 4)				Salary, Bonuses,and Allowances(E) (Note 5)		Severance Pay(F)		Employees' Compensation(G) (Note 6)						
					The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company		Companies in the Consolidated Financial Statements (Note 7)		The Company	Companies in the Consolidated Financial Statements	
																			Cash	Stock	Cash	Stock			
Director	Chairman	Evergreen Marine Corp. (Taiwan) Ltd. Representative: Chen, Yih-Jong (Note 10)	692	692	0	0	242	242	48	48	982 0.0361%	982 0.0361%	0	0	0	0	0	0	0	0	982 0.0361%	982 0.0361%	0		
	Chairman	HUI Corp. Representative: Chiu, Shien-Yuh (Note 11)	4,060	5,028	15	15	1,419	2,419	48	48	5,542 0.2035%	7,510 0.2758%	0	0	0	0	0	0	0	0	5,542 0.2035%	7,510 0.2758%	18		
	-	Evergreen Marine Corp. (Taiwan) Ltd. Representative: Ko, Lee-Ching (Note 12)	0	0	0	0	1,000	1,000	6	6	1,006 0.0369%	1,006 0.0369%	0	0	0	0	0	0	0	0	1,006 0.0369%	1,006 0.0369%	500		
	-	Evergreen Marine Corp. (Taiwan) Ltd. Representative: Chang, Yen-I	0	0	0	0	1,000	1,000	48	48	1,048 0.0385%	1,048 0.0385%	0	0	0	0	0	0	0	0	1,048 0.0385%	1,048 0.0385%	24		
	-	Evergreen Marine Corp. Representative: Tai, Jiin-Chyuan (Note 10)	0	0	0	0	838	838	6	6	844 0.0310%	844 0.0310%	0	0	0	0	0	0	0	0	844 0.0310%	844 0.0310%	24		
	President	HUI Corp. Representative: Lin, Chao-Rong (Note 13)	0	0	0	0	85	85	36	36	121 0.0044%	121 0.0044%	401	401	0	0	0	0	0	0	522 0.0192%	522 0.0192%	0		

Title		Name (Note 1)	Remuneration								Sum of A+B+C+D and ratio to net income (Note 8)		Relevant Remuneration Received by Directors Who are Also Employees								Sum of A+B+C+D+E+F+G and ratio to net income (Note 8)		Remuneration from Ventures Other than Subsidiaries or from the Parent Company (Note 9)
			Base Compensation (A) (Note 2)		Severance Pay (B)		Directors Remuneration (C) (Note 3)		Allowances(D) (Note 4)				Salary, Bonuses,and Allowances(E) (Note 5)		Severance Pay(F)		Employees' Compensation(G) (Note 6)						
			The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements (Note 7)	Cash	Stock	Cash	Stock	The Company	Companies in the Consolidated Financial Statements	
Director	President	HUI Corp. Representative: Lin, Jenn-Fang (Note 13)	0	0	0	0	915	915	30	30	945 0.0347%	945 0.0347%	3,710	3,710	0	0	0	0	0	0	4,655 0.1709%	4,655 0.1709%	
	-	HUI Corp. Representative: Yeh, Jia-Chyuan (Note 14)	0	0	0	0	537	537	60	60	597 0.0219%	597 0.0219%	0	0	0	0	0	0	0	0	597 0.0219%	597 0.0219%	0
Independent Director	-	Chang, Ching-Ho	1,360	1,360	0	0	0	0	126	126	1,486 0.0546%	1,486 0.0546%	0	0	0	0	0	0	0	0	1,486 0.0546%	1,486 0.0546%	0
	-	Szu, Wen-Chang	1,360	1,360	0	0	0	0	126	126	1,486 0.0546%	1,486 0.0546%	0	0	0	0	0	0	0	0	1,486 0.0546%	1,486 0.0546%	0
	-	Tseng, Yu-Chin	1,360	1,360	0	0	0	0	126	126	1,486 0.0546%	1,486 0.0546%	0	0	0	0	0	0	0	0	1,486 0.0546%	1,486 0.0546%	0
1.Please describe the policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration: (1)According to “Payment Regulation of Directors Compensation”, the Company’s independent directors receive monthly remuneration as well as allowances for each Board Meeting they attend; those who double as members of functional committees receive allowances for each committee meeting they attend. (2) The Company periodically reviews remuneration standard and structure for independent directors based on the Company’s operating performance, future operating risks, the degree of independent directors’ participation, and the value of individuals’ contribution to the Company’s operation. 2.In addition to the above remuneration, director remuneration shall be disclosed as follows when received from companies included in the consolidated financial statements in the most recent year to compensate directors for their services, such as being independent contractors：None.																							

Note 1: Names of directors should be separately disclosed (Institutional shareholders should disclose the names of the institutional shareholders and representatives separately), and directors and independent directors are separately disclosed . The amount of remuneration should be disclosed in summary. If a director concurrently serves as the President or Executive Vice President, this table and the table below 2 must be filled out.

Note 2: It refers to the directors' compensation received for the recent year (including salaries of the directors, special responsibility allowance, severance pay, various bonuses, incentives, etc.).

Note 3: It refers to the remuneration of directors to be distributed in accordance with the proposal for distributing the recent year's earnings adopted at a meeting of board of directors and such proposal has not yet been yet been submitted to the Shareholders' Meeting for approval.

Note 4: It refers to the relevant expenses for business operations paid to directors for the recent year (including allowance fee, special allowance, various allowances and the provision of dormitory and vehicle, etc.). When a car, house and other transportation or personal expense are provided, the nature and cost of the assets provided, the actual or estimated rental expense based on a fair market price, gas expense,

and other payments should be disclosed. Further, if a chauffeur is assigned, please also disclose the relevant compensation paid to such chauffeur in the Note. However, such amount shall not be included in the remuneration.

Note 5: It refers to the salaries, special responsibility allowance, severance pay, various bonuses, incentives, allowance fee, special allowance, and the provision of dormitory and vehicle received by the director(s) who concurrently serve(s) as employee(s) (including President, Executive Vice President, and other managerial officers and employees) in the recent year. When a house, car, and other transportation or personal expense are provided, the nature and cost of the assets provided, the actual or estimated rental expense based on a fair market price, gas expense, and other payments should be disclosed. Further, if a chauffeur is assigned, please also describe the relevant compensation paid to such chauffeur in the Note. However, such amount shall not be included in the remuneration. In addition, the salary expense recognized in accordance with IFRS 2 "Share-based payment" includes the acquisition of employee stock warrant, employee restricted stock, and subscription of new shares from cash capitalization.

Note 6: It refers to the employees' compensation (including stock and cash) received by the directors who concurrently serve(s) as employee(s) (including concurrent President, Executive Vice President, and other managerial officers and employees) in the recent year. It is required to disclose the amount of employees' compensation to be distributed in accordance with the proposal for distributing the recent year's earnings adopted at a meeting of board of directors and such proposal has not been submitted to the Shareholders' Meeting for approval. If such amount is unable to be estimated, the amount can be determined in accordance with the actual distribution ratio for last year. The table 1-3 shall be filled out as well.

Note 7: Disclose the total amount of remuneration paid to the directors by all the companies included in the consolidated financial statements (including the Company).

Note 8: It refers to the net income in the individual or independent financial statements of the recent year.

Note 9: a. Specify the amount of remuneration received by directors from ventures other than subsidiaries or from the parent company in this field (Please fill in "None" if none).

b. Where the Company's directors received relevant remuneration from ventures other than subsidiaries or from the parent company, the remuneration received by the Company's directors from ventures other than subsidiaries or from the parent company shall be included in the "I" column of the remuneration bracket table with the column name changed to "The Parent Company and All Invested Companies."

c. The remuneration means pay, compensation (including compensation of employees, directors and supervisors) and business expenses received by the director serving as a director, supervisor or manager of ventures other than subsidiaries or of the parent company.

Note 10: Evergreen Marine Corp. (Taiwan) Ltd. appointed Mr. Tai, Jiin-Chyuan to replace Mr. Chen, Yih-Jong as its representative and the director of the Company on March 1, 2023.

Note 11: Evergreen Marine Corp. (Taiwan) Ltd. appointed Mr. Chiu, Shien-Yuh as its representative from January 17, 2023 to June 19, 2023. Mr. Chiu, Shien-Yuh was elected as the Chairman of the Company at Board meeting on January 17, 2023 and has took office from March 1, 2023.

Note 12: HUI Corp. appointed Ms. Ko, Lee-Ching as its representative and the director of the Company from January 17, 2023 to June 19, 2023.

Note 13: HUI Corp. appointed Mr. Lin, Jenn-Fang to replace Mr. Lin, Chao-Rong as its representative and the director of the Company on February 1, 2023.

Note 14: Mr. Yeh, Jia-Chyuan took office from the election in shareholders' meeting on June 19, 2023

* The concept of remuneration disclosed in the above table is different from that of the Income Tax Act. All information disclosed is informative and does not serve as evidence for taxation.

2. Remuneration of the President and Executive Vice Presidents

Unit: NT\$ thousands

Unit: NT\$ thousands

Title	Name (Note 1)	Salary(A) (Note 2)		Severance Pay (B)		Bonuses and Allowances (C) (Note 3)		Employees' Compensation(D) (Note 4)				Sum of A+B+C+D and ratio to net income (%) (Note 6)		Remuneration from Ventures Other than Subsidiaries or from the Parent Company (Note 7)
		The Company	Companies in the Consolidated Financial Statements (Note 5)	The Company	Companies in the Consolidated Financial Statements (Note 5)	The Company	Companies in the Consolidated Financial Statements (Note 5)	The Company		Companies in the Consolidated Financial Statements (Note5)		The Company	Companies in the Consolidated Financial Statements	
								Cash	Stock	Cash	Stock			
President	Lin, Chao-Rong (Note 8)	247	247	0	0	154	154	0	0	0	0	401 0.0147%	401 0.0147%	0
President	Lin, Jenn-Fang (Note 8)	2,750	2,750	0	0	960	960	0	0	0	0	3,710 0.1362%	3,710 0.1362%	0
Executive Vice President	Yang, Hung-Chi	1,393	1,393	491	491	395	395	20	0	20	0	2,299 0.0844%	2,299 0.0844%	0
Executive Vice President	Chen, Cheng-Pang	2,530	2,530	114	114	714	1,214	33	0	33	0	3,391 0.1245%	3,391 0.1245%	1,218

* The information should be exposed no matter the title but the position is equivalent to President, Executive Vice President (such as: president, chief executive, director...etc.)

Note 1: Names of President and Executive Vice President should be separately disclosed. The amount of remunerations should be disclosed in summary. If a director concurrently serves as the President or Executive Vice President, this table and the above table below 1 must be filled out.

Note 2: It refers to the President's and Executive Vice President's salary, special responsibility allowance, and severance pay.

Note 3: It refers to the bonuses, incentives, allowance fee, special allowance, the provision of dormitory and vehicle, and other compensations received by the President and Executive Vice President in the recent year. When a house, car, and other transportation or personal expense are provided, the nature and cost of the assets provided, the actual or estimated rental expense based on a fair market price, gas expense, and other payments should be disclosed. Further, if a chauffeur is assigned, please also describe the relevant compensation paid to such chauffeur in the Note. However, such amount shall not be included in the remuneration. In addition, the salary expense recognized in accordance with IFRS 2 "Share-based payment" includes the acquisition of employee stock warrant, employee restricted stock, and subscription of new shares from cash capitalization.

Note 4: It refers to the employees' compensation (including stock and cash) received by the President and Executive Vice President that is distributed in accordance with the proposal for distributing the recent year's earnings adopted at a meeting of board of directors and such proposal has not been submitted to the Shareholders' Meeting for approval. If such amount is unable to be estimated, the amount can be determined in accordance with the actual distribution ratio for last year. The table below 3 shall be filled out as well.

Note 5: Disclose the total amount of remuneration paid to the President and Executive Vice President by all the companies (including the Company) included in the consolidated financial statements.

Note 6: It refers to the net income in the individual or independent financial statements of the recent year.

Note 7: a. Specify the amount of remuneration received by the President and Executive Vice Presidents from ventures other than subsidiaries or from the parent company in this field (Please fill in "None" if none).

b. Where the Company's President and Executive Vice President received relevant remuneration from ventures other than subsidiaries or from the parent company, the remuneration received by the Company's President and Executive Vice President from ventures other than subsidiaries or from the parent company shall be included in the "E" column of the remuneration bracket table with the column name changed to "The Parent Company and All Invested Companies."

c. The remuneration means pay, compensation (including compensation of employees, directors and supervisors) and business expense received by the President or Executive Vice President serving as a director, supervisor or manager of ventures other than subsidiaries or of the parent company.

Note 8: President Mr. Lin, Chao-Rong has retired from the company since February 1, 2023, and his position was changed to Mr. Lin, Jenn-Fang.

* The concept of remuneration disclosed in the above table is different from that of the Income Tax Act. All information disclosed is informative and does not serve as evidence for taxation.

3. Employees' Compensation of the Management Team

December 31, 2023

Unit: NT\$ thousands

	Title (Note 1)	Name	Employees' Compensation - in Stock (Note 5)	Employees' Compensation - in Cash (Note 5)	Total	Ratio of Total Amount to Net Income (%)
Executive Officers	President	Lin, Jenn-Fang (Note 6)	0	271	271	0.01%
	Executive Vice President	Yang, Hung-Chi				
	Executive Vice President (Financial Officer)	Chen, Cheng-Pang				
	Vice President	Huang, Yu				
	Vice President (Chief Information Security Officer)	Yang, Ting-Huei				
	Vice President	Shih, Yu-Feng				
	Vice President (Accounting Officer)	Chang, Hui-Chen				
	Vice President	Hsiao, Hsi-Kuan				
	Vice President	Chen, I-Hua				

Note 1: The title as of December 31, 2023.

Note 2: It refers to the employees' compensation (including stock and cash) received by the managerial officers that is distributed in accordance with the proposal for distributing the recent year's earnings adopted at a meeting of board of directors and such proposal has not been submitted to the Shareholders' Meeting for approval. If such amount is unable to be estimated, the amount can be determined in accordance with the actual distribution ratio for last year. It refers to the net income of the recent year. After the adoption of IFRS, it refers to the net income in the parent company only financial statements or individual financial statements of the recent year.

Note 3: The scope of application for managers is defined in accordance with the Finan-Supervisory-Securities-Trading No.1120384295 Letter dated October 4, 2023 by Financial Supervisory Commission as follows:

- (1) President and the equals
- (2) Executive Vice President and the equals
- (3) Senior Vice President and the equals
- (4) General Manager of Finance
- (5) General Manager of Accounting
- (6) Managerial officers and the individuals authorized to sign

Note 4: If Directors, President, and Executive Vice President have collected employees' compensation (including stock and cash), in addition to filling out the above table below 1,2, please fill out this table too.

Note 5: The 2023 employees' compensation approved for distribution by the Board of Directors has been distributed in equal shares on March 21, 2024.

Note 6: Vice President Mr. Lin, Jenn-Fang serves as a President of the Company from February 1, 2023.

3.3.2 Separately Compare and Describe Total Remuneration, as a Percentage of Net Income Stated in the Parent Company Only Financial Statements or Individual Financial Statements, as Paid by This Company and by Each Other Company Included in the Consolidated Financial Statements During the Past 2 Fiscal Years to Directors, Presidents and Executive Vice Presidents, and Analyze and Describe Remuneration Policies, Standards, and Packages, the Procedure for Determining Remuneration, and Its Linkage to Operating Performance and Future Risk Exposure.

1. The ratio of total remuneration to net income in the parent company only financial statements or individual financial statements.

Title	The Company		Companies in the Consolidated Financial Statements	
	2023	2022	2023	2022
Directors	0.7218%	0.5048%	0.7940%	0.7303%
President and Executive Vice Presidents	0.3599%	0.2032%	0.3783%	0.2174%

2. Independence and Professionality of the Board of Directors

- (1) According to the “Articles of Incorporation” and the “Payment Regulation of Directors” of the Company, if the Company makes profit in a fiscal year, the Company shall set aside no more than 2% of the profit for directors’ remuneration; and shall distribute the remuneration based on the individual director’s level of participation in and the value of contribution to the Company’s operations. In addition, the Company may pay reasonable compensation to the director based on the level of the individual director’s participation in and contribution value to the Company’s operations as well as taking into account of normal standard in the same industry. The individual director’s level of participation in and the value of contribution to the Company’s operation mentioned above shall be determined based on his/her personal performance and the evaluation results of the performance of the Director (including Board attendance and training status, the level of participation in the operations of the Company, the interaction status with the management team, etc.).
- (2) Remuneration of the managers includes fixed remuneration and variable remuneration. According to the managers’ remuneration policy of the Company, annual salaries of the managers shall be adjusted on annual basis based on regular assessment of their annual performance and the Company’s overall operation performance. Reasonable remuneration of the managers take several factors into account, including their management capabilities (including their integrity, leadership, planning, reform for enhancement capabilities), the indicators of their financial and management performance (including their concrete achievements and their performance of keeping expenses within their budget) and other special contribution. Remuneration of the Company’s directors and managers shall be reviewed by the Company’s Remuneration Committee and approved by the board of directors.

3.4 Implementation of Corporate Governance

3.4.1 Board of Directors

In 2023, a total 3 (A) meetings of the Board of Directors were held before the election of directors at Annual General Shareholders' Meeting on Jun. 19, 2023, and a total 5 (A) meetings of the Board of Directors were held after the election of directors. The attendance of directors is as follows:

Title	Name (Note1)	Attendance in Person(B)	By Proxy	Attendance Rate (%) 【B/A】 (Note 2)	Remarks
The 22th Board of Directors(Current) 【Required number of attendance:5(A)】					
Chairman	HUI Corp. Representative: Chiu, Shien-Yuh	5	0	100%	Reelected on Jun. 19, 2023.
Director	Evergreen Marine Corp. (Taiwan) Ltd. Representative: Ko, Lee-Ching	5	0	100%	Reelected on Jun. 19, 2023
Director	Evergreen Marine Corp. (Taiwan) Ltd. Representative: Chang, Yen-I	5	0	100%	Reelected on Jun. 19, 2023
Director	Evergreen Marine Corp. (Taiwan) Ltd. Representative: Tai, Jiin-Chyuan	4	1	80%	Reelected on Jun. 19, 2023
Director	HUI Corp. Representative: Lin, Jenn-Fang	5	0	100%	Reelected on Jun. 19, 2023
Director	HUI Corp. Representative: Yeh, Jia-Chyuan	5	0	100%	Assume office on Jun. 19, 2023
Independent Director	Chang, Ching-Ho	5	0	100%	Reelected on Jun. 19, 2023
Independent Director	Szu, Wen-Chang	5	0	100%	Reelected on Jun. 19, 2023
Independent Director	Tseng, Yu-Chin	5	0	100%	Reelected on Jun. 19, 2023
The 21th Board of Directors(Former) 【Required number of attendance:3(A)】					
Chairman	Evergreen Marine Corp. (Taiwan) Ltd. Representative: Chen, Yih-Jong	1	0	100%	Term ceased on Mar. 1, 2023. (Note 3) Required numbers of attendance: 1
Chairman	Evergreen Marine Corp. (Taiwan) Ltd. Representative: Chiu, Shien-Yuh	3	0	100%	Assume office on Jan. 17, 2023.(Note 4) Required numbers of attendance: 3
Director	Evergreen Marine Corp. (Taiwan) Ltd. Representative: Chang, Yen-I	3	0	100%	Required number of attendance:3

Title	Name (Note1)	Attendance in Person(B)	By Proxy	Attendance Rate (%) 【B/A】 (Note 2)	Remarks
Director	Evergreen Marine Corp. (Taiwan) Ltd. Representative: Tai, Jiin-Chyuan	2	0	100%	Assume office on Mar. 1 2023. (Note 3) Required numbers of attendance: 2
Director	HUI Corp. Representative: Ko, Lee-Ching	3	0	100%	Assume office on Jan. 17, 2023. (Note 5) Required numbers of attendance: 3
Director	HUI Corp. Representative: Lin, Chao-Rong	1	0	100%	Term ceased on Feb. 1, 2023. (Note 6) Required numbers of attendance: 1
Director	HUI Corp. Representative: Lin, Jenn-Fang	2	0	100%	Assume office on Feb. 1, 2023. (Note 6) Required numbers of attendance: 2
Independent Director	Chang, Ching-Ho	3	0	100%	Required number of attendance:3
Independent Director	Szu, Wen-Chang	3	0	100%	Required number of attendance:3
Independent Director	Tseng, Yu-Chin	3	0	100%	Required number of attendance:3

Note 1: For directors who are legal entities, both the names of the legal entity and the representative should be disclosed.

Note 2: (1)If any of the directors resigns before the end of the year, it is required to specify the date of his/her resignation in the remarks column. The actual attendance rate (%) should be calculated by the actual number of meetings he/she attended during his/her term at the Board of the Directors.

(2)If there is any re-election of the Board before the end of the year, both the information of new and former directors should be filled in the table, and the status and the re-election date should also be specified in the remarks column. The actual attendance rate (%) should be calculated by the actual number of meetings he/she attended during his/her term at the Board of the Directors.

Note 3: Evergreen Marine Corp. (Taiwan) Ltd. appointed Mr. Chen, Yih-Jong as its representative, and re-appointed Mr. Tai, Jiin-Chyuan as its representative on Mar. 1, 2023.

Note 4: HUI Corp. appointed Mr. Chiu, Shien-Yuh as its representative during Jan. 1, 2022 to Jan. 16, 2023, and Mr. Chiu, Shien-Yuh was elected as the Chairman of the Board of the Company on Mar. 1, 2023.

Note 5: Evergreen Marine Corp. (Taiwan) Ltd. appointed Ms. Ko, Lee-Ching as its representative during Jun. 22, 2020 to Jan. 16, 2023.

Note 6: HUI Corp. appointed Mr. Lin, Chao-Rong as its representative, and re-appointed Mr. Lin, Jenn-Fang as its representative on Feb. 1, 2023.

Other mentionable items:

1. Please illustrate the date of the Board of Directors, period, agenda and all independent directors' opinions and the Company's responses if one of following situation is occurred during the Board of Directors:
 - (1)The items listed in Article 14-3 of Securities and Exchange Act: Not applicable as the Company has established the Audit Committee. For more information about the items listed in Article 14-5 of Securities and Exchange Act, please refer to page 92 to 100 (Material Resolutions of Board of Directors, Audit Committee, Remuneration Committee and Sustainability Committee.).
 - (2)Except for the proposal mentioned above, other literally recorded resolutions which are opposed or have qualified opinion by independent directors: None.
2. If the directors have personal interest conflicts to the proposal and are required for recusal, please specify the names of the directors, proposal, reason and the resolution: Please refer to page 92 to 100.
3. The 2023 Self-evaluation of the performance of the Board of Directors:

Evaluation Cycle and Scope (Note 1, Note 3)	The Company conducts a performance evaluation of the board of directors once a year. The evaluation scope includes the performance of the board of directors, individual board members and functional committees.
Evaluation Period (Note 2)	From Jan. 1, 2023 to Dec. 31, 2023. The evaluation results was reported to the Board of Directors on Mar. 12, 2024.
Evaluation Method (Note 4)	Internal self-evaluation of the Board of Directors, board members, functional committees members were conducted by the way of filling out questionnaire from Directors.
Evaluation Indexes (Note 5)	1. Self-evaluation of performance of the Board: The overall performance evaluation of the Board of Directors is conducted by each director, and includes 6 items such as Participation in the operation of the Company, the quality of the Board of Directors' decision making, Composition and structure of the Board of Directors, Election and continuing education of the directors, Implementation of sustainable management (ESG) and Internal control. 2. Self-evaluation of performance of Board members: The self-performance evaluation is conducted by each director, and includes 6 items such as Alignment of the goals and missions of the company, Awareness of the duties of a director, Participation in the operation of the company, Management of internal relationship and communication, the director's professionalism and continuing education, and Internal control. 3. Self-evaluation of performance of Audit Committee: The performance evaluation of Audit Committee is conducted by each Audit Committee member, and includes 5 items such as Participation in the operation of the Company, Awareness of the duties of the Audit Committee, the quality of decisions made by the Audit Committee, Composition of the Audit Committee and election of its members, and Internal control. 4. Self-evaluation of performance of Remuneration Committee: The performance evaluation of Remuneration Committee is conducted by each Remuneration Committee member, and includes 5 items such as Participation in the operation of the Company, Awareness of the duties of the Remuneration Committee, the quality of decisions made by the Remuneration Committee, Composition of the Remuneration Committee and election of its members, and Internal control. 5. Self-evaluation of performance of Sustainability Committee: The performance evaluation of Sustainability Committee is conducted by each Sustainability Committee

	member, and includes 5 items such as Participation in the operation of the Company, Awareness of the duties of the Sustainability Committee, the quality of decisions made by the Sustainability Committee, Composition of the Sustainability Committee and election of its members, and Internal control.
Evaluation Result (Full score 5)	1. Self-evaluation of performance of the Board: The average score is 4.96, excellent. 2. Self-evaluation of performance of Board members: The average score is 4.94, excellent. 3. Self-evaluation of performance of Audit Committee: The average score is 5, excellent. 4. Self-evaluation of performance of Remuneration Committee: The average score is 5, excellent. 5. Self-evaluation of performance of Sustainability Committee: The average score is 4.99, excellent.

Note 1: Fill in the cycle on which the board evaluations are performed, for example: performed once per year.

Note 2: Fill in the period covered by the board evaluation, for example: An evaluation was performed of the performance of the board of directors from Jan. 1, 2023 to Dec. 31, 2023.

Note 3: The scope of the evaluation should cover the performance of the board as a whole, the individual directors, and the functional committees.

Note 4: The performance evaluation methods may include internal evaluation by the board, self-evaluations by individual board members, peer evaluations by board members, evaluations external organizations or experts engaged for that purpose, or other suitable method.

Note 5: The evaluation content shall include at least the following based on the scope of the evaluation:

- (1) Evaluation of the performance of the board should include at least the following: degree of the board's participation in the operation of the company; the quality of the board's decision making; composition and structure of the board; election and continuing education of the directors; internal control.
- (2) Evaluation of the performance of individual directors should include at least the following: familiarity with the goals and missions of the company; awareness of the duties of a director; participation in the operation of the company; management of internal relationships and communication; the director's professionalism and continuing education; internal control.
- (3) Evaluation of the performance of the functional committees: degree of participation in the operation of the company; awareness of the duties of the functional committee; quality of decisions made by the functional committee; makeup of the functional committee and election of its members; internal control.

4. The evaluation to strengthen the functionality of the Board of Directors in recent years(ex. establish Audit Committee or enhance information transparency):

- (1) The Company has purchased liability insurance for directors in order to disperse the risk of legal responsibility and improve the ability of corporate governance.
- (2) To enhance the professional ability of directors as well as implement corporate governance, the Company regularly (twice a year) invites lecturers for directors to attend training courses. All directors of the Company have completed the 2023 training course in accordance with "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies". Please refer to the Market Observation Post System (MOPS) for training information.
- (3) To enhance the information transparency, the Company voluntarily publishes important resolutions of Board Meeting and establishes corporate social responsibility page, sustainable development page, and stakeholder interest page on the Company's website.

(4)The Company has 3 independent directors and has stipulated the “Rules Governing the duties of independent directors”. To enhance the functionality of the Board of Directors, the Company has established the Audit Committee, Remuneration Committee and Sustainability Committee.

3.4.2 Annual Tasks and Implementation Status of the Audit Committee:

1.The Audit Committee of the Company is composed of three independent directors, whose major duties are to supervise and review the financial reports, accounting and internal control system, the major asset transactions, endorsements and guarantees, and the offering or issuance of securities.

2.Annual Tasks of the Audit Committee in 2023:

(1)Review financial reports:

The Company’s annual business report, financial reports, and surplus distribution proposals were all reviewed by the Audit Committee and submitted to the Board for discussion. After being approved by the Board, the proposals were presented to the annual general meeting of shareholders for acknowledgement.

(2)Assess the effectiveness of internal control system:

The self-assessment of internal control systems and the implementation of the Company are completed by the internal units. And the audit unit reports the audit results to Audit Committee on a regular basis and submits the amendment of internal control system and internal control system statement to Audit Committee for confirmation. Besides, the Audit Committee and the audit unit have at least 4 times closed-door meetings every year to enable the Committee to understand the financial status, operational effectiveness, risk management, information security, the compliance with regulations, and to evaluate the effectiveness of internal control system of the Company.

(3)Appoint the Company’s Certified Public Accountants.

The Audit Committee assesses the CPAs’ professionalism, independence, and competence, and the reasonableness of the CPAs’ fees with reference to Audit Quality Indicators (AQIs). The proposal and remuneration to appoint Mr. Lai, Chung-Hsi and Ms. Chou, Hsiao-Tzu, the CPAs of PricewaterhouseCoopers, Taiwan, as the Company’s CPAs for 2024 was reviewed by Audit Committee and approved by the Board of Directors on Dec. 21, 2023. Besides, CPAs have at least 4 times closed-door meetings with the Audit Committee every year to communicate matters related to financial reports.

3.A total of 7(A) meetings of Audit Committee were held in 2023. The attendance is as follows:

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%) 【B/A】 (Note 1, Note 2)	Remarks
Convener	Chang, Ching-Ho	7	0	100%	None.
Member	Szu, Wen-Chang	7	0	100%	
Member	Tseng, Yu-Chin	7	0	100%	

Note 1: If any of the independent director resigns before the end of the year, it is required to specify the date of his/her resignation in the remarks column. The actual attendance rate (%) should be calculated by the actual number of meetings he/she attended during his/her term at audit committee.

Note 2: If there is any re-election of independent director before the end of the year, both the information of new and former directors should be filled in the table, and the status and the re-election date should also be specified in the remarks column. The actual attendance rate (%) should be calculated by the actual number of meetings he/she attended during his/her term at audit committee.

Other mentionable items:

1.If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, objection , expression of reservation or qualified opinion by independent directors resolutions of the Audit Committee and the Company’s response to the Audit Committee’s opinion should be specified:

(1)The items listed in Article 14-5 of Securities and Exchange Act: Please refer to page 92 to 100 (Material Resolutions of Board of Directors, Audit Committee, Remuneration Committee and Sustainability Committee.)

(2)Except for the proposal mentioned above, other resolutions which are not approved by Audit Committee but are approved by two-third of directors: None.

2.If there are independent directors’ avoidance of motions in conflict of interest, the directors’ names, contents of motion, causes for avoidance and voting should be specified: Please refer to page 92 to 100. (Material Resolutions of Board of Directors, Audit Committee, Remuneration Committee and Sustainability Committee).

3.Communications between the independent directors, the company’s chief internal auditor and CPAs (e.g. the items, methods and results of audits of corporate finance or operations, etc.)

(1)The communications between the independent directors and the Company’s chief internal auditor.

A. Communication method

The independent directors and the chief internal auditor shall have at least four closed-door meetings every year.

The independent directors and the chief internal auditor had six closed-door meetings in 2023, the chief internal auditor report the execution results of internal audit and operation of internal control at such meetings.

B. The summaries of communication in 2023:

No.	Date	Communication Content	The Company’s response
1	Jan. 17, 2023 Audit Committee	The amendments of “Internal Control System”.	After being approved, the proposal was submitted to Board Meeting for resolution.
2	Mar. 9, 2023 Audit Committee	1. The audit reports from Nov. 2022 to Jan. 2023. 2. The 2022 Evaluation Report of Internal Control and Declaration of Internal Control. 3. The amendments of “Internal Control System” and “Internal Audit Implementation Rules”	1. Submitted to Board Meeting for report. 2. After being approved, the proposal was submitted to Board Meeting for resolution. 3. After being approved, the proposal was submitted to Board Meeting for resolution
3	May 11, 2023 Audit Committee	1. The audit reports from Feb. to Mar. 2023. 2. The amendments of “Internal Control System”	1. Submitted to Board Meeting for report. 2. After being approved, the proposal was submitted to Board Meeting for resolution.
4	Aug. 8, 2023 Audit Committee	The audit reports from Apr. to Jun. 2023.	Submitted to Board Meeting for report.
5	Nov. 10, 2023 Audit Committee	The audit reports from Jul. to Sep. 2023.	Submitted to Board Meeting for report.

No.	Date	Communication Content	The Company's response
6	Dec. 21, 2023 Audit Committee	1. The audit reports of Oct. 2023. 2. 2024 Internal audit Plan.	1.Submitted to Board Meeting for report. 2.After being approved, the proposal was submitted to Board Meeting for resolution.

(2) The Communications between the independent directors and CPAs.

A. Communication method

The independent directors and CPAs have at least four closed-door meetings every year, In the case of emergency, the meeting may be convened at any time.

The independent directors and CPAs have four closed-door meetings in 2023, the CPAs reported the financial situation and the audit results of the Company and its subsidiaries, and to explain the materially adjusting journal entries and the influence of legislation amendment on accounts at such meetings.

B. The summaries of communication in 2023:

No.	Date	Communication Content	The Company's response
1	Mar. 9, 2023 Audit Committee	1.CPAs reported the audit scop and result of 2022 Q4 Financial Report. And content, procedure and scope of audit plan of 2023. 2.CPAs responded to the questions submitted by independent directors.	None.
2	May 11, 2023 Audit Committee	1.CPAs reported the audit scop and result of 2023 Q1 Financial Report. 2.CPAs responded to the questions submitted by independent directors. 3.Introduction of sustainable development actions for listed company and OTC.	None.
3	Aug. 8, 2023 Audit Committee	1.CPAs reported audit scop and result of 2023 Q2 Financial Report. 2.CPAs responded to the questions submitted by independent directors. 3.Update of regulations related to stock exchange and futures trading.	None.
4	Nov. 10 2023 Audit Committee	1.CPAs reported audit scop and result of 2023 Q3 Financial Report. 2.CPAs responded to the questions submitted by independent directors. 3.Information of Audit Quality Indicators.	None.

3.4.3 Composition, Responsibilities and Operations of the Remuneration Committee

1. Professional Qualifications and Independence Analysis of the Remuneration Committee

members: The Remuneration Committee is composed of the Company's 3 Independent Directors, and their professional qualification, experience, independence criteria and number of other public companies in which they concurrently serves as a remuneration committee member is disclosed on page 24 to 27.

2. The duties of the Remuneration Committee are as follows:

(1) Establish and periodically review the performance evaluation and remuneration policy, system, standards, and structure for directors and managers.

(2) Periodically evaluate and establish the remuneration of directors and managers.

3. Attendance of Members at Remuneration Committee Meetings

(1) The term of office of current Remuneration Committee is from Jun. 19, 2023 to Jun. 18, 2026.

(2) A total of 4 (A) meetings were held in 2023, Please refer to page 92 to 100 for resolutions made by the Remuneration Committee. The attendance of Committee members is as follows

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%) 【B/A】 (Note)	Remarks
Convener	Szu, Wen-Chang	4	0	100%	Assumed office on Jun. 19, 2023
Committee member	Chang, Ching-Ho	4	0	100%	
Committee member	Tseng, Yu-Chin	4	0	100%	

Note:

- (1) If any of the Remuneration Committee members has resigned before the end of the year, the date of his/her resignation should be stated in the remarks column. The actual attendance rate (%) should be based on the number of committee meetings held during his/her tenure and the actual number of his/her attendance.
- (2) If any of the Remuneration Committee members has been re-elected before the end of the year, both the information of current and former members should be filled in the table, and the status and the re-election date should also be specified in the remarks column. The actual attendance rate (%) should be based on the number of committee meetings held during his/her tenure and the actual number of his/her attendance.

Other information required to be disclosed:

1. If the board of directors does not accept, or amends, any recommendation of the Remuneration Committee, specify the board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the board of directors, and the measures taken by the Company with respect to the opinions given by of the Remuneration Committee (e.g., if the salary/compensation approved by the board is higher than the recommendation of the Remuneration Committee, specify the difference(s) and the reasons): None.
2. With respect to any matter for resolution by the Remuneration Committee, if there is any dissenting or qualified opinion of a committee member that is on record or stated in writing, specify the Remuneration Committee meeting date, meeting session number, content of the motion, the opinions of all members, and the measures taken by the Company with respect to the members' opinion: None.

3.4.4 Composition, Responsibilities and Operations of the Sustainability Committee

1. Professional Qualifications and Independence Analysis of the Sustainability Committee members: The Sustainability Committee is composed of 5 members, including 3 Independent Directors of the Company, and their professional qualification, experience, independence criteria is disclosed on page 22 to 27.

2. The duties of the Sustainability Committee are as follows:

- (1) Review the sustainability(including risk management) policies, strategies, goals or management guidelines.
- (2) Review the annual sustainability work plan.
- (3) Supervise and track the implementation progress, results and related matters of the execution team's work plan.

3. Attendance of Members at Sustainability Committee Meetings

- (1) The execution team reports to the Company's Sustainability Committee. Various issue teams are set up under the execution team with the responsibility of planning and implementation of related work.
- (2) The term of office of current Sustainability Committee is from Jun. 19, 2023 to Jun. 18, 2026.
- (3) A total of 3 (A) meetings were held in 2023, Please refer to page 92 to 100 for resolutions made by the Sustainability Committee. The attendance of Committee members is as follows

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%) 【B/A】 (Note)	Remarks
Convener	Lin, Jenn-Fang	3	0	100%	Assumed office on Jun. 19, 2023
Vice Convener	Tseng, Yu-Chin	3	0	100%	
Committee member	Chang, Ching-Ho	3	0	100%	
Committee member	Szu, Wen-Chang	3	0	100%	
Committee member	Lo, Hui-Yu	3	0	100%	

Note:

- (1) If any of the Sustainability Committee members has resigned before the end of the year, the date of his/her resignation should be stated in the remarks column. The actual attendance rate (%) should be based on the number of committee meetings held during his/her tenure and the actual number of his/her attendance.
- (2) If any of the Sustainability Committee members has been re-elected before the end of the year, both the information of current and former members should be filled in the table, and the status and the re-election date should also be specified in the remarks column. The actual attendance rate (%) should be based on the number of committee meetings held during his/her tenure and the actual number of his/her attendance.

4. Major Resolutions of the Sustainability Committee

Date	Report Items	Discussion Items
May 11, 2023	- Report overview of sustainable development operations. - Report the progress of greenhouse gas inventory and verification schedule in the 1st quarter of the year 2023.	Approve the 2023 Sustainability Work Plan. After being approved, the proposal was presented to Board Meeting for reporting.
Aug. 8, 2023	- Report the implementation status of the 2022 Sustainability Report. - Report the progress of greenhouse gas inventory and verification schedule in the 2nd quarter of the year 2023.	- Establish goals of mid-long term sustainable development. - Amend the “Risk Management Policy”
Dec. 21, 2023	- Report the communication status between the Company and its stakeholders. - Report the implementation status of risk management. - Report the implementation status of greenhouse gas inventory and verification schedule of the Company and its subsidiaries. - Report the implementation status of intellectual property management.	Establish the 2024 Sustainability Work Plan. After being approved, the proposal was presented to Board Meeting for reporting.
Mar. 12, 2024	- Report the implementation status of 2023 sustainable development. - Report the implementation status of greenhouse gas inventory and verification schedule of the Company and its subsidiaries.	None
Except for the proposals were presented to Board Meeting for report, all others proposals were presented to Board Meeting for discussion after being approved by the Sustainability Committee members. Please refer to page 92 to 100 (Major Resolutions of Board of Directors and Functional Committees)		

Other information required to be disclosed:

- If the board of directors does not accept, or amends, any recommendation of the Sustainability Committee, specify the board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the board of directors, and the measures taken by the Company with respect to the opinions given by of the Sustainability Committee: None.
- With respect to any matter for resolution by the Sustainability Committee, if there is any dissenting or qualified opinion of a committee member that is on record or stated in writing, specify the Sustainability Committee meeting date, meeting session number, content of the motion, the opinions of all members, and the measures taken by the Company with respect to the members’ opinion: None.

3.4.5 Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”

Evaluation Item	Implementation Status (Note1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Does the Company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	✓		The Board of Directors has approved the “Corporate Governance Best-Practice Principles”, which can be found on both the Company’s official website (Path : Home/ About Evergreen International Storage& Transport Corp. / Corporate Governance/ Major Internal Regulations) and Market Observation Post System.(MOPS)	None
2. Shareholding Structure & Shareholders’ Rights:				
(1) Does the Company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?	✓		Relevant departments are in charge of handling the issue following internal control operation procedure.	None
(2) Does the Company possess the list of its major shareholders as well as the ultimate owners of those shares?	✓		Responsibility is assigned to relevant department.	None
(3) Does the Company establish and execute the risk management and firewall system within its conglomerate structure?	✓		The Company has established risk control measures within internal control operation procedure.	None
(4) Does the Company establish internal rules against insiders trading with undisclosed information?	✓		1. The Board of Directors has established “Procedures for Handling Material Inside Information” and “Insider Trading Prevention Management” within internal control operation procedure to rule the securities trading of insiders. The Board of Directors has established “Corporate Governance Best Practice Principles” and “Internal Control System- Insider	None

Evaluation Item	Implementation Status (Note1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			Trading Prevention Management” and stipulated that the directors are not allowed to trade the Company's securities with equity characteristics during the closed period (thirty days before the announcement of annual financial statement and fifteen days before the announcement of the quarter financial statements). In addition, directors are reminded to pay attention to relevant regulations before the above-mentioned closed period begins. The Company provides the Board meeting schedule of following year at the end of December , and the tentative meeting dates for approving the Consolidated Financial Report and the closed period of prohibiting a director from trading its shares are indicated clearly. The Company reminded the Directors of the closed period of the preceding paragraph via E-MAIL on Feb. 4, Apr. 24, Jul. 21, Oct. 25 of 2023. 2. To enable the directors and managers of the Company to fully understand the relevant rules of “internal trading” in time. The Company provides the directors and managers with the main rules which govern insiders’ securities transfer conduct and Q&A on insider trading prevention monthly, and also forwards the information of insider trading prevention from time to time. The directors’ participation in “insider trading prevention” course, please refer to Market Observation Post System. 3. This year, from Jan. 1, 2023 to Dec. 31, 2023, relevant education and training for current managers and employees has been carried out. A total of 958 people	

Evaluation Item	Implementation Status (Note1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			participated. The course is about 1 hour each time, and the content includes important information. Confidential assignments, as well as the reasons for the formation of internal trading, the identification process and related legal responsibilities, and the course briefings and audio and video files will be announced on the electronic bulletin board for colleagues to refer to at any time.	
3. Composition and Responsibilities of the Board of Directors:				
(1) Does the Board develop and implement a diversified policy for the composition of its members?	✓		The diversity policy, specific management objectives and implementation of the Board of Directors of the Company please refer to page 26.	None
(2) Does the Company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	✓		The Board of Directors has established the “Sustainability Committee” on Dec. 21, 2022, and appointed 5 Sustainability Committee members (including 3 independent directors). The Sustainability Committee shall convene at least two meetings a year, and can be convened at any time as needed. The main duties of the Committee are as follows: 1. Review policies, strategies, objectives or management guidelines related to sustainability (including risk management); 2. Review the annual sustainability work plan. 3. Supervise and track the progress, results and related matters of the implementation team’s work plan.	None
(3) Does the Company establish a standard to measure the performance of the Board annually, report the results of the performance	✓		1. The Board of Directors established the “Regulations Governing the Board Performance Evaluation”, and disclosed it on the Company’s official website and the Market	None

Evaluation Item	Implementation Status (Note1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
evaluation to the Board, and use it as a reference for individual directors' remuneration and nomination?			Observation Post System (MOPS). 2. The Company shall conduct an internal board performance evaluation at least once a year. In addition, the Company's board performance evaluation may be conducted by an external independent professional institution or a panel of external experts and scholars at least once every three years. 3. The annual evaluation results of the performance of the Board of Directors are also the evaluation basis for individual director's remuneration and nomination of directors. 4. The 2023 internal evaluation results of the performance of the Board of directors (please refer to page 38 to 39) was reported to the board meeting on Mar. 12, 2024. the details please refer to the Company's official website.	
(4) Does the Company regularly evaluate the independence of CPA?	✓		1.The Company annually evaluate the specialization and independence of CPA. Also, the CPA have completed independent report for the appointed auditing affair. The assignment and remuneration for CPA of 2024 financial and tax certification had been resolved by Board of Directors on Dec. 21, 2023. 2.The assigned accountants are not directors, supervisors, executive officers, employees or shareholders of the Company or its affiliated companies and have been confirmed as non-stakeholders, which meets with the regulation of independent judgment of government. Please refer to Note 2 for the CPAs independence evaluation. 3.The Company has obtained AQI	None

Evaluation Item	Implementation Status (Note1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			(Audit Quality Indicators) information from Certified Public Accountants and evaluated their professionalism, independence, quality control, supervision, and creativity as a reference for the appointment of the accountants.	
4.Does the TWSE/TPEX Listed Companies have an adequate number of corporate governance personnel with appropriate qualifications and appoint a chief corporate governance officer to deal with corporate governance business (including but not limited to provide directors and supervisors necessary information, assist directors and supervisors with legal compliance, hold Board Meeting or Annual General Meeting, company registration and change registration of company and Minutes of Board of Directors meeting and Annual General Meeting preparation) ?	✓		1. The Board of Directors appointed the head of Corporate Governance Department’s Junior Vice President Lin, Hsueh-Ming as the Chief Corporate Governance Officer of the Company, and the Company is staffed with sufficient professional corporate governance personnel to protect shareholders’ rights and strengthen the board functions. The chief corporate governance officer of the Company, who has conducted corporate governance affairs over 3 years, is eligible for the chief corporate governance officer . 2. The main duties of the chief corporate governance officer of the Company are as follows: (1) To handle matters relating to board meetings and shareholders meetings according to laws. (2) To produce minutes of board meetings and shareholders meetings. (3) To assist in onboarding and continuous development of directors. (4) To furnish information required for business execution by directors. (5) To assist Directors with legal compliance. (6) To review on whether the qualifications of independent directors comply with relevant regulations at the time of nomination, election and during their tenure, and submit	None

Evaluation Item	Implementation Status (Note1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			the review report to the Board of Directors. (7) To handle matters relating to the change of Directors. (8) Related matters of Articles of Incorporation and contracts. 3. The business execution in 2023 are as follows: (1) To furnish Directors with relevant information and regulations to perform their duty and hold the Directors training courses: a. To furnish Directors with the latest regulations of corporate governance irregularly. b. To furnish Directors with the information to perform their duties and maintain smooth communication between Directors and managers. c. To arrange at least four closed-door meetings to enable independent directors to have face-to-face communication with the chief internal auditor and CPAs to deeply understand the Company’s audit and financial status. d. To hold two Directors training courses.(3 hours each time) (2) To handle matters relating to functional committees, board meetings and shareholders meetings according to laws: a. To notify the meeting agenda to each director at least seven days in advance, provide the materials, remind the director not to participate in discussion and voting on the agenda item if he is an interested party with	

Evaluation Item	Implementation Status (Note1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			it, and distributed the minutes to each director within 20 days after the meeting. b. To assist to announce the material information after board meeting, ensure the legality and correctness of material information to protect information equivalence of investor transaction. c. To register the date of the shareholders' meeting in accordance with laws, and produce meeting notices, handbooks and minutes within the legal period. (3) To handle matters relating to the change of Directors. a. To review regularly (once a year) whether the qualifications of independent directors comply with relevant regulations, and report to the board meeting. b. To provide the information required for the director change and handle announcements and declarations in accordance with the law when the Director changes. c. To handle matters of application for registration of incorporation. 4. Chief corporate governance officer training records in 2023 please refer to Note 3.	
5. Does the Company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers and	✓		The Company sets up Stakeholders Section, Contact Us Section, Sustainable Development Zone, Investor Services, Customer Services, Supplier Services and Employees Section on the website to provide relevant business and contact	None

Evaluation Item	Implementation Status (Note1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?			information. And the relevant departments instantly reply stakeholders on the issues they concern about, the implementation of Communications of stakeholders was reported to the board meeting dated Dec. 21, 2023, and disclosed on the Company's website.	
6. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?		✓	The Company does not assign any outside agency to be in charge of its shareholder affairs.	Whereas shareholder affairs is managed by the Company itself, the Shareholders' Meeting is conducted following relevant regulation and Articles of incorporation of the Company to ensure its lawfulness, effectiveness and safeness.
7. Information Disclosure: (1) Does the Company have a corporate website to disclose both financial standings and the status of corporate governance?	✓		The Company has set up a corporate website (Path : Home/ About Evergreen International Storage& Transport Corp. / Investor Services/ Financial Information) and designated appropriate people to monitor and keep it up-to-date with current information. In addition, the Company has disclosed “Articles of Incorporation”, important operating procedures and the resolutions of the Board of Directors on website. (Path : Home/ About Evergreen International Storage& Transport Corp. / Corporate Governance)	None
(2) Does the Company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	✓		1.The Company has established an English website and spokesperson system for gathering and disclosing information. Investor conference information of the Company held or been invited to over the years is disclosed on the Company's website. 2.The Company has been invited to attend Investor Conference held by SinoPac Securities Co., Ltd. on Apr. 14 2023 and Oct. 6 2023. The relevant information has been	None

Evaluation Item	Implementation Status (Note1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the first, second, and third quarter financial statements as well as the operating status of each month before the prescribed deadline?		✓	disclosed on website. (Path : Home/ About Evergreen International Storage& Transport Corp. / Investor Services/ Investor Conference) The Company doesn’t announce and report the annual financial statements within two months after the end of the fiscal year, and doesn’t announce and report the first, second, and third quarter financial statements as well as the operating status of each month before the prescribed deadline.	Although the Company did not announce and register its financial reports and operation status of each month early, it has made such announcements and filings by the deadlines specified in article 36 of the Securities and Exchange Act.
8. Is there any other important information to facilitate a better understanding of the Company’s corporate governance practices ?				
(1) Employee rights and employee wellness	✓		Please refer to Chapter 5 Operational Highlights “Labor Relations” for more information.	None
(2) Investor relations	✓		The Company has set up “Investor Services” on website(Path : Home/ About Evergreen International Storage& Transport Corp. / Investor Services) which provides investors reference about operation and financial information.	None
(3) Supplier relations and rights of stakeholders	✓		Please refer to Chapter 3 Corporate Governance Report “Promotion of Sustainable Development” for more information.	None
(4) Directors training records	✓		The directors of the Company have complied with the training hours in accordance with the “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies”. The training course has been disclosed on	None

Evaluation Item	Implementation Status (Note1)			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(5) The implementation of risk management policies and risk evaluation measures	✓		MOPS. Please refer to Chapter 7 Review of Financial Conditions, Financial Performance, and Risk Management “Analysis of Risk Management” for more information.	None
(6) Purchasing insurance for directors	✓		The Company has purchased liability insurance for directors since 2015.	None
9. Please specify the Company’s measures for the evaluation results published by Corporate Governance Center of Taiwan Stock Exchange Corporation which should be improved. In 2022, we were ranked as 21% to 35% of the 9th year of corporate governance assessment by the Taiwan Stock Exchange. It means that the implement of Corporate Governance is in good condition, and the Company will keep working hard for earning better achievement. (1) The Company has disclosed the remuneration information of Directors, President and Vice President, in order to disclose more detailed information about the Company. (2) The Company has established the execution team under the Sustainability Committee. The Execution Team is managed by Project Department, and is responsible for planning and implementing of related work. (3) The 2024 Shareholders’ Meeting will be held on May 30,2024. (4) The Company has uploaded the 2022 Sustainability Report on the Company’s website and MOPS. (5) The Sustainability Committee will set goals and supervising procedures of implementation status regarding the climate. The Company will make continuously effort to achieve the structure of Task Force on Climate-related Financial Disclosures (TCFD).				

Note 1:Provide description on the summary and description column regardless of “yes” or “no” for the operations.

Note 2: CPA Independence Evaluation

No.	Item	Evaluation	Independence
1	Does the CPA perform routine work for which he or she receives a fixed salary paid by the Company or currently serve as a director or supervisor of the Company?	No	Yes
2	Has the CPA reviously served the Company as a director, supervisor, managerial officer, or an employee with material influence over attestation, and has been separated from the position for less than two years?	No	Yes
3	Is the CPA a spouse, lineal relative, direct relative by marriage, or a collateral relative within the second degree of kinship of responsible person or a managerial officer of the Company?	No	Yes
4	Has the CPA or the spouse or a minor child thereof, invested in the Company, or shared in financial gains therewith?	No	Yes
5	Has the CPA, or the spouse or a minor child thereof, lent or borrowed funds to or from the Company?	No	Yes
6	Does the CPA provide management consulting or other non-attestation services that affect his or her independence?	No	Yes

Note 3:Chief Corporate Governance Officer Training Records In 2023

Date	Professional Organization	Training sessions	Hours
Mar. 27, 2023	The Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	Business resilience, Taiwan's competitiveness	3
Apr. 27, 2023	Taiwan Stock Exchange Corporation and Taipei Exchange	"Sustainable Development Action Plan for Listed OTC Companies" disseminate Meeting	3
Jul. 4, 2023	Taiwan Stock Exchange Corporation	Cathy Sustainable Finance and Climate Change Summit of 2023	6
Jul. 14, 2023	Taiwan Corporate Governance Association	Risks and Opportunities of Climate Change and Net-Zero Policies to Business Operations	3
Aug. 30, 2023	Taiwan Corporate Governance Association	The Impacts and Strategies of ChatGPT on industries	1
Sep. 4, 2023	Financial Supervisory Commission R.O.C(Taiwan)	The 14 th Taipei Corporate Governance Forum	3
Sep. 27, 2023	Taiwan Investor Relations Institute	The 2023 International Forum by TPiDA– Empowering Boards for ESG and Sustainability Governance	5
Oct. 30, 2023	Taiwan Corporate Governance Association	AI application, legal issues and auditing	3
Dec. 28, 2023	Taiwan Corporate Governance Association	Wangdao Management Accounting and Corporate Governance	1
Total Training Hours			28

3.4.6 Discrepancies of promotion of sustainable development from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof

Promotion Item	Implementation Status(Note 1)			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
1. Does the company promote a governance framework for the promotion of sustainable development, establish an exclusively (or concurrently) dedicated unit to implement sustainable development, and have management appointed by the Board of Directors to be in charge of the implementation status to the board?	✓		1. For the management of robust sustainable development, the Company established the “CSR Committee” in 2014. In 2021, it was renamed as the “Sustainable Development Committee”. On Dec. 21, 2022, the Board has approved the establishment of the “Sustainability Committee” with three to five committee members and half of which are independent directors. Adjust strategies and objectives according to the Board of Directors' supervision of sustainable development. 2. The main duties and responsibilities of the Sustainability Committee are listed as follows: (1) Review sustainability (including risk management) related policy, strategy, objective, or management guidelines. (2) Review sustainability annual work plan. (3) Supervise and follow up the execution progress, results, and related affairs of the execution team's work plan. 3. The execution team reports to the Company’s Sustainability Committee. The highest management of the Project Department acts as the secretary general and is responsible for convening team meetings and assisting the promotion of various tasks. The “Environmental Protection Issues Team”, “Social Inclusion Issues Team” and “Corporate Governance Team” were set up under the execution team with the responsibility of planning and implementation of related work. 4. The Sustainability Committee regularly reports the implementation of sustainable development to the Board of Directors on an annual basis, whereas the Board of	None

Promotion Item	Implementation Status(Note 1)			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			Directors performs strategy likelihood assessments on the reports submitted by the committee and supervises the operation of sustainable development in various areas such as corporate governance, sustainable management, and greenhouse gas inventory.	
2.Does the company assess risks of environment, society and corporate governance related to the Company’s operation based on materiality principles and establish related risk assessment policies or strategies?(Note 2)	✓		The Company has assessed risks of environment, society and corporate governance related to the Company’s operation based on materiality principles and established following risk assessment policies and strategies. 1.The Company has actively implemented energy-saving and carbon reduction measures to address risks and potential impact of climate change to its operation, including energy saving management practices in transportation industry, workplace and other business activities. The Company has installed solar power equipment at TCG Port Container Terminal and Dayuan Logistics Park. 2.The Company regularly reviews its business goals and budget allocation and its Finance department takes charge of the Company’s bookkeeping, capital management and assessment of risks incurred from investments in various financial instruments. 3.The Company has established environment protection policy, encouraged its suppliers to provide green services and products at competitive prices and complied with all regulatory requirements on environment protection in its procurements of products and services. 4. In order to strengthen the risk management of information security, the Company has established the "Information Security Department" on Sep. 15, 2022, which is responsible for driving the promotion, planning and	None

Promotion Item	Implementation Status(Note 1)			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			execution management of information security. Over and above, the department formulated the Information Security Policy to reinforce information security management, maintain the normal service of the Company's information system, ensure the confidentiality, integrity and availability of the Company's information, and ensure the normal operation of business. 5.The Company ensures normal operation of fire-protection, electric and contingency systems for enhancement of risk control and self-management of loss prevention. 6. In order to establish a sound risk management mechanism for the enhancement of corporate governance, the Company has formulated its risk management policy on Nov. 11, 2020, after the policy was approved by the board of directors. The Company carries out risk assessments on investors, customers, and other stakeholders with material impacts on corporate governance issues in the economic, environmental, and social aspects based on materiality. The Company also propose risk management strategy and plans and report the implementation status to the Board of Directors on an annual basis.	
3.Environmental issues (1)Does the company establish proper environmental management systems based on the characteristics of their industries?	✓		1.With a view to helping the Company minimize its impact on the environment and have better management and control, the ISO 14001 Environment Management Systems standards were incorporated into the Company’s operations in 2023 to systematically formulate environmental policies, plan environmental improvement targets, and continuously propose improvement plans for management, demonstrating the Company’s commitment to becoming a low-carbon	None

Promotion Item	Implementation Status(Note 1)			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
(2)Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	✓		enterprise and realizing corporate sustainability. 2. The Company has laid down the plan of reducing pollution caused by exhaust emissions of its diesel vehicles in “Clean Air Zones” based on characteristics of its industry. In addition, passenger vehicles of the Company have obtained the green mark given by Taoyuan City Government for their low pollution, showing the Company’s emphasis on environmental management. 3.The Company has supported government policy of oil-gas recovery in gas stations and installed oil-gas recovery equipment at all of its gas stations. In addition, the Company has engaged a professional institution for gas leak testing and gas-oil ratio testing to ensure protection of the public’s health and air quality of the environment. The Company has made endeavors to increase resource utilization efficiency and reduce its impact to the environment: 1.The company has implemented fleet rejuvenation plan for phasing out old vehicles and purchasing new vehicles with Euro 6 rated engines. 2.The Company has set up waste water reclamation and treatment system in its car wash facilities and container washing areas to effectively recycle and reuse water resources and reduce the impact of wastewater discharge to the environment through increase of wastewater reclamation efficiency. 3.The Company has actively recycled and reduced garbage and decreased the use of trash bags. Meanwhile, the Company has also implemented the policy of recycling paper, toner cartridges and other recyclable materials, in order to reduce the impact to the environment.	None

Promotion Item	Implementation Status(Note 1)			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
(3) Does the company assess the potential risks and opportunities of climate change for its current and future operations and undertake response measures?	✓		4.Waste materials produced in the operation activities, including scrap iron, waste oil, discarded tires, and used batteries, are all recycled and reused to reduce pollution caused by waste materials. Climate change is a global issue. As a protector of the green planet, the Company continues to pay close attention to the risks posed by climate change to its operational activities. In view of the increasingly severe nature of climate change, the Company takes reference to the Task Force on Climate-related Financial Disclosures (TCFD) framework to assess the opportunities and challenges arising from climate change and extreme climate in terms of governance, strategy, risk management, as well as metrics and targets as detailed below. 1.Governance: The Sustainability Committee under the Board of Directors serves as the steering and supervisory unit in charge of the Company’s sustainable development, whereas the execution team, which acts as the dedicated unit responsible for promoting corporate sustainability, reports regularly to the Sustainability Committee and the Board of Directors each year, as well as conducts reviews and makes decisions on various risk management strategies. 2.Strategy: Set up climate change alleviation and adjustment strategy as follows: (1)Alleviation-enhance energy efficiency and use renewable energy. (2)Adjustment-enhance the resilience of the Company's equipment and facilities to climate disasters in order to reduce the effect of climate to the Company. 3.Risk management: The Company’s climate change risk management process is established in	None

Promotion Item	Implementation Status(Note 1)			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			compliance with risk management guidelines, and the impact of climate change is regularly evaluated on an annual basis. 4.Target and objectives: (1)In line with the Sustainable Development Roadmap for TWSE/TPEX-listed Companies as planned by the Financial Supervisory Commission, the Company has conducted the greenhouse gas inventory based on the ISO 14064-1 standards in 2023, and is expected to complete the 2023 verification of the inventory in 2024. (2)The company has increased container transportation efficiency with reduction of vacancies through optimization of vehicle dispatch system. Vehicle drivers are required to turn off the engines when they are not operating their vehicles in order to reduce oil consumption of engine idling and CO2 emission. (3)The Company has rejuvenated its tractors and buses to meet its operation needs. It has conserved energy and reduced carbon emission through regular maintenance, endurance of vehicle availability, and decrease of time, frequency and cost of vehicle maintenance for energy conservation and carbon reduction. The future potential risk and opportunities of climate change: 1. Risk: (1)The frequency of extreme weather events is on the rise. (2)The energy structure changed and caused the increase of electricity expense. (3)Average temperature kept increasing and caused the energy consumption	

Promotion Item	Implementation Status(Note 1)			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			increase. (4)The imposition of domestic carbon fee. 2. Opportunities: (1) Engage in fleet transformation to improve energy efficiency and cut fuel costs. (2) Upgrade equipment to reduce greenhouse gas emissions. (3) The ESG investment enhance corporate image. The Company has also established various emergency response plans, such as earthquake, typhoon, fire, emergent incident, sanitation and epidemic prevention, and relevant contingency measures, targeting the potential risks caused by climate change through the occupational safety and health management system and assessment of various risk management. The Company also conducts related resource use strategy. Measures for energy saving, carbon reduction, and greenhouse gas reduction are as follows: 1. The Company uses energy-saving luminaire to improve lighting in offices, public spaces and operation facilities. The lighting equipment is turned off outside the office hours and strict lighting control is imposed during office hours and operation time. 2. The Company uses new EA-Eco toner, which can effectively increase energy efficiency and significantly reduce CO2 emission. It can also reduce toner consumption and greenhouse gas emission. 3. The Company has carried out integration of its computer systems and streamlined the operation procedures to enhance its efficiency for paperless operation and environment protection. 4. The Company has installed sewage and waste water treatment plant for collection	

Promotion Item	Implementation Status(Note 1)			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			of polluted water and formed a team for operation and maintenance of the equipment to ensure the company’s compliance with waste water discharge regulations. 5. The Company has set up a wastewater reclamation system at its car wash facilities for effective recycling and reuse of water resources. 6. The Company has promoted water saving practices to its employees and installed water saving gadgets in new faucets to reduce the amount of maximum tap water and control the water flow for water saving. 7. The Company has replaced old air conditioning units, maintained existing air conditioning units and cleaned the condensers regularly to enhance the equipment’s operation efficiency and reduce energy consumption. 8. The Company has supported government policy of energy conservation and carbon reduction through control of indoor temperature. Old air conditioning units have been replaced by new ones to reduce power consumption and carbon emission. 9. The Company uses variable voltage variable frequency elevators with microcomputer control in its buildings and mainly uses PM system (permanent magnet motor) that reduces power consumption by over 30%. The Company also adopted the gearless design for the elevators that does not need to change lubricating oil on regular basis and operates in a more environment-friendly and energy-saving way. 10. The Company encourages its staff to commute with car pool arrangement for carbon reduction. 11. The Company has established the goals of carbon reduction for the solutions of greenhouse gases reduction of its buses	

Promotion Item	Implementation Status(Note 1)			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons																											
	Yes	No	Abstract Explanation																												
(4) Does the company calculate the amount of greenhouse gas emissions, water consumption, and waste production in the past two years and implement policies to cut down water consumption, carbon and greenhouse gas emissions, and waste production?	✓		and tractors. 12. Among business wastes produced every year, waste materials and leftover bits and pieces that can be recycled for reuse (such as scrap iron, waste oil, discarded tires, and used batteries) are sold to professional qualified vendors certified by an environment protection agency that quote best prices after the wastes reach specific quantities. The Company has been conducting greenhouse gas inventories and carrying out third-party verification according to the ISO 14064-1:2018 standards since 2023. Please refer to “8. Climate-related Information from TWSE/TPEx-listed Companies” on Pages 78 to 81 for more details on related implementation status, inventories, and emissions for 2022 and 2023. Quantities of water consumption annually <table><tr><th>Year</th><th>Water</th></tr><tr><td>2022</td><td>81,254 kWh</td></tr><tr><td>2023</td><td>77,642 kWh</td></tr></table> Quantities of wastes generated and recycled annually <table><tr><th>Year</th><th>2022</th><th>2023</th></tr><tr><td>General wastes</td><td>71,400 kilograms</td><td>229,032 kilograms</td></tr><tr><td>Waste oil</td><td>74,863 liters</td><td>64,665 liters</td></tr><tr><td>Waste metal</td><td>254,510 kilograms</td><td>254,581 kilograms</td></tr><tr><td>Waste tires</td><td>2,008tries</td><td>1,931tries</td></tr><tr><td>Waste batteries</td><td>16,440 kilograms</td><td>11,600 kilograms</td></tr><tr><td>Recycled consumables of office equipment</td><td>1,142 units</td><td>1,094 units</td></tr></table> General waste does not include TCG Port Container Terminal 311 vehicles in 2021, 312 vehicles in 2022.	Year	Water	2022	81,254 kWh	2023	77,642 kWh	Year	2022	2023	General wastes	71,400 kilograms	229,032 kilograms	Waste oil	74,863 liters	64,665 liters	Waste metal	254,510 kilograms	254,581 kilograms	Waste tires	2,008tries	1,931tries	Waste batteries	16,440 kilograms	11,600 kilograms	Recycled consumables of office equipment	1,142 units	1,094 units	None
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Promotion Item	Implementation Status(Note 1)			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			The Company has reached the following energy saving and carbon reduction goals: Achievements of carbon reduction: 1.The average hourly carbon emissions of vehicles and machinery in Taoyuan Container Terminal decreased by 3.54% in 2023 compared with that in 2022, decreased by 10.20% in Shichih Container Terminal, decreased by 21.11% in Taichung Port Container Terminal, averaging at a decrease of 12.77%. Reduced emissions in the Taoyuan Container Terminal and Shichih Container Terminal were primarily resulted from lower average operating hours and lower diesel fuel consumption, whereas decreased emissions in the Taichung Port Container Terminal were mainly caused by lower proportion of diesel fuel used in rail-mounted gantry cranes and lower average operating hours. The Company has maintained the target of reducing CO2 emission by 1%. 2.The carbon emissions per kilometer of tractors and busses reduced by 1.14% in 2023 compared with 2022 mainly due to the reduction of fuel consumption consequent to the replacement of old vehicles. The Company intends to draw up the vehicle rejuvenation plan every year and set the carbon reduction goal of 0.8% for the year. Water saving achievement: The Company uses water for daily activities and regular cleansing of tour coaches and containers for operation needs. With recycle and reuse of vehicle washers’ waste water and other water saving measures as well as promotion of water saving to its employee from time to time, thereby optimizing the utilization of water resources. In 2023, it used 3,612 tons of water less than 2022 and reduced carbon emission by 518.92	

Promotion Item	Implementation Status(Note 1)			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			kilograms. The 2023 water consumption has decreased by 4.45% compared to 2022. The Company has maintained the target of reducing water consumption emission by 1%. Power saving: Through relevant energy-saving measures including using energy-saving lightings, replacing new air-conditioners, using variable voltage air-conditioners, and installing timers to control the operation of servers and power supply intervals, the 2022 energy-saving execution plan proposed by TCG Port Container Terminal was approved by the Bureau of Energy and had an average 1.36% of energy-saving rate. In 2023, the Company saved 88,524.82 kWh of electricity in total, accounting for 0.73% of the Company’s overall electricity consumption. The Company continues to maintain the energy conservation target of 1% in electricity savings.	
4.Society issues (1)Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		1.In order to fulfill corporate sustainable development , protect basic human rights of all employees and stakeholders, the Company has formulated its human rights policy based on United Nations Universal Declaration on Human Rights and reported it to the Board of Directors on Jun. 13, 2018. The Company’s human right measures and policy cover creation of fair, safe work environment, respect of employees’ human rights and endurance of information security. 2. The Company has hired all employees equally based on their job qualifications regardless of their gender, age, region, and race and handled affairs related to employee rights and interests according to its management guideline and related directions. According to the People with Disabilities Rights Protection Act, the number of employees with disabilities	None

Promotion Item	Implementation Status(Note 1)			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			shall be no less than 1 percent of all employees. The Company has fully complied with the regulatory requirement. Meanwhile, the Company has hired aboriginal people and protected their rights related to employment without any discrimination. The Company never uses child labor, observes International Bill of Rights, respects human rights and does not discriminate any employees. 3. In order to prevent sexual harassment at workplace and protect gender equality and personal dignity of our staff, the Company has introduced its measures for prevention, correction, complaint and punishment of sexual harassment according to the Regulations for Establishing Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace and article 7 of the Sexual Harassment Prevention Act. It also made an announcement about the measures for the staff's information. Meanwhile, the Company also set up a task force for investigation of sexual harassment incidents to handle related complaints.	
(2) Does the Company establish and implement reasonable employee benefit measures (including remuneration, holidays and leaves and other benefits)? Does employee compensation scheme appropriately reflect	✓		1. The Company has formulated a reasonable salary remuneration policy; salaries of all employees are above statutory minimum wage. Remunerations of the employees are determined based on their education levels, professional skills, and experiences, regardless of gender, region, race, and political affiliation. The Company has created a remuneration system that fully complies with the Labor Standards Act and pays appropriate salaries to employees of different classes. The Company also collects information about different salary ranges in the job market on a regular basis to ensure that the Company's overall remuneration reflects	None

Promotion Item	Implementation Status(Note 1)			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
management performance or achievements?			the job market levels and its remuneration is competitive in the job market. When the Company makes a profit, it allocates at least 1% of the annual profit to employee remuneration. The Company also distributes annual bonuses to the employees as a reward based on the Company's overall operating performance and individual performance. 2.The Company sets up holiday and leave system according to the Labor Standards Act and related regulations and provide following employee benefits: (1)Insurance: preferential premium of group term life insurance. (2)Dining: free, healthy lunch prepared in a sanitary environment for all employees in staff canteen. (3)Health service: medical advice provided by professional physician in the Company’s clinic and free annual health examination . (4)Education and training: regular and irregular education and training, professional lectures and workshops throughout the year and allowance for foreign language learning. (5)Perks: year-end bonus and employee remuneration . (6)Allowances: allowances for wedding and funeral, monetary gift for wedding ceremony, funeral condolence money and consolation money for injury and illness. (7)Others: gift money for birthday, travel allowance and festival gifts. 3.Retirement System and Its Implementation (1)Labor pension fund supervisory committee of the Company was set up on Jan. 23, 1987 with the approval of Taoyuan County government via Shelao Letter No. 6932. The Company has also introduced "Employee Pension Policy" and allocated 9% of an	

Promotion Item	Implementation Status(Note 1)			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			employee’s monthly salary as the retirement reserve and deposit the fund in an account of Bank of Taiwan according to article 2 of Regulations for the Allocation and Management of the Workers’ Retirement Reserve Funds. This policy covers all regular employees’ service years prior to the enforcement of the Labor Pension Act on Jul. 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. An employee who has served the Company for 15 years or less is given two basis units for every year of service completed. An employee who has served the Company for over 15 years is given one basis unit for every year of service completed, subject to a maximum of 45 basis units. A basis unit refers to average monthly salary of the six months before the approval for retirement. (2)Since Jul. 1, 2005, the Company has allocated 6 % of an employee’s monthly salary as contribution to the pension fund and deposit it into the employees’ individual pension accounts according to the Labor Pension Act for employees who have chosen the pension plan specified in the Act. Employees may choose to make extra contribution to their pension fund on voluntary basis.	
(3)Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a	✓		The Company values safety and health of the employees in their working environment. It has introduced occupational safety and health policy that emphasizes safety and discipline, cherishes lives, ensures employee participation and commits to continuous improvement. The Company has taken the following measures for	None

Promotion Item	Implementation Status(Note 1)			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
regular basis?			protection of employee safety and health. 1.The Company has set up occupational safety and health management system based on its business size and activities in compliance with related regulations. Specifically, the Taichung Port Container Terminal has been awarded the Taiwan Occupational Safety and Health Management System (TOSHMS) and Occupational Safety and Health Management System (OHSAS 18001) certifications in 2016, as well as completed the migration process from OHSAS 18001 to the dual certifications of TOSHMS and ISO 45001:2018 in 2021. On the other hand, the Taoyuan Container Terminal was awarded the dual certifications of TOSHMS and ISO 45001:2018 in 2023. The Company has achieved the goals of safety and health management with related planning, projects, inspections and improvements. 2.Drivers of The Company’s passenger vehicles and freight trucks are required to take sobriety test and measure blood pressure before they start to work. Drivers are required to meet related standards before they work in order to prevent occupational hazards. 3.In order to prevent operational safety hazards caused by drug abuse, the Company has arranged aperiodic urine drug testing for its employees operating hazardous machines. 4.The Company has designed driving lines, limited the driving speed and provided parking areas for different vehicles in its facilities and regularly maintained all machines and equipment to ensure workplace safety. The Company has drawn and used multiple pedestrian lines in its facilities for separation of pedestrians and vehicles and endurance of pedestrian priority and safety when they	

Promotion Item	Implementation Status(Note 1)			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			cross the facilities. 5.The Company has complied with the regulations in Chapter II of Occupational Safety and Health Act in regard to appropriate planning of necessary arrangement of equipment to ensure safety and health and adoption of related measures. 6.The Company has a clinic and a breastfeeding room, hires qualified doctors and full-time nurses to provide clinic service and health advice to its employees. The clinic also plans and undertakes the activities for maternity health and care, occupational diseases prevention, health promotion and health instructions to help the employees maintain their safety and health. 7.The Company has provided employees the benefit of annual health checkup and assisted them with health management according to the Regulations of the Labor Health Protection. Meanwhile, it has also held occupational safety and health workshops and trainings on regular basis to create safe, healthy work environment. 8.The Company has continued to carry out 6S (sort, set in order, shine, standardize, sustain and safety) activities, assigned “duty officer” on weekly basis, conducting inspection and tracked defects for improvement in order to enhance safety and health management. 9.The Company has investigated factors of occupational hazards in workspace and adopted related management and protection measures. The Company has also prevented occupation injuries and diseases with introduction of workspace monitor project, which covers multiple safety solutions, including regular operation environment monitoring and hazardous operation environment management.	

Promotion Item	Implementation Status(Note 1)			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			10. In 2023, the Company reported a total of 8 occupational accidents involving 8 injuries, which accounted for 0.77% of the Company’s total number of employees. The Company’s improvement measures in response to these accidents are detailed as follows : (1) Require the responsible units to analyze the reasons for these accidents and propose improvement measures. (2) Minimize the occurrence of these accidents through various measures such as enhanced education and training, roll call training, awareness campaigns, etc. 11. In 2023, the Company reported a total of 2 fire accidents involving 0 injuries and deaths, which accounted for 0% of the Company’s total number of employees. The Company’s improvement measures in response to these accidents are detailed as follows : (1)Require each department to fill out the self-inspection record form and conduct inspections before the end of working hours to ensure that public power facilities in the area have been turned off, as well as perform infrared detection of weak currents in switchboards. (2)Require shipping companies to raise awareness among cargo owners with regards to the declaration of International Maritime Organization Classification of Dangerous Goods (IMO Class) or United Nations number (UN No.) and compliance with these items in order to minimize risks in container terminals.	
(4)Does the company provide its employees with	✓		1.The Company provides a variety of trainings, including training for new hires, general training, professional trainings	None

Promotion Item	Implementation Status(Note 1)			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
career development and training sessions?			(trainings arranged to meet business needs and specific activities) and training for supervisors. 2.The Company arranges annual training to its employees, who are required to receive internal or external professional job-related training to enhance their professional capabilities and help the Company secure business deals, meet contractor requirements and receive certification. The Company helps its employees improve their professional capabilities, develop their potential, continuously meet job requirements, conduct competence management and formulate their life-long learning plan with diversified learning resources.	
(5)Does the Company’s products/services comply with regulations and international standards related to customers’ health, safety and privacy, marketing and labeling? Does the Company establish related consumer interests protection policies and appealing procedures?	✓		1.The Company’s products and services complies with regulations and international standards related to their R&D, procurement, production, offering and sale processes to ensure information transparency and safety of its products and services. 2.The Company complies with the Personal Information Protection Act in its protection of customer and consumers privacy. The Company does not misuse customer information for promotion campaigns and advertisements that are not directly related to its business activities. Meanwhile, the Company also has very sound IT system and equipment and very effective control and protection measures in place. Customer information is filed, maintained and managed by responsible units based on their business characteristics. The Company also manages user access to customer information for prevention of leakage, loss, unauthorized change and misuse of customer information. 3.The Company has created a section for	None

Promotion Item	Implementation Status(Note 1)			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			stakeholders on its website and provided detailed contact information and email address for its services. Customers can directly offer suggestions about the services to related units of the Company. They can also use the email address in “Contact me” section to offer suggestions, file complaints and express their opinions. Emails sent to this email address are first handled by the Audit Department and then directed to units involved according to their business activities. Emails sent for complaint purpose are replied by responsible staff after investigation to protect consumer rights and interests. 4.The Company’s services complies with regulations and international standards governing business solicitation. The Company clearly informs its customers of charges, items and scope of its services and does not infringe its customers’ rights and interests with cheating, misleading information, fraud or any other practices that damage customer trust. 5.The Company takes responsibility for its services and values marketing ethics. In particular, all of its procurement, operation and service processes ensure information transparency and safety to safeguard customer rights and interests during the service process.	
(6)Does the Company establish supplier management policy that asks its suppliers to comply with requirements related to environment protection,	✓		1.The Company has drawn up the guideline for supplier management process in order to select qualified, high-quality suppliers. The guideline imposes the requirements for the suppliers to provide products/service that meet the standards of the Company and fulfill their corporate sustainable development. In addition, the guideline also imposes the requirement for all business units of the Company to include a clause that allow them to immediately	None

Promotion Item	Implementation Status(Note 1)			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
occupational safety and health or labor rights? What’s the implementation status of the policies?			terminate or cancel the contracts of their suppliers violate their sustainable policy of the Company, when they sign the contracts with their suppliers. Corporate sustainable policy of the Company covers issues in multiple aspects, including environment protection, occupational safety and health and labor rights. The policy has been announced on the Company’s official website. 2.The Company carries out supplier’s evaluation on regular basis (every two years) to assess their performance of environment protection, occupational safety and health and labor rights. Only the suppliers who pass the evaluation are eligible to continue to do business with the Company. Moreover, our suppliers are required to fill out a questionnaire for a survey about their performance of environment protection, labor practices, fair trade and sustainable procurement. The Company does statistical analysis about the results of the returned questionnaires in order to know the level of importance the suppliers attach to their corporate sustainable development and their related operations.	
5.Does the Company prepare its reports for disclosure of non-financial information, including its corporate sustainable development report, by reference to international standards or guidelines for report preparation? Does the company obtain opinions of		✓	Content and framework of the Company’s corporate sustainable development report comply with key requirements of Global Reporting Initiative (GRI) Standards and the GRI standards that are applied for the content and framework of the report are listed in the appendix for reader’s information. The Company is expected to engage Afnor Asia Ltd. to verify the 2023 Sustainability Report according to the AA1000 Moderate Level of Assurance in 2024.	None

Promotion Item	Implementation Status(Note 1)			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
third-party accreditation body for its assurance or guarantee for aforementioned reports?				
6.If the Company has established the corporate sustainable development principles based on “the Corporate sustainable development Best-Practice Principles for TWSE/TPEX Listed Companies”, please describe any discrepancy between the Principles and their implementation: The Company has established corporate sustainable development principles of Evergreen International Storage and Transport Corp. based on “the Corporate sustainable development Best-Practice Principles for TWSE/ TPEX Listed Companies.” The Company has applied these principles in its corporate governance and fulfillment of corporate sustainable development.				
7.Other important information to facilitate better understanding of the company’s corporate sustainable development practices: The Company has made the following contributions to public welfare: (1)The Company donated NT\$ 440 thousand to Chang Yung-Fa Foundation and Chang Yung-Fa Charity Foundation in 2023 to support their social services and charity work. (2)Since March, 2016, the Company has allowed Taoyuan City Government to use some of its land in Jingguo special district (about 2,000 pings from the end of Yoheng Road to Rongxing Bridge) free of charge for bikeway extension project along Nankang River, which was launched to enhance safety and accessibility of local biking activities. (3)As one of the bus stops in Taoyuan City is close to the road and the Company’s land, and is located close to the Zhongshan Expressway intersection and Container Terminal Control Station entrance with heavy traffic, the Department of Transportation, Taoyuan planned to construct a bus station and sidewalks in consideration of the safety of pedestrians and people waiting for the bus. In order to support the public construction of the Taoyuan City Government, the Company provided part of the Company’s land area of approximately 4.356 Ping for long-term use with no charge to the Department of Transportation, Taoyuan for the construction of fences, bus shelter, pedestrian sidewalk, other construction works and public facilities, which were completed at the end of Aug. 2021, providing a more comfortable and safe environment for the public waiting for the bus. (4)The Company specially invited a total of 180 schoolchildren from the Taoyuan region in two batches on Nov. 14 and Dec. 12, 2023 to participate in extracurricular and social welfare activities organized by the Evergreen Maritime Museum operated by the Chang Yung-fa Foundation, with a total sponsorship of NTD 300,000 aimed at covering the costs incurred by these activities. (5)In an effort to realize social care, both the Company and Evergreen Logistics jointly organized the Rose Tomb Life Education Music Seminar on Nov. 14, 2023. aimed at enhancing employees’ life experience and humanistic qualities in addition to looking after social welfare organizations.				

(6) In response to the beach cleanup campaign hosted by Project Blue 1095, the Company, along with 200 partners, collected and removed 1,274 kilograms of marine waste and trash and picked up 1,396 PET bottles at the Luzhu Weigh Station in Taoyuan on Apr. 8, 2023, thus contributing to the local community and the marine environment.

Other Matters:

In 2018, the Company applied for a renewal of the “Security and Safety Authorized Economic Operator” (AEO) certification to Keelung Customs of Customs Administration, Ministry of Finance in accordance with the Regulations Governing the Certification and Management of the Authorized Economic Operators. The AEO self-assessment was carried out in 2023 and has been approved by Keelung Customs. The certification shows the Company’s compliance with WCO SAFE Framework that the Company provides safe, premium storage and transport services and jointly improves the supply chain safety of international trade activities through the collaboration with its business partners in the upstream, midstream, and downstream industries. The Company will continue to follow AEO related rules and spirits, partner with Customs authority, and serve its customers with optimized services to help them increase their competitiveness in the international market.

8. Climate-related Information from TWSE/TPEx-listed Companies:

(1) Implementation Status Concerning Climate-related Information

Item	Implementation Status
1. Describe the Board of Directors’ and management’s oversight and governance of climate-related risks and opportunities.	The Sustainability Committee under the Board of Directors serves as the steering and supervisory unit in charge of the Company’s sustainable development, whereas the execution team, which acts as the dedicated unit responsible for promoting corporate sustainability, reports regularly to the Sustainability Committee and the Board of Directors each year, as well as conducts reviews and makes decisions on various risk management strategies.
2. Describe how the identified climate risks and opportunities affect the Company’s business, strategies, and finance (in the short-, medium-, and long-term).	In an effort to identify climate risks and opportunities, the execution team under the Sustainability Committee identifies the following climate risks and opportunities in compliance with the TCFD framework and the Company’s risk management policies and procedures: 1. Risk: (1) The frequency of extreme weather events is on the rise. (2) The energy structure changed and caused the increase of electricity expense. (3) Average temperature kept increasing and caused the energy consumption increase. (4) The imposition of domestic carbon fee. 2. Opportunities: (1) Engage in fleet transformation to improve energy efficiency and cut fuel costs. (2) Upgrade equipment to reduce greenhouse gas emissions. (3) The ESG investment enhance corporate image.

Item	Implementation Status																				
3.Specify the financial impacts of extreme climate events and related transition actions.	As regards extreme climate and transition actions, the Company incorporates climate change risks into its operational decisions, as well as identify and manage risks, in order to properly manage risks associated with extreme weather events and the transition to a low-carbon economy. At the same time, the Company implement mitigation and adaptation actions in the face of global warming and resource depletion while fully responding to energy conservation and carbon reduction trends.																				
4.Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	The Company’s risk management policies and procedures encompass the identification of various risks, including strategic risk, market risk, and hazard risk. Climate risks will be included in the assessment during risk identification, while the relevant risks will be measured, responded to, and monitored after they are identified.																				
5.Specify the scenarios, parameters, assumptions, factors analyzed, and major financial impacts if scenario analysis is employed to assess resilience to climate change risks.	The Company took into account the operating environment under different climate scenarios, including 1.5°C, 2°C, and 3°C, based on the scientific data disclosed in IPCC AR6, and analyzed the results of possible temperature increases under different scenarios (from negative carbon to very high carbon emissions) as shown below: <table><tr><th>Year IPCC Scenario</th><th>2023-2024</th><th>2025-2030</th><th>2031-2040</th><th>2041-2050</th></tr><tr><td>SSP1-1.9(B2DS)</td><td>1.5°C</td><td>1.5°C</td><td>1.5°C</td><td>1.5°C</td></tr><tr><td>SSP2-4.5(2DS)</td><td>1.5°C</td><td>1.5°C</td><td>1.5°C</td><td>2.0°C</td></tr><tr><td>SSP5-8.5</td><td>1.5°C</td><td>1.5°C</td><td>2.0°C</td><td>3.0°C</td></tr></table>	Year IPCC Scenario	2023-2024	2025-2030	2031-2040	2041-2050	SSP1-1.9(B2DS)	1.5°C	1.5°C	1.5°C	1.5°C	SSP2-4.5(2DS)	1.5°C	1.5°C	1.5°C	2.0°C	SSP5-8.5	1.5°C	1.5°C	2.0°C	3.0°C
Year IPCC Scenario	2023-2024	2025-2030	2031-2040	2041-2050																	
SSP1-1.9(B2DS)	1.5°C	1.5°C	1.5°C	1.5°C																	
SSP2-4.5(2DS)	1.5°C	1.5°C	1.5°C	2.0°C																	
SSP5-8.5	1.5°C	1.5°C	2.0°C	3.0°C																	
6.Specify the content of the plan, as well as the metrics and targets used to identify and manage physical and transition risks if there is a transition plan to manage climate-related risks.	The Company currently has no transformation plan to address climate risks.																				
7.Describe the basis for price setting if internal carbon pricing is used as a planning tool.	The Company does not currently use internal carbon pricing as a planning tool.																				

Item	Implementation Status
8.Specify the activities covered, scope of greenhouse gas emissions, planning schedule, and annual progress if climate-related targets are set. Specify the source and amount of carbon offsets or the number of renewable energy certificates (RECs) if carbon offsets or RECs are used to achieve the relevant targets.	Company conducted a greenhouse gas inventory in 2023 to learn about the different scopes of greenhouse gas emissions within the Company and the amount of greenhouse gas emissions from the Company's operations. In the future, overall climate risks and opportunities will be taken into consideration in the development of the Company.
9.Specify greenhouse gas inventory and assurance status, as well as reduction targets, strategies, and specific action plans.	Please refer to pages 80 to 81.

(2) The Company's Greenhouse Gas Inventories and Assurance Status in the Last Two Years

a. Information on Greenhouse Gas Inventories

In 2022, Greenhouse Gas inventory Information is as follows:

Category 1	Emissions (tonnes CO ₂ e)	Intensity of CO ₂ e (tonnes CO ₂ e/\$million)
Evergreen International Storage and Transport Corporation	24,097.3446	4.928
Category 2	Emissions (tonnes CO ₂ e)	Intensity of CO ₂ e (tonnes CO ₂ e/\$million)
Evergreen International Storage and Transport Corporation	6,720.6553	1.374

In 2023, Greenhouse Gas inventory Information is as follows:

Category 1	Emissions (tonnes CO2e)	Intensity of CO2e (tonnes CO2e/\$million)
Evergreen International Storage and Transport Corporation	24,123.9115	5.101
Category 2	Emissions (tonnes CO2e)	Intensity of CO2e (tonnes CO2e/\$million)
Evergreen International Storage and Transport Corporation	5,735.2838	0.825

Note 1: The Intensity of CO2e is the greenhouse gas produced for the revenue in term of million NTD.

Note 2: The greenhouse gas emissions for 2023 have not yet been assured, and the emission information will be disclosed in the sustainability report after it is assured.

b.Information on Greenhouse Gas Assurance

The Company's Greenhouse Gas Assurance are as follows:

Year	Scope of Assurance	Assurance Organization	Assurance Standards	Assurance Opinion
2022	No assurance (as the ISO 14064-1 Greenhouse Gas Inventory System standards were introduced at the end of 2022)			
2023	Complete assurance information will be disclosed in the Sustainability Report.			

(3) Specify greenhouse gas inventory and assurance status, as well as reduction targets, strategies, and specific action plans.

As a company with a capitalization of over NTD 10 billion, the Company will complete the greenhouse gas inventory within the boundaries of the 2024 consolidated financial statements in 2025, as well as set greenhouse gas reduction targets with 2024 as the base year. Related data, reduction targets, and action plans will be disclosed in the Company's 2024 annual report.

Note 1: If the implementation is checked with "Yes", please explain the major policies, strategies, measures and implementation taken; if the implementation is checked with "No", please explain the reasons in the column, "Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof," and explain the future relative policies, strategies, measures.

Note 2: Materiality principles refers to principles that are related to environment, society and corporate governance issues and make significant impact to investors and other stakeholders of the Company.

3.4.7 Ethical Corporate Management and Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons

Evaluation Item	Implementation Status(Note)			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1.Establishment of ethical corporate management (1)Does the company establish its ethical corporate management policies approved by its board of directors and disclose its ethical corporate management policies and practices in its guidelines and external documents? Do its board of directors and senior management actively fulfil their commitment to implementation of the policies?	✓		The Company had been resolved by the Board of Directors for adoption of the “Ethical Corporate Management Best-Practice Principles.” The compliance requirements for ethical corporate management are disclosed on the Company’s website and the MOPS. All units of the Company are also required to adhere to ethic and reciprocity principles when they engage in business activities and actively fulfill its commitments on related rights and obligations.	None
(2)Does the company create the risk assessment mechanism for unethical conduct and regularly analyze and assess business activities that incur higher risks within its business scope and introduce the guideline for prevention of unethical conduct that at least complies with the measures to prevent listed activities stated in Article 2, Paragraph 7 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company had been resolved by the Board of Directors for adoption of the “Procedures for Ethical Management and Guidelines for Conduct” and create effective accounting system and internal control system to actively prevent unethical conduct. The Company has also introduced a management guideline. Supervisors of all levels have promoted ethical, transparent and responsible business philosophy in meetings from time to time for the establishment of corporate culture of ethical corporate management. Any discipline and punishment decisions for noncompliance of ethical corporate management requirements are made according to management guideline and related complaint system is operated according to the complaint handling procedure.	None

Evaluation Item	Implementation Status(Note)			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3)Does the company introduce the procedures, code of conduct, punishment for violation, rules of appeal in the guideline for prevention of unethical conduct, implement them and review and modify the guideline on regular basis?	✓		According to Ethical Corporate Management Best-Practice Principles of the Company, its staff are prohibited from entering into improper transactions, including taking and accepting bribery, providing illegal political donation, and receiving improper charity donation or sponsorship, unreasonable gift, treatment and other illegitimate gains.	None
2.Fulfill operations integrity policy (1)Does the company evaluate business partners’ ethical records and include ethics-related clauses in business contracts?	✓		The Company has laid down the “supplier management guideline” for selection of qualified, high-quality suppliers. In-charge units shall carefully assess their supplier’s internal requirements for quality, services, delivery deadlines, sustainable development and ethical corporate management and place those meeting specific criteria on “the list of qualified suppliers,” which is the basis of their procurement and outsourcing decisions. The Company has required in-charge units to include a new clause in the agreements with their suppliers to allow the Company to terminate or cancel the agreement unconditionally if the supplier takes any illegal action that impairs its ethic, including the provision, offering and payment of any commission, kickback, or other inappropriate gain, in its business practices.	None

Evaluation Item	Implementation Status(Note)			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(2) Does the company establish an exclusively dedicated unit supervised by the board of directors to be in charge of corporate integrity? Does the unit report its integrity management policies, the guideline for prevention of unethical conduct and its supervision of the guideline implementation to the board of directors on regular basis (at least once a year)?	✓		The Company’s human resource unit is in charge of supervising the activities related to maintenance of ethical corporate management and assisting the board of directors and the management with the examination and assessment of effectiveness of (conflict of interest) prevention measures adopted by the Company for maintenance of ethical corporate management. The human resource unit prepares a report on the assessment of related business procedures’ compliance status and presents the annual report to the board of directors.	None
(3) Does the company establish policies to prevent conflicts of interest, provide appropriate communication channels, and implement it?	✓		In order to prevent conflicts of interest and provide appropriate communication channels, the Company has established “Ethical Corporate Management Best-Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct” and implemented related policies through the Company’s auditing system and a variety of internal management practices.	None

Evaluation Item	Implementation Status(Note)			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(4)Has the company established effective systems for both accounting and internal control to facilitate ethical corporate management? Has the internal audit unit drawn up the auditing plan for unethical conduct based on the results of its assessment of the risks incurred by unethical conduct? Has the Company conducted the audit on compliance with the guideline for prevention of unethical conduct according to the plan or engaged CPAs for such auditing?	✓		The Company has established effective accounting system and internal control system to ensure our ethical corporate management. Internal auditors have reviewed compliance status of the two systems, prepared the audit report and reported the implementation situation in a meeting of Board of Directors and Audit Committee. The internal auditors may engage CPAs for auditing activities and hire related professionals for assistance when necessary.	None
(5)Does the company regularly hold internal and external educational trainings on operational integrity?	✓		In order to implement ethical management, the Company advocates the principles of ethical corporate management through departmental meetings or supervisor meetings. The employees also participate in external courses to understand the key idea of corporate governance and ethical management. The Company arranges an orientation training course, “Ethical Corporate Management and Codes of Ethical Conduct” for new recruits. In 2023, there was a total of 79 participants and 39.5 hours of training. In addition, each department also arranges the course, "Insider Trading Prevention” for all employees. In 2023, there was a total of 958 participants and a total of 808.9 course-hour.	None

Evaluation Item	Implementation Status(Note)			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
3. Operation of the integrity channel				
(1)Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	✓		The Company had been resolved by the Board of Directors for adoption of the “Codes of Ethical Conduct” to provide guidance on moral standards for the Company staff. They can report any conducts of the Company’s any employees that impair ethical corporate management in oral or written way. The Company also provides an email address specifically for such reporting on the Company’s website. “The Complaint Handling Guideline” and “Procedures for Ethical Management and Guidelines for Conduct” of the Company require human resource unit and related units to handle the reporting and ascertain facts about the fact.	None
(2)Does the company establish standard operating procedures for confidential reporting on investigating accusation cases and introduce post-investigation follow-up practices and related confidentiality mechanism ?	✓		The Company have set up reporting handling system and kept the informer and reported information confidential according to its “Complaint Handling guideline” and “Procedures for Ethical Management and Guidelines for Conduct.” The Company is also committed to the protection of the informer from improper treatment due to his/her reporting and has introduced related measures.	None
(3)Does the company provide proper whistleblower protection?	✓			None
4. Strengthening information disclosure Does the company disclose its ethical corporate management policies and the results of its implementation on the company’s website and MOPS?	✓		The Company had been resolved by the Board of Directors for adoption of the Ethical Corporate Management Best-Practice Principles” and had been disclosed on both the official website and MOPS. Information related to ethical corporate management is also disclosed in the Company’s website and MOPS.	None

5.If the company has established the ethical corporate management best-practice principles based on the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”, please describe any discrepancy between the policies and their implementation: None.
6.Other important information to facilitate a better understanding of the company’s ethical corporate management policies (e.g., review and amend its policies): None.

Note: Regardless of whether the evaluation item is achieved or not, the company shall state an appropriate explanation.

3.4.8 Information Disclosure is Required if The Company has Established Principles for Ethical Management:

Details can be found on <https://www.evergreen-eitc.com.tw>, <https://mops.twse.com.tw>.

3.4.9 Other Important Information to Facilitate a Better Understanding of the Company's Corporate Governance Practices :

1. Courses and training taken by managers of the Company are listed in the table below :

Name	Training Date	Professional Training Institution	Training Sessions and Hours
Lin, Jenn-Fang	2023.07.14	Taiwan Corporate Governance Association	Risks and Opportunities of Climate Change and Net-Zero Emission Policies on Business Operations (3 hours)
	2023.07.24	Taipei Foundation of Finance	Corporate Governance: The AI Boom-Technological Development and Business Opportunities of ChatGPT (3 hours)
	2023.08.07	Taipei Foundation of Finance	Corporate Governance: Sustainable Development and Trends in Sustainable Governance (3 hours)
	2023.10.30	Taiwan Corporate Governance Association	Laws and Auditing of AI Applications (3 hours)
	2024.03.22	Taiwan Stock Exchange	Building a New Carbon Era with Sustainable Knowledge Power (3 hours)
		BCSD Taiwan	
Chen, Cheng-Pang	2023.07.14	Taiwan Corporate Governance Association	Risks and Opportunities of Climate Change and Net-Zero Emission Policies on Business Operations (3 hours)
	2023.10.30	Taiwan Corporate Governance Association	Laws and Auditing of AI Applications (3 hours)

2. Professional training institutions' courses taken by/certification received by the Company's internal auditors and Accounting Officer :

(1) Internal auditors

Name	Training Date	Professional Training Institution	Training Sessions and Hours
Lin, Tzu-Chun	2023.06.14	The Institute of Internal Auditors-Chinese Taiwan	Risk-Oriented Internal Audit Methods and Practices (6 hours)
	2023.09.16		Mastering ChatGPT in Internal Auditing (6 hours)
Chen, Chiu-Liang			Certificate for Passing the Enterprise Internal Control Basic Ability Test

Name	Training Date	Professional Training Institution	Training Sessions and Hours
Chen, Chiu-Liang	2023.07.13	Taiwan Depository & Clearing Corporation	2023 Audit Personnel Education and Training (6 hours)
	2023.10.20	The Institute of Internal Auditors-Chinese Taiwan	Exploring and Improving Operations and Fraud Detection through the Use of Digital Technology: An Examination of Auditing Methods (6 hours)
	2023.12.07		Recent Trends in Corporate Governance from the Perspective of Corporate Governance Evaluation Indicators (6 hours)
Cheng, Yi-Hsuan	2023.08.16	The Institute of Internal Auditors-Chinese Taiwan	Subsidiary Audit Practices (6 hours)
	2023.11.06		Practical Seminar on the Digital Transformation of Internal Auditing (6 hours)
Chiu, Hsin-I	2023.08.10	The Institute of Internal Auditors-Chinese Taiwan	Regulatory Analysis and Audit Focus of the Board of Directors and Functional Committees (Audit and Remuneration) (6 hours)
	2023.12.04		Prevention of Sexual Harassment and Unlawful Assault (Bullying) in the Workplace (6 hours)

(2)Accounting Officer

Name	Training Date	Professional Training Institution	Training Sessions and Hours
Chang, Hui-Chen	2023.10.16 2023.10.17	Accounting Research and Development Foundation	Accounting Officer Continuing Education Course of Issuer, Securities Firm and Stock Exchange (12 hours)
	2023.07.14	Taiwan Corporate Governance Association	Risks and Opportunities of Climate Change and Net-Zero Emission Policies on Business Operations (3 hours)
	2023.10.30	Taiwan Corporate Governance Association	Laws and Auditing of AI Applications (3 hours)

3. According to the result of “the ninth corporate governance evaluation of companies listed in Taiwan Stock Exchange and Taipei Exchange” by Securities and Futures Institute, the ranking of Company has been in the top 35%, which demonstrates good performance of the Company in this regard, the Company will continue to strive for better corporate governance results.

3.4.10 Internal Control System Execution Status

1. Internal Control Statement

Evergreen International Storage & Transport Corporation

Internal Control Statement

Date: Mar. 12, 2024

The Company states the following with regard to its internal control system during the period from 01 Jan. 2023 to 31 Dec. 2023, based on the findings of a self-assessment :

1. The Company is fully aware that establishing, operating, and maintaining an internal control system are the responsibility of its Board of Directors and management. The Company has established such a system aimed at providing reasonable assurance of the achievement of objectives in the effectiveness and efficiency of operations (including profits, performance, and safeguard of asset security), reliability, timeliness, transparency of reporting, and compliance with applicable laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the three goals mentioned above. Furthermore, the effectiveness of an internal control system may change along with changes in environment or circumstances. The internal control system of the Company contains self-monitoring mechanisms, however, and the Company takes corrective actions as soon as a deficiency is identified.
3. The Company judges the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies promulgated by the Securities and Futures Commission, Ministry of Finance (hereinbelow, the “Regulations”). The internal control system judgement criteria adopted by the Regulations divide internal control into five elements based on the process of management control: 1. control environment 2. risk assessment 3. control activities 4. information and communications 5. monitoring. Each element further contains several items. Please refer to the Regulations for details.
4. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.
5. Based on the findings of the assessment mentioned in the preceding paragraph, the Company believes that during the stated time period its internal control system (including its supervision of subsidiaries), encompassing internal controls for knowledge of the degree of achievement of operational effectiveness and efficiency objectives, reliability, timeliness, transparency of reporting, and compliance with applicable laws and regulations, was effectively designed and operating, and reasonably assured the achievement of the above-stated objectives.

6. This Statement will become a major part of the content of the Company's Annual Report and Prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.
7. This statement has been passed by the Board of Directors Meeting of the Company held on 12 Mar. 2024, where zero of the nine attending directors expressed dissenting opinions, and the remainder all affirmed the content of this Statement.

Evergreen International Storage & Transport Corporation

Chairman: Chiu, Shien-Yuh

President: Lin, Jenn-Fang

2.If CPA was engaged to conduct a special audit of internal control system, provide its audit report : None.

3.4.11 Company or Employees Been Penalized by Law or Employees Received Penalties from Company for Violating the Internal Control Regulations during the Latest Year and up to the Printing Date of this Annual Report, where the Result of such Penalty Could Have a Material Effect on Shareholder Equity or Securities Prices, the Annual Report Shall Disclose the Penalty, the Major Nonconformities, and Status of Improvements : None.

3.4.12 Major Resolutions of Shareholders' Meeting and the Board of Directors during the Latest Year and up to the Printing Date of this Annual Report :

1.Major resolutions and execution of 2023 Annual General Shareholders' Meeting :

(1) To approve 2022 earnings distribution.

Execution: The cash dividends to shareholders was NT\$1.25 per share, with a total amount of NT\$1,333,926,368. The cash dividend was distributed on August 09, 2023.

(2) To approve amendments of the "Articles of Incorporation".

Execution: The amended "Articles of Incorporation" was approved by the Commerce Department, Ministry of Economic Affairs (letter No. 11230129300).

(3) To elect 9 Directors (including 3 Independent Directors) according to the "Articles of Incorporation".

Execution: The election of directors was approved by the Commerce Department, Ministry of Economic Affairs (letter No. 11230129300).

2.Major Resolutions of Board of Directors and Functional Committees (Audit Committee, Remuneration Committee and Sustainability Committee) :

The Board of Directors Meeting Date & Session	Major Resolutions	Date, Session, Opinion of Independent Directors & Functional Committees (Resolution of Functional Committees)
Jan. 17, 2023 (The 1 st Board Meeting of 2023)	1. To re-elect the Chairman of the Board of Directors. 2. To approve the change of the chief corporate governance officer of the Company. 3. To approve the change of the person in charge of keeping the seals for endorsement and guarantee. 4. To approve making proposal on 2023 Annual General Shareholders' Meeting to re-elect directors of the Company. 5. To approve making proposal on 2023 Annual	-

The Board of Directors Meeting Date & Session	Major Resolutions	Date, Session, Opinion of Independent Directors & Functional Committees (Resolution of Functional Committees)
	General Shareholders' Meeting to release restrictions of competitive activities of the newly elected directors. 6. To approve holding 2023 Annual General Shareholders' Meeting.	
	7. To approve amendments of "Internal Control System". 8. To approve appointment of the Company's Certified Public Accountants and their remuneration of the year 2023. 9. To approve "Pre-approval Policy for Non-Assurance Services provided by Certified Public Accountants".	Jan. 17, 2023 The 1st meeting of Audit Committee in 2023 1. All proposals were approved unanimously by Audit Committee members. 2. Objection, reservation or important opinion expressed by independent directors: None.
	10. To approve 2023 Chairman's salary. <u>Recusal of Directors and voting situation of Board of Directors</u> - Chairman Chen, Yih-Jong has direct personal interest conflicts to the proposal. - Except for the Chairman who recused himself from the discussion and resolution, all 7 attendance directors agreed and approved the proposal. 11. To approve 2023 manager's salary. <u>Recusal of Directors and voting situation of Board of Directors</u> - Director Lin, Chao-Rong has direct personal interest conflicts to the proposal. - Except for the director who recused himself from the discussion and resolution, all 7 attendance directors agreed and approved the proposal. 12. To approve newly-elected Chairman's salary of the year 2023. <u>Recusal of Directors and voting situation of Board of Directors</u> - Director Chiu, Shien-Yuh, the newly-elected	Jan. 17, 2023 The 1st meeting of Remuneration Committee in 2023 1. All proposals were approved unanimously by Remuneration Committee members. 2. Objection, reservation or important opinion expressed by independent directors: None.

The Board of Directors Meeting Date & Session	Major Resolutions	Date, Session, Opinion of Independent Directors & Functional Committees (Resolution of Functional Committees)
	Chairman, has direct personal interest conflicts to the proposal. • Except for the director who recused himself from the discussion and resolution, all 7 attendance directors agreed and approved the proposal. 13. To approve the appointment of the President and 2024 remuneration.	
Mar. 09, 2023 (The 2 nd Board Meeting of 2023)	1. To approve 2022 Employees' Compensation. 2. To approve 2022 Directors' Compensation. 3. To amend "Payment Guidelines for Director Remuneration". 4. To approve the attendance fees for independent directors to attend board meetings and directors who concurrently serve as members of functional committees to attend meetings of functional committees.	Mar. 9, 2023 The 2nd meeting of Remuneration Committee in 2023 1. All proposals were approved unanimously by Remuneration Committee members. 2. Objection, reservation or important opinion expressed by independent directors: None.
	5. To approve 2022 Business Report. 6. To approve 2022 Parent-Company-Only Financial Report and Consolidated Financial Report. 7. To approve 2022 earnings distribution. 8. To approve 2022 Internal Control Statement. 9. To approve amendments of "Internal Control System" and "Internal Audit Implementation Rules".	Mar. 9, 2023 The 2nd meeting of Audit Committee in 2023 1. All proposals were approved unanimously by Audit Committee members. 2. Objection, reservation or important opinion expressed by independent directors: None.
	10. To approve to appoint the new member of "Sustainability Committee". 11. To approve the nomination of 9 director (including 3 independent directors) candidates. 12. To approve revising the agenda of 2023 Annual General Shareholders' Meeting.	-

The Board of Directors Meeting Date & Session	Major Resolutions	Date, Session, Opinion of Independent Directors & Functional Committees (Resolution of Functional Committees)
May 11, 2023 (The 3 rd Board Meeting of 2023)	1. To approve the Consolidated Financial Report for the first quarter of the year 2023. 2. To approve amendments of “Internal Control System”. 3. To approve the lease of office and Hinterland of Taipei Port Container Terminal Corp.. <u>Recusal of Directors and voting situation of Board of Directors</u> - Director Chang, Yen-I and Tai, Jiin-Chyuan, have direct personal interest conflicts to the proposal. - Except for the directors who recused themselves from the discussion and resolution, all 6 attendance directors agreed and approved the proposal.	May. 11, 2023 The 3 rd meeting of Audit Committee in 2023 1. All proposals were approved unanimously by Audit Committee members. 2. Objection, reservation or important opinion expressed by independent directors: None.
	4. To approve the amendments of the “Articles of Incorporation”.	-
Jun. 19, 2023 (The 1 st Board Meeting of the 22 th Board of Directors)	1. To elect the Chairman of the Board of Directors. 2. To appoint the member of the 5 th of Remuneration Committee. 3. To appoint the member of the 2 nd Sustainability Committee.	-
Aug. 8, 2023 (The 2 nd Board Meeting of the 22 th Board of Directors)	1. To approve the Consolidated Financial Report for the second quarter of the year 2023. 2. To approve amendments of budget of the second half year 2023. 3. To approve reducing the amount of endorsement and guarantee for the subsidiary, Gaining Enterprise S.A..	Aug. 8, 2023 The 1 st meeting of the 3 rd Audit Committee 1. All proposals were approved unanimously by Audit Committee members. 2. Objection, reservation or important opinion expressed by independent directors: None.
	4. To approve amendments of “Remuneration Committee Charter”. 5. To review the “Regulations of Payment for Directors”.	Aug. 8, 2023 The 1 st meeting of the 5 th Remuneration Committee 1. All proposals were

The Board of Directors Meeting Date & Session	Major Resolutions	Date, Session, Opinion of Independent Directors & Functional Committees (Resolution of Functional Committees)
	6. To review the “Regulation of Payment for Managers”. <u>Recusal of Directors and voting situation of Board of Directors</u> • Director Lin, Jenn-Fang, has direct personal interest conflicts to the proposal. • Except for the director who recused himself from the discussion and resolution, all 8 attendance directors agreed and approved the proposal. 7. To approve 2023 Chairman’s salary. <u>Recusal of Directors and voting situation of Board of Directors</u> • Director Chiu, Shien-Yuh, has direct personal interest conflicts to the proposal. • Except for the director who recused himself from the discussion and resolution, all 8 attendance directors agreed and approved the proposal. 8. To approve the current independent directors’ salary. <u>Recusal of Directors and voting situation of Board of Directors</u> • Independent director Chang, Ching-Ho, Szu, Wen-Chang and Tseng, Yu-Chin have direct personal interest conflicts to the proposal. • Except for the directors who recused themselves from the discussion and resolution, all 6 attendance directors agreed and approved the proposal. 9. To approve the current directors’ remuneration for attending meetings of board and functional committees.(including attending in person and via video conference)	approved unanimously by Remuneration Committee members. 2. Objection, reservation or important opinion expressed by independent directors: None.
	10. To establish goals of mid-long term sustainable development. 11. To amend the “Risk Management Policy”	Aug. 8, 2023 The 1st meeting of the 2nd Sustainability Committee 1. All proposals were approved unanimously by

The Board of Directors Meeting Date & Session	Major Resolutions	Date, Session, Opinion of Independent Directors & Functional Committees (Resolution of Functional Committees)
		Sustainability Committee members. 2. Objection, reservation or important opinion expressed by independent directors: None.
	12. To approve credit line with financial institutions.	-
Nov. 10, 2023 (The 3 rd Board Meeting of the 22 th Board of Directors)	1.To acknowledge purchase fractional shares of 2023 capital increase through capitalization of retained earnings of Evergreen Logistic Corp.. 2.To approve the Consolidated Financial Report for the third quarter of the year 2023. 3.To approve credit line with financial institutions with subsidiary, Gaining Enterprise S.A., and provide guarantee for the subsidiary.	Nov. 10, 2023 The 2 nd meeting of the 3 rd Audit Committee 1. All proposals were approved unanimously by Audit Committee members. 2. Objection, reservation or important opinion expressed by independent directors: None.
	4.To approve credit line with financial institutions.	-
Dec. 21, 2023 (The 5 th Board Meeting of the 22 th Board of Directors)	1. To approve 2023 manager's year-end bonus. <u>Recusal of Directors and voting situation of Board of Directors</u> • Director Lin, Jenn-Fang has direct personal interest conflicts to the proposal. • Except for the director who recused himself from the discussion and resolution, all 8 attendance directors agreed and approved the proposal. 2. To approve 2024 manager's salary. <u>Recusal of Directors and voting situation of Board of Directors</u> • Director Lin, Jenn-Fang has direct personal interest conflicts to the proposal. • Except for the director who recused himself from the discussion and resolution, all 8 attendance directors agreed and approved the proposal.	Dec. 21, 2023 The 2 nd meeting of the 5 th Remuneration Committee 1. All proposals were approved unanimously by Remuneration Committee members. 2. Objection, reservation or important opinion expressed by independent directors: None.

The Board of Directors Meeting Date & Session	Major Resolutions	Date, Session, Opinion of Independent Directors & Functional Committees (Resolution of Functional Committees)
	3. To approve 2023 Chairman’s year-end bonus. <u>Recusal of Directors and voting situation of Board of Directors</u> • Director Chiu, Shien-Yuh has direct personal interest conflicts to the proposal. • Except for the director who recused himself from the discussion and resolution, all 8 attendance directors agreed and approved the proposal. 4. To approve 2024 Chairman’s salary. <u>Recusal of Directors and voting situation of Board of Directors</u> • Director Chiu, Shien-Yuh has direct personal interest conflicts to the proposal. • Except for the director who recused himself from the discussion and resolution, all 8 attendance directors agreed and approved the proposal. 5. To amend “Regulations of Board Performance Evaluation”.	
	6. To approve donations to Chang Yung-Fa Foundation and Chang Yung-Fa Charity Foundation. 7. To appoint the Company’s Certified Public Accountants and determine their remuneration of the year 2024. 8. To establish “Audit and Non-Audit Services Pre-approval Policy Permissible Non-Assurance Services by Certified Public Accountants Firms” . 9. To approve subsidiary, Evergreen Logistic Corp., provide guarantee for subsidiary, Evergreen International Logistics(HK) Ltd.. 10. To approve business plan and budget of the year 2024.	Dec. 21, 2023 The 4th meeting of the 3rd Audit Committee 1. All proposals were approved unanimously by Audit Committee members. 2. Objection, reservation or important opinion expressed by independent directors: None.
	11. To approve 2024 Internal Audit Plan. 12. To approve credit line with financial institutions.	-

The Board of Directors Meeting Date & Session	Major Resolutions	Date, Session, Opinion of Independent Directors & Functional Committees (Resolution of Functional Committees)
Jan. 29, 2024 (The 6 th Board Meeting of the 22 th Board of Directors)	1. To amend“ Table of Authority Limit of Acquiring and Disposing of Assets& other Financial Matters”. 2. To approve the lease of Hinterland of the 7th Container Center of Port of Kaohsiung of Evergreen Marine Corp. (Taiwan) Ltd.. <u>Recusal of Directors and voting situation of Board of Directors</u> • Director Ko, Lee-Ching, Chang, Yen-I and Tai, Jiin-Chyuan, have direct personal interest conflicts to the proposal. • Except for the directors who recused themselves from the discussion and resolution, all 6 attendance directors agreed and approved the proposal. 3. To construct the Warehouse of Trailers at the area of Nankan.	Jan. 29, 2024 The 5 th meeting of the 3 rd Audit Committee 1. All proposals were approved unanimously by Audit Committee members. 2. Objection, reservation or important opinion expressed by independent directors: None.
	4. To approve holding 2024 Annual General Shareholders’ Meeting.	-
Mar. 12, 2024 (The 7 th Board Meeting of the 22 th Board of Directors)	1. To approve 2023 Employees’ Compensation. 2. To approve 2023 Directors’ Compensation. 3. To amend “Remuneration Committee Charter”.	Mar. 12, 2024 The 3 rd meeting of the 5 th Remuneration Committee 1. All proposals were approved unanimously by Remuneration Committee members. 2. Objection, reservation or important opinion expressed by independent directors: None.
	4. To approve 2023 Business Report. 5. To approve 2023 Parent-Company-Only Financial Report and Consolidated Financial Report. 6. To approve 2023 earnings distribution. 7. To approve 2023 Internal Control Statement. 8. To approve amendments of “Internal Control System” and “Internal Audit Implementation	Mar. 12, 2024 The 6 th meeting of the 3 rd Audit Committee 1. All proposals were approved unanimously by Audit Committee members. 2. Objection, reservation or

The Board of Directors Meeting Date & Session	Major Resolutions	Date, Session, Opinion of Independent Directors & Functional Committees (Resolution of Functional Committees)
	Rules”. 9. To change the Chief Internal Auditor of the Company. 10. To approve subsidiary, Evergreen Logistic Corp., provide guarantee for subsidiary, Evergreen International Logistics(HK) and Evergreen International Logistics(Shanghai) Ltd.. 11. To amend “Audit Committee Charter”.	important opinion expressed by independent directors: None.
	12. To amend “Rules for Procedure of the Shareholders’ meeting”. 13. To amend “Regulations for Electing Directors”. 14. To amend “Rules of Procedure for Board of Directors Meetings”. 15. To amend “Corporate Governance Best Practice Principles”. 16. To approve making proposal on 2024 Annual General Shareholders’ Meeting to release restrictions of competitive activities of the director. 17. To approve revising the agenda of 2024 Annual General Shareholders’ Meeting.	-
The Company’s response to the opinions of Independent Directors and Functional Committees: None.		

3.4.13 Major Issues of Record or Written Statements Made by Any Director Dissenting to Important Resolutions Passed by the Board of Director during the Latest Year and up to the Printing Date of this Annual Report : None.

3.4.14 Resignation or Dismissal of the Chairman, CEO, and Heads of Accounting, Finance, Internal Auditor, Chief Corporate Governance Officer and R&D during the Latest Year and up to the Printing Date of this Annual Report :

Title	Name	Appointment date	Dismissal date	Reason of Resignation or Dismissal
Chairman	Chen, Yih-Jong	2017.10.12	2023.03.01	Retirement
President	Lin, Chao-Rong	2018.01.01	2023.02.01	Retirement

Title	Name	Appointment date	Dismissal date	Reason of Resignation or Dismissal
Chief Corporate Governance Officer	Hsieh, Hsu-Hui	2019.05.09	2023.01.17	Position adjustment
Internal Audit Officer	Lin, Cih-Chun	2021.08.09	2024.04.01	Retirement

3.5 Information Regarding the Company's Audit Fee and Independence

3.5.1 Audit Fee

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fees	Non-audit Fees	Total (Note)	Remarks
Pricewaterhouse Coopers	Lai, Chung-Hsi	2023.01.01~2023.12.31	4,750	3,355	8,105	The items of non-audit fees include the following services: 1.Audit of business income tax 2.Audit of business tax applying the Direct Deduction Method 3.Transfer pricing report 4.Other financial advisory services
	Chou, Hsiao-Tzu					

Note : If the Company has changed CPA or Accounting Firm during the current fiscal year, the Company shall report the information regarding the audit period covered by each CPA and the replacement reason. Disclose the information such as audit fee and non-audit fee paid in order. Non-audit fee shall report the information of service content.

3.5.2 If the Company changes accounting firm and the audit fees charged by the new firm is less than that of the pervious accounting firm, please disclose the audit fees charged by the two accounting firms and the reason : None.

3.5.3 Audit fees decreases 10% of that of previous year, the decreased audit fees, decreased percentage and reason should be disclosed : None.

3.6 Replacement of CPA : None.

3.7 Audit Independence

The Company's Chairman, Chief Executive Officer, Chief Financial Officer, and managers in charge of its finance and accounting operations did not hold any positions in the Company's independent auditing firm or its affiliates during 2023.

3.8 Stock Transfer or Changes to Stock Pledge of Directors, Managers, or Shareholders Holding More Than 10% of Company Shares during the Latest Year and up to the Printing Date of this Annual Report.

3.8.1 Changes in Shareholding of Directors, Managers and Major Shareholders

Title	Name	2023		As of April 1, 2024	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	HUI Corp.	0	0	0	0
	Representative: Chiu, Shien-Yuh	0	0	0	0
Director	Evergreen Marine Corp. (Taiwan) Ltd.	0	0	0	0
	Representative: Ko, Lee-Ching	0	0	0	0
	Representative: Chang, Yen-I	0	0	0	0
	Representative: Tai, Jiin-Chyuan	0	0	0	0
Director	HUI Corp.	0	0	0	0
	Representative: Lin, Jenn-Fang	0	0	0	0
	Representative: Yeh, Jia-Chyuan	0	0	0	0
Independent Director	Chang, Ching-Ho	0	0	0	0
	Szu, Wen-Chang	0	0	0	0
	Tseng, Yu-Chin	0	0	0	0
President	Lin, Jenn-Fang	0	0	0	0
Executive Vice President	Yang, Hung-Chi	0	0	0	0
Executive Vice President (Financial Officer)	Chen, Cheng-Pang	0	0	0	0
Vice President	Huang, Yu	0	0	0	0
Vice President (Chief Information Security Officer)	Yang, Ting-Huei	0	0	0	0
Vice President	Shih, Yu-Feng	0	0	0	0
Vice President (Accounting Officer)	Chang, Hui-Chen	0	0	0	0
Vice President	Yang, Hsi-Chang	0	0	0	0
Vice President	Chen, I-Hua	0	0	0	0
Chief Corporate Governance	Lin, Hsueh-Ming	0	0	0	0

Title	Name	2023		As of April 1, 2024	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Major Shareholder	Evergreen Marine Corp. (Taiwan) Ltd.	0	0	0	0

Note 1 : Shareholders holding over 10% of the outstanding shares shall be remarked as major shareholders and listed individually.

Note 2 : Fill in the following table when the counterparty of transfers or pledges of shares is a related party.

3.8.2 Information of Stock Transfer and Stock Pledged : Not applicable.

3.9 Relationship Among the Top Ten Shareholders

Name (Note 1)	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees (Note 3)		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Evergreen Marine Corp. (Taiwan) Ltd.	430,690,830	40.36	Not applicable		0	0.00	Chang, Kuo-Hua	Director of Evergreen Marine Corp. (Taiwan) Ltd.	None
Representative: Chang, Yen-I	0	0.00	0	0.00	0	0.00	None	None	
Bank of Taiwan as Custodian Yuanta Taiwan High Dividend Low Volatility ETF Securities Investment Trust Fund Account	34,468,000	3.23	Not Applicable		0	0.00	None	None	None
Chang, Kuo-Cheng	29,913,692	2.80	0	0.00	0	0.00	Chang, Kuo-Hua Chang, Kuo-Ming Yang, Mei-Chen	Within two degrees kinship	None
Cathay United Bank as Custodian Sheng Rong Corp. Ltd. Investment Account	26,693,000	2.50	Not Applicable		0	0.00	None	None	None
Bank SinoPac as Custodian All Asia Management Inc. Investment Account	26,601,000	2.49	Not Applicable		0	0.00	None	None	None
Bank SinoPac as Custodian Ally Holding Ltd. Investment Account	23,394,968	2.19	Not Applicable		0	0.00	None	None	None
Chang, Kuo-Hua	19,390,231	1.82	12,980,000	1.22	0	0.00	Evergreen Marine Corp. (Taiwan) Ltd.	Director	None
							Yang, Mei-Chen	Spouse	
							Chang, Kuo-Ming Chang, Kuo-Cheng	Within two degrees kinship	
Chang, Kuo-Ming	18,800,000	1.76	7,921,905	0.74	0	0.00	Chang, Kuo-Hua Chang, Kuo-Cheng Yang, Mei-Chen	Within two degrees kinship	None
Wang, Zhuang Yan	14,363,000	1.35	0	0.00	0	0.00	None	None	None
Yang, Mei-Chen	12,980,000	1.22	19,390,231	1.82	0	0.00	Chang, Kuo-Hua	Spouse	None
							Chang, Kuo-Ming Chang, Kuo-Cheng	Within two degrees kinship	

- Note 1 : Name of the top-10 shareholders must be listed respectively. For institutional shareholders, the title of such institutional shareholder and the name of the representative(s) shall be listed respectively.
- Note 2 : The percentage of shareholding shall be calculated by taking into account the shares held by the shareholder, his/her spouse, children of minor age, and other persons holding shares in his/her name.
- Note 3 : For the shareholders referred to above including legal person and natural person, shall have the relationship disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms.

3.10 Ownership of Shares in Affiliated Enterprises

As of December 31, 2023

Affiliated Enterprises (Note)	Ownership by the Company		Direct or Indirect Ownership by Directors, Supervisors, Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
Gaining Enterprise S.A.	1,470,000	100.00	0	0.00	1,470,000	100.00
Shun An Enterprise Corp.	2,500,000	100.00	0	0.00	2,500,000	100.00
Evergreen Logistics Corp.	125,864,030	91.21	132,328	0.10	125,996,358	91.31
Ever Reward Logistics Corp.	740,000	30.00	740,230	30.00	1,480,230	60.00
Taipei Port Container Terminal Corp.	86,183,263	16.57	144,799,275	27.85	230,982,538	44.42

Note : Investee accounted for using equity method.

IV. Capital Overview

4.1 Capital and Shares

4.1.1 Source of Capital

1. Issues Shares

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital Increases by Assets Other than Cash	Others
03/2002	10	530,000,000	5,300,000,000	521,892,613	5,218,926,130	New shares are issued for the merger with Evergreen Container Terminal Corporation.	None	Approved by Securities & Futures Commission, Ministry of Finance (“SFC”) Ref. No. Tai-Tsai-Cheng-I-Tzu 163651 on Oct. 25, 2001.
11/2002	10	1,100,000,000	11,000,000,000	1,067,141,094	10,671,410,940	New shares are issued for the merger with Uniglory Marine Corporation.	None	Approved by Securities & Futures Commission, Ministry of Finance (“SFC”) Ref. No. Tai-Tsai-Cheng-I-Tzu 0910147881 on Sep. 10, 2002.
2003~ 04/2024	10	1,100,000,000	11,000,000,000	1,067,141,094	10,671,410,940	None	None	None

Note 1 : Information for the current fiscal year shall be added as of the publication date of this annual report.

Note 2 : For any capital increase, the effective (approval) date and the document number shall be added.

Note 3 : Shares traded below par value shall be indicated in a clear manner.

Note 4 : Capital increase by currency debts or technology shall be stated and the type and amount of assets involved in such capital increase shall be noted.

Note 5 : Private placement of corporate bonds shall be indicated in a clear manner.

Shares Type	Authorized Capital			Remarks
	Issues Shares	Un-issued Shares	Total Shares	
Commom Stock	1,067,141,094	32,858,906	1,100,000,000	Shares of TWSE Listed Companies

Note : Please indicate whether the shares are issued by a Company listed on the Taiwan Stock Exchange (TWSE) or the Taipei Exchange (TPEX) (Shares of which trading is restricted on the TWSE or those which are traded on the TPEX shall be noted).

2. Information for Shelf Registration : Not applicable.

4.1.2 Status of Shareholders

As of April 1, 2024

Item	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Natural Persons	Foreign Institutions & Natural Persons	Total
Number of Shareholders	4	9	211	69,516	188	69,928
Shareholding (shares)	4,780,630	3,101,917	473,029,767	425,636,328	160,592,452	1,067,141,094
Percentage(%)	0.45	0.29	44.32	39.89	15.05	100.00

Note : Companies primarily listed on the TWSE or the TPEx shall disclose the proportion of their shares held by investors from Mainland China. Investors from Mainland China refer to natural persons, legal persons, organizations, institutions or companies in areas other than Taiwan and Mainland China that are invested by persons of such identity as defined in Article 3 of the Regulations Governing Investment of Mainland Chinese in Taiwan.

4.1.3 Shareholding Distribution Status Common Stock

As of April 1, 2024

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding(Shares)	Percentage(%)
1~999	23,161	3,910,578	0.37
1,000~5,000	37,843	77,849,892	7.29
5,001~10,000	4,898	39,992,354	3.75
10,001~15,000	1,254	16,207,443	1.52
15,001~20,000	903	17,024,197	1.60
20,001~30,000	627	16,312,031	1.53
30,001~40,000	293	10,634,111	1.00
40,001~50,000	207	9,834,199	0.92
50,001~100,000	363	26,451,768	2.48
100,001~200,000	179	25,403,514	2.38
200,001~400,000	76	21,558,587	2.02
400,001~600,000	44	21,271,348	1.99
600,001~800,000	16	10,815,858	1.01
800,001~1,000,000	9	8,488,755	0.80
1,000,001 or over	55	761,386,459	71.34
Total	69,928	1,067,141,094	100.00

Preferred Stock

As of April 1, 2024

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding (Shares)	Percentage(%)
None	None	None	None
Total	None	None	None

Note : The Company has not yet issued any preferred shares.

4.1.4 List of Major Shareholders

The names, shareholding number and percentages of shareholders holding over 5% or shareholders ranking among the top ten :

As of April 1, 2024

Entity \ Shareholding	Number of Shares	Percentage(%)
Evergreen Marine Corp. (Taiwan) Ltd.	430,690,830	40.36
Bank of Taiwan as Custodian Yuanta Taiwan High Dividend Low Volatility ETF Securities Investment Trust Fund Account	34,468,000	3.23
Chang, Kuo-Cheng	29,913,692	2.80
Cathay United Bank as Custodian Sheng Rong Corp. Ltd. Investment Account	26,693,000	2.50
Bank SinoPac as Custodian All Asia Management Inc. Investment Account	26,601,000	2.49
Bank SinoPac as Custodian Ally Holding Ltd. Investment Account	23,394,968	2.19
Chang, Kuo-Hua	19,390,231	1.82
Chang, Kuo-Ming	18,800,000	1.76
Wang, Zhuang Yan	14,363,000	1.35
Yang, Mei-Chen	12,980,000	1.22

4.1.5 Market Price, Net Worth, Earnings, and Dividends per Share

Unit: NT\$

Item \ Year		2022	2023	2024 (As of April 1, 2024) (Note 8、9)
Market Price per Share (Note 1)	Highest	43.95	35.60	36.10
	Lowest	25.45	26.30	30.85
	Average	35.92	29.41	33.70
Net Worth per Share (Note 2)	Before Distribution	27.69	29.58	-
	After Distribution	26.44	28.48	-
Earnings per Share	Weighted Average Shares (shares)	1,067,141,094	1,067,141,094	1,067,141,094
	Earnings per Share (Note 3)	3.30	2.55	-
Dividends per Share	Cash Dividends (Note 2)	1.25	1.10	-
	Stock Dividends	Dividends from Retained Earnings	-	-
		Dividends from Capital Surplus	-	-
	Accumulated Undistributed Dividends (Note 4)		-	-
Return on Investment	Price/Earnings Ratio (Note 5)	9.56	11.22	-
	Price/Dividend Ratio (Note 6)	25.25	26.02	-
	Cash Dividend Yield Rate (Note 7)	3.96%	3.84%	-

* In case of surplus or capital reserve reinvested to allotment of shares, the number of shares to be distrusted should be disclosed with traced adjustment of market value and cash dividend information.

Note 1 : List the highest and lowest market price of common shares for each fiscal year and calculate the average market price for each fiscal year based on trading value and volume in each fiscal year.

Note 2 : The company's appropriation of earnings in 2023 was officially resolved by the board of directors and is not yet resolved by the shareholders' meeting.

Note 3 : If there was any retroactive adjustment required due to stock dividends, earnings per share before and after such adjustment shall be listed.

Note 4 : If there was any condition regarding the issuance of equity securities stating that undistributed dividends for the current fiscal year has to be accumulated till the year when a profit is recorded, the Company shall separately disclose cumulative undistributed dividends as of the current fiscal year.

Note 5 : Price/Earnings Ratio = Average Market Price/Earnings per Share

Note 6 : Price/Dividend Ratio = Average Market Price /Cash Dividend per Share

Note 7 : Cash Dividend Yield Rate = Cash Dividend per Share/ Average Market Price

Note 8 : For net asset value per share and earnings per share, data from the most recent quarter that has been verified (reviewed) by CPAs as of the publication date of this annual report should be filled. For other fields in this column, data from the current fiscal year as of the publication date of this annual report should be filled.

Note 9 : Up to the printing date of this annual report, the Company's financial statements as of March 31, 2024 haven't reviewed by independent auditors.

4.1.6 Dividend Policy and Implementation Status

1. Dividend Policy:

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, secondly 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.

The Company's dividend may be distributed all in cash or distributed in cash and shares provided that the cash dividend shall be at least 10% of total dividend.

2. Dividend Distribution in Current Year (was adopted by the Board of Directors but had not been resolved by the shareholders) :

The board adopted a proposal for 2023 dividend distribution at its meeting on March 12, 2024 that cash dividends will be distributed to shareholders for NT\$1.10/per share, total amount of distribution is about NT\$1,173.86 million.

3. The Description of Expected Dividend Policy Will Be Changed Significantly:None.

4.1.7 Impact of Stock Dividends issuance on the Company's Business Performance and Earnings per Share : None.

4.1.8 Compensation of Employees and Directors

1. Range or Percentage of Employees' Compensation and Directors' Remuneration :

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.

The employees' compensation shall be distributed in the form of stock or cash; while the directors' remuneration shall be distributed only in the form of cash.

2. The Basis for Estimating the Amount of Employees' Compensation and Directors' Remuneration, for Calculating the Number of Shares to be Distributed as Employee Compensation, and the Accounting Treatment of the Discrepancy, if any, between the Actual Distributed Amount and the Estimated Figure, for the Current Period:

The employees' compensation and directors' remuneration were estimated on the basis of the Company's Articles of Incorporation and consideration of legal reserve with distributable profit of current year for the year ended December 31, 2023. There is no difference from the amount as resolved by the meeting of Board of Directors.

3. Distribution of Employees' Compensation and Directors' Remuneration in the Board of Directors Meeting:

- (1) Amount of employees' compensation (including stock and cash) and directors' remuneration distributed. If the actual amount distributed differs from the original estimated amount, the difference, reason, and how this was handled is to be disclosed:

The employees' compensation and directors' remuneration of 2023 as resolved by the meeting of Board of Directors were NT\$34,000,000 and NT\$6,036,986 and the employees' compensation will be distributed in the form of cash. The amount is no difference from the recognized expense amount in 2023.

- (2) The amount of any employees' compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employees' compensation:

The employees' compensation proposed for distribution by the Board of Directors this year is paid in cash instead of stock dividend.

4. Information of 2022 Distribution of Employee's Compensation and Directors' Remuneration (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed) and, if There Is Any Discrepancy between the Actual Distribution and the Recognized Employees' Compensation and Directors' Remuneration, Additionally the Discrepancy, Cause, and How It Is Treated:

Unit: NT\$ thousands

Item	The amount of actual distribution	The amount of recognition	Difference	Difference Causes and Process
Employee Compensation(Cash)	38,000	38,000	-	None
Remuneration of The Directors (Cash)	6,456	6,456	-	None

4.1.9 Buyback of Treasury Stock : None.

4.2 Corporate Bond : None.

4.3 Preferred Stock : None.

4.4 Global Depository Receipts : None.

4.5 Employee Stock Options : None.

4.6 Employee Restricted Stock : None.

4.7 Status of New Shares Issuance in Connection with Mergers and Acquisitions :
None.

4.8 Financing Plans and Implementaion : None.

V. Operational Highlights

5.1 Business Activities

5.1.1 Business Scope

1.The Group is mainly engaged in the following activities:

- (1) Wholesale of Gasoline and Diesel Fuel
- (2) Gasoline Stations
- (3) Highway Bus Transportation
- (4) Urban Automobile Transportation
- (5) Passenger Car Rental and Leasing
- (6) Sightseeing Bus Transportation
- (7) Automobile Container Transport
- (8) Ship Transportation
- (9) Shipping Agency Services
- (10) Container Distributing Center Business
- (11) Ship Stevedore Operator
- (12) Warehousing
- (13) Ship Trading,Transportation and Chartering
- (14) Management Consulting
- (15) Ocean Freight Forwarders
- (16) Air Freight Forwarder
- (17) Customs Brokers
- (18) International Trade
- (19) Tally Packaging
- (20) Data Processing Services
- (21) All business items that are not prohibited or restricted by law, except those that are subject to special approval

2.Revenue distribution:

Unit: NT\$ thousands

The Main Commodities	2023	The Proportion of Revenues(%)
Freight Forwarder	10,140,124	61.85
International Marine Business	3,222,806	19.66
Inland Transportation	1,713,306	10.45
Container Terminals	838,941	5.12
Gasoline Station	430,801	2.63
Others	48,076	0.29
Total	16,394,054	100.00

3.New products (Services) development:

In 2024, TCG Port Container Terminal plans to establish equipment system for maritime express handling units, expanding its business and increasing company revenue. Furthermore, TCG Port Container Terminal will construct the rubber tire gantry crane collector rail facility to reduce carbon emissions and improve energy consumption efficiency. Evergreen Logistics, a subsidiary, leverages the benefits of sea and air transportation to develop warehousing logistics. It will also establish an international logistics center with a cross-border logistics framework, offering bonded and non-bonded goods. The center is projected to be operational by 2024. By leveraging the advantages of the international logistics center, our goal is to create business opportunities, improve operational efficiency, and reduce operating costs.

5.1.2 Industry Overview

1. Current status and future development of the industry

Competitive Conditions in the Container Freight Stations and Container Transportation Industry

The container freight station industry in Taiwan is well-established. Due to changes in subjective and objective conditions, competition among ports has intensified. Shipping companies increasingly favor port-based distribution centers, which has presented industry operators with significant challenges. Inland container distribution centers have several main competitive advantages, including market size, container handling capacity, and operational efficiency. These centers also prioritize expanding their business strategies. However, when it comes to information technology application, market grasp, cost control and computerization, equipment maintenance capability, corporate image and ability to respond to emergencies, and safety management, there is not much difference compared to privately-owned port distribution centers that prioritize stable business strategies. To maintain their competitive edge, industry players must actively establish more distinctive competitive advantages to ensure the long-term sustainability of their businesses. Regarding container transportation, some shipping companies have gradually shifted their inland transportation business to the blue way model, which involves transportation through sea corridors. Traditional long-haul transportation operators have been unable to sustain their business due to losses and have turned to the market of port operations or CY transportation. This has intensified the already challenging conditions for container transportation. Additionally, the industry faces the challenge of an aging workforce of drivers and restrictions on working hours imposed by regulations, which have further exacerbated the situation. As a result, the willingness of operators to invest and operate has weakened. To enhance the confidence of transportation operators in sustainable operation, it is crucial to actively and significantly improve the freight structure.

Rejuvenation of operation equipment

Based on the concept of sustainable operation, the Company actively improves the operation performance and customer service satisfaction of inland/port containers, to boot, the efficiency of internal administrative processes is simplified through the e-documents, and budget is also set

aside every year for replacement of old machines with new ones. In terms of operating equipment, in 2023, 14 new environmentally friendly towing vehicles were added, with 60 newly acquired container trucks for the Taipei Port and Taichung Port. They were delivered and put into use in 2023. TCG Port also deployed a new Gantry Crane at the Taichung harbor in 2023 in order to meet business needs of our clients with higher competitiveness in the market and showing the Company's determination to become the leader of the industry.

Adjustments of operation strategies

When other companies from the container freight station industry have withdrawn from operation, the Company did not reduce the scale of operations, instead has been looking forward in planning new investment targets, such as the construction of the Dayuan Logistics Park, the reinvestment of Evergreen Logistics, the operation of new business entities such as container leasing, and upgrading the computer operating systems of the inland container freight stations to Tospro2, which adjusts the operation service during off-peak hours of the container yard to reduce costs. The container transportation also transforms the concept of service according to customer needs by combining the operation mode of compound logistics such as container yard, warehousing, and transportation, and cooperates with cross-industry alliances, such as the domestic long-distance distribution of the multinational chain retail stores and the professional warehousing and logistics industry. Furthermore, as per the plan, we have proactively applied to operate the express delivery zone, showcasing our company's unwavering commitment to pursuing advancements in the current business landscape despite fierce competition and unfavorable conditions.

Advancing the logistics and transportation industry

The current global discourse centers on advancing the logistics and transportation industry, making green logistics emerge as the prevailing global business trend. The rapid expansion of e-commerce has led to a significant surge in logistics, transportation, and warehousing demand. Reducing energy consumption and carbon emissions has emerged as a significant concern and a potential business opportunity. The Asia-Pacific region is poised to become the fastest-growing regional market for third-party logistics, thanks to the rapid growth of the global e-commerce industry and technological advancements. The company has strategically adjusted its operational strategies and layout by investing in Evergreen Logistics, taking a forward-looking and macro approach. Its goal is to develop expertise in e-commerce logistics operations management, in line with the growth of the warehousing business, and to enhance global land, sea, and air transportation services to meet the market demand for comprehensive logistics.

2. Relationship with Up-, Middle- and Downstream Companies

The Company provides container wharf, inland depot, container transportation, car and bus transportation, private gas stations, inspection factories and other transportation industries, in addition to providing shipping industry ship leasing, container leasing, container lifting, storage and stacking, container repair and cleaning, container control, cargo handling, warehousing and logistics, container transportation and other professional services. In addition, the target of

reinvestment also includes emerging sectors such as sea and air cargo contracting, international logistics centers, and cross-border e-commerce. The relevant supply chains are listed as follows:

Upstream companies

(1) Marine Freight Carriers	(2) Shipping Agents	(3) Marine Forwarders
(4) Inbound/Outbound Cargo Owners	(5) International Logistics Companies	(6) Gasoline Companies
(7) Bus Importers	(8) Travel Agencies	(9) Fork Lift Importers
(10) RTG Importers	(11) GC Importers	(12) Cross-border e-commerce

Midstream Companies

(1) Customs Brokers	(2) Container (Cargo) Transport Companies	(1) Cargo Surveyors
(4) Tour Bus Body Manufacturers	(5) Warehousing and Logistics Companies	(6) Terminal Operators
(7) Car Spare Parts Suppliers	(8) Electronic Equipment Suppliers	(9) Oil Suppliers
(10) Architecture Development and Construction Companies	(11) Metal Parts /Tire suppliers	(12) Photovoltaic Energy Corporation
(13) Tour Bus		

Downstream Companies

(1) Container (Cargo) Handling and Transport	(2) Container Maintenance and Repair	(3) Vehicle Maintenance
(4) Security Company	(5) Cleaning Company	(6) Dock loading
(7) Dock unloading		

3. Industry trends

Reorganization of Shipping Strategic Alliance

The maritime market is volatile and constantly changing. Container shipping companies in the industry are always striving to maximize their companies and market share. The previous business model of individual shipping companies operating independently is no longer prevalent. Instead, there is a trend towards alliance members complementing each other's strengths to enhance competitiveness. The three major global alliances, OCEAN, 2M Alliance, and THE Alliance, collectively hold over 80% of the market share. In 2023, the 2M Alliance became the world's largest shipping company, with the Mediterranean Shipping Company S.A. (MSC) replacing the Maersk Line. However, the two members of the 2M Alliance plan to terminate their alliance relationship in January 2025. Maersk Line is expected to establish a long-term partnership with the original member of THE Alliance, Hapag-Lloyd, in February 2025. It will result in significant market changes, with economies of scale playing a more prominent role in

the maritime market. The members of the Ocean Alliance, including Evergreen Marine, Yang Ming Marine, COSCO Shipping, and Orient Overseas Container Line, have strong route complementarity, further enhancing Evergreen's global competitiveness. The members of THE Alliance, including Yang Ming Marine, Hapag-Lloyd, Ocean Network Express, and Hyundai Merchant Marine, have a relatively balanced deployment on major routes. Hapag-Lloyd announced its withdrawal in January 2024.

Deployment of ultra large ships

The trend of larger ships also increases the risk of draught that can be carried by ports in various countries, which will lead to international trade turning and favoring the big ports, and the small ports will lose competitiveness due to the inability of ships to dock. For example, there are no longer container ships with fixed voyages to dock in Portland in the United States. This has also led many countries to invest heavily in port infrastructure to cope with the large-scale ships. The recent development projects in Liverpool and London have made these British ports attract large ships again. The Indonesian government has also announced that it will invest US\$ 3.6 billion to upgrade the port to ensure that it can connect with neighboring rival Singapore. With the changes in shipping demand in the shipping market and the goal of shipowners to reduce ship costs, large-scale container ships have become a new trend. At present, the Far East-Europe routes have been equipped with giant container ships above 20,000 TEU. In order to meet the improvement on the efficiency of container loading operations by shipping companies, global container wharf have invested heavily to update the most modern large-scale container handling equipment, expand the container storage hinterland, and improve external traffic.

Developmental trend of port logistics

Influenced by the vigorous development of the global logistics industry chain, the rise of cross-border e-commerce, shipping express, and sea-air combined transportation, shipping container companies have gradually cooperated with port groups to meet customer needs and strengthen competition for global and transit goods such as by investing in the value-added logistics supply chain, serving customers together with third-party or fourth-party logistics, changing the original trade conditions, and provide a full range of door to door services. Through the convenience of EDI automated customs clearance and the pre-registration system for delivery and collection of containers, we are moving towards a professional and refined logistics model.

4. Market competition of the Company's products

Competition between container ports and inland container distributing center business

With changes in both subjective and objective conditions, international competition has become increasingly fierce, while Taiwan's inland container depot industry has reached a mature stage. This has led operators in this industry to face operational challenges. Inland container freight station operators strive to alleviate the competitive pressure on container terminal operators, they achieve this by continuously updating equipment to improve operational efficiency, strengthening the EDI self-clearance function to simplify operations, optimizing operations through real-time cargo tracking systems, and developing diversified logistics warehousing

models. By gaining recognition and support from the ocean freight forwarding industry, they can meet the convenient requirements of import cargo owners for receiving goods, thereby creating value for inland container freight stations.

5.1.3 Research and Development

1. During the latest year and up to the printing date of this annual report, the Company has invested about NT\$ 360.58 million in the research and development of product/technologies in the table.

New Products Launched	Description
Environmentally-Friendly Fleet	In terms of passenger and freight transport, older vehicles were progressively replaced with new ones with Euro 6 rated environmentally friendly engines. The vehicles are environmentally friendly and energy-saving, which will help improve air quality and save fuel. These vehicles are also equipped with active driver assistance to enable safe transportation services.
Initiative of Procurement of New Container Trucks	The newly procured container trucks were deployed at container yards of Taipei Port and Taichung Port container yard to enhance the efficiency and safety of container trucks of terminal operations.
The Green Building Certification for the Dayuan Logistics Park	The Dayuan Logistics Park has achieved the Bronze-level Green Building Certification, demonstrating compliance with standards for ecology, energy efficiency, carbon reduction, and health. It is committed to promoting the sustainable development of architectural resources.
Installation of a Solar Energy System in Dayuan Logistics Park	To promote sustainable development, enhance the company's environmental value, and improve international market competitiveness, we have installed solar facilities on the roofs of the Dayuan Logistics Park. This initiative not only reduces carbon emissions, but also improves environmental benefits and air quality.
Implementation of Privileged Account Management for Information Security	By implementing Privileged Account Management, the company can proactively protect, control, and monitor servers, databases, network security devices, and other privileged accounts, thereby enhancing its information security.
Introduction of Email Social Engineering Training Service for Information Security	To enhance the company's personnel cybersecurity awareness, we conduct annual email social engineering drills and train personnel who fall into trap by opening fishing emails or clicking on links.

2. Future R&D projects

The Company plans to invest NT\$ 254.96 million in the projects below:

Future R&D Projects	Description	Schedules	Description of Progress up to 2024/4/1
Continuously Developing an Environmentally Friendly Fleet	Consistently replacing older vehicles with newer ones, the vehicles we purchase are equipped with (Euro 6) environmental engines. These engines not only	2024/12	In progress

Future R&D Projects	Description	Schedules	Description of Progress up to 2024/4/1
	enhance performance and promote environmental conservation, but also improve air quality, save energy, maintain operational efficiency, and provide safe transportation services. Fourteen tow trucks and thirteen buses are scheduled to be delivered in 2024.		
New Construction for Rubber-Tire Gantry Crane Collector Rail Facility	The electrical rail facilities in Zone 17 of Taichung Port Container Terminal upgrades to run on electricity,so that is can enhance energy efficiency and ensure greater operational stability.	2024/04	In progress
New Construction for Equipment and System of Maritime Express Handling Units	Establish maritime express equipment to offer maritime express services in the central region.	2024/12	In progress
Establishment of Control Station Entrance Caption Machine and OCR License Plate Recognition System	The Taichung Port Container Terminal optimizes its operations by adopting an identification system to reduce waiting times for drivers entering the facility.	2024/12	In progress
Implementation of Coating the Protective Paint on the Interior of Underground Oil Storage Tanks	In order to ensure the safety of oil tank usage, protective coating is applied to the interior of the tanks at the four operating stations in the Taoyuan area to prevent corrosion and leakage.	2024/09	In progress
Implementation of Advanced Email Attack Defense System (MailAPT) for Information Security	We enhance the company's information and communication security by blocking advanced email attacks through security intelligence comparison, known virus characteristic comparison, and sandbox	2024/10	The Proof of Concept (POC) is done in February 2024. The product was confirmed for further procurement and implementation

Future R&D Projects	Description	Schedules	Description of Progress up to 2024/4/1
	behavioral analysis.		
Adpotion of a Security Information and Event Management (SIEM) System	By leveraging Security Information and Event Management (SIEM), we collect logs from various devices and network traffic, performing information normalization and correlation analysis to identify and analyze potential issues within the information system, thus enhancing the company's cybersecurity.	2024/10	The Proof of Concept (POC) is done in January 2024. The product was confirmed for further procurement and implementation
Adpotion of Data Loss Prevention (DLP) in the Information Security System	DLP system can restrict access and record sensitive electronic data, so as to enhance the company's information security.	2024/10	The Proof of Concept (POC) is expected to be done in April 2024. The product was confirmed for further procurement and implementation

5.1.4 Long-term and Short-term Development

In regard to sustainable management goals, the company has formulated the following short-term, medium-term and long-term development strategies and goals:

Short-term development strategies and goals	Mid-term and long-term strategies and goals
1. Activate the business territory to increase the Company's revenue	1. Ensure operational goals and create maximum profits
2. Rejuvenate machinery and increase service quality	2. Invest in equipment and stabilize service quality
3. Improve operation safety through enhancement of education and training	3. Strengthen internal control and implement risk management
4. Adjust market strategy and attract customers actively	4. Implement Corporate Governance and achieving sustainable development

1.Short-term development strategies and goals

The global economy has been impacted by decrease of in demand in end markets and adjustments in industry inventory, resulting in a slowdown in economic growth. Although domestic private consumption remained relatively stable, Taiwan's economic growth fell short of expectations due to weak commodity exports and a lack of enthusiasm in corporate investment. The performance of the shipping industry is closely tied to global economic growth. In recent years, central banks worldwide have raised interest rates to combat inflation, resulting in a slowdown in the global economy and a direct impact on shipping demand. On the supply side, it is expected that the introduction of new ships in 2023-2025 will greatly enhance shipping capacity, leading to an oversupply in the shipping industry throughout the year 2023. In the short term, the industry will benefit from the Red Sea crisis, which help absorb the excess capacity and raise freight rates. However, in the long run, the industry will continue to face an oversupply. The merged company is committed to enhancing service quality, upgrading outdated equipment, and strengthening computerized processes in order to reduce costs and improve operational competitiveness. Our short-term development strategy and objectives are as follows:

- (1) Solicit high value storage business such as import, constant temperature and bonded warehouse storage, and increase utilization rate of inbound/outbound (CY) container storage area actively.
- (2) In the area of container shipping and port/inland container depots businesses, the Company continues to update operating equipment to promote operating safety and reduce maintenance costs by upgrading service quality.
- (3) The Company makes effort to adjust market strategies to reduce the vacancy rate of the vehicles due to on dock operation of shipping companies. We not only increase truck dispatch efficiency and continue to develop inbound/outbound CY container haulage business, but also increase truck dispatch efficiency through operation of a container truck matching platform and integration of company vehicle /external vehicle transportation capacity information.
- (4) The global demand for passenger flights is steadily recovering, driven by strong demand and a resurgence in domestic tourism. We are actively expanding our business in national tour buses and crew transport vehicles to maximize revenue. Additionally, we are strengthening our marketing strategy by leveraging the independent official website platform of Evergreen Bus, which enhances operational efficiency. Simultaneously, we are focusing on improving our service quality to enhance the brand image of Evergreen Bus.
- (5) The warehouse building at Da Yuan Logistics Park has been leased out completely, and the office building for lease will be ongoing in the future. Additionally, Da Yuan Logistics Park offers excellent property management services, and obtains Green Building Certification, which signifies its achievement in terms of ecology, energy efficiency, waste reduction, and health.

- (6) In order to implement occupational safety management and meet the ISO 45001 international standard, we prioritize operational safety by providing personnel safety education and training, as well as supplying necessary safety equipment.
- (7) By implementing the ISO 14001 environmental management system, organizations can effectively manage environmental impacts, mitigate environmental risks in operational processes, and create a healthier work environment for employees.
- (8) We are implementing ISO 27001 international information security certification and continuously optimizing our management systems to maintain the company's information security. This includes enforcing corporate governance and enhancing the trustworthiness of our supply chain.

2. Mid-term and long-term strategies and goals

In addition to providing excellent service to reinforce core business and bringing in steady income, the Group has also pursued diversified operation and actively developed new business to achieve revenue growth and sustainable operation. The Company's mid-term and long-term strategies and goals is as follows:

- (1) Tap market momentum and integrate and activate the company's assets to create maximum income for the company.
- (2) Continue to invest in new machinery and equipment to stabilize service quality, meet market and customer needs, and enhance the company's overall competitiveness.
- (3) Continue to strengthen and improve internal control, implement risk management mechanism, and improve the efficiency of risk management's division of labor in order to enhance the company's efficiency and competitiveness.
- (4) Strengthen talent training, the employees' professional ability, and service quality, improve work efficiency, and amplify the company's competitiveness and long-term development.
- (5) Maintain intellectual property management, ensure that the intellectual property management affairs of the merged company are followed to protect each of our rights and interests, and avoid infringing on the rights and interests of others, so as to enhance competitive advantage.
- (6) Implement corporate governance, fulfill corporate social responsibility, and achieve the goal of sustainable development by promoting economic, environmental, and social progress.
- (7) Evergreen Logistics, a subsidiary of the company, continue to acquire high-quality targets through wholly owned establishment, joint venture and equity purchase. In addition, they expand global service bases, integrate internal resources, diversify businesses, develop existing clients and cultivate new clients to increase global market share.

5.2 Market and Sales Overview

5.2.1 Market Analysis

1. Areas where the company's main products are provided

The Group is a member of the ocean container shipping industry supply chain, and our operations are located throughout important ports and inland container depots (ICD) both at home and abroad, and in the Americas, China, Southeast Asia, and Northeast Asia and more, thereby allowing us to provide convenient, professional, and diverse customer services. We also operate large-scale logistics centers, shipping and cargo lease services, as well as invest in ocean and air freight forwarding businesses.

2. Future market supply-demand situation and competitive niche

The ongoing Ukraine-Russia war, Israel-Palestine conflict, Red Sea crisis, and other geopolitical risks have intensified protectionism effects and increased trade costs. The strengthening of the US dollar and skyrocketing inflation have led to monetary tightening, high terminal inventories, and the spillover impact of inventory backlog have led to a slowdown in the global economy. As decline in commodity demand changed global shipping, empty containers in container yards around the world redoubled. Shipping companies have tried to maintain freight rates by reducing shifts but were still unable to negate the trend of sea freight rates falling back to the pre-pandemic level. Large e-commerce companies around the world are also planning internal layoffs to reduce their huge capital expenditures. The global freight market no longer maintains the high-inventory operating model like in the past to save costs. In the wake of retrograding global logistics, the recovery of the overall economy will face severe challenges.

3. Development of Comprehensive Logistics and Warehousing

Due to tariffs and de-Sinicization, orders have shifted to Southeast Asia, where the export market is thriving. In particular, the import and export of materials in the contract manufacturing industry have been positively affected. The growth of the emerging industry of new energy vehicles has also driven the development of the logistics market, especially for each automobile powerhouse. Governments of different countries have successively introduced incentive measures to encourage investment, leading to a continual increase in production. With a relatively rapid growth in inter-regional logistics, the recovery of trade volume to pre-pandemic levels is accelerating. Additionally, the signing of the United States-Mexico-Canada Agreement (USMCA), formerly known as the North American Free Trade Agreement (NAFTA), has boosted import and export logistics between the United States and Mexico. The Company's reinvestment, Evergreen Logistics, is developing comprehensive logistics and warehousing based on its triple advantages of sea, land, and air transportation. Rooted in Taiwan, we continue to deepen our markets in China, Southeast Asia, and the United States, while expanding our services globally. Through logistics services provided by Evergreen Logistics at business locations around the world, we fulfill the logistics needs of our customers for global distribution, and have built an international supply chain brand.

4.Favorable and unfavorable factors and counter measures

By upholding the Group Founder’s principles of “challenge, innovation, and teamwork”, the Group continues to work toward an operating direction of sound profitability. Below is a summary of the favorable and unfavorable factors in future market developments:

Favorable factors

(1)The Group’s vertical integration:

As an affiliate of Evergreen Group, the Group undertakes port, shipping, ICD, and cargo cleaning and other related businesses from Evergreen Marine Corp, as well as the Company’s own investment and operation of a logistics center in Dayuan and reinvestment in air and sea freight forwarding. These businesses have formed a profitable basis for the Company, and we will further undertake the warehousing services and shipside container transfers at Evergreen Marine Corp.’s 7th container terminal at Kaohsiung Port, thereby achieving higher profitability than industry competitors.

(2)Scaling our business:

In line with the trend of “shipping logisticization”, the Company has invested in the construction of the Dayuan Logistics Park, which has completed and come into operation since 2022. We have also expanded our business scope by investing in maritime and airfreight contracting, and have begun to undertake shipside container transfers and warehousing operations at Container Terminal 7 at Kaohsiung Port. In 2024, the Company will apply to the Taichung Customs for the establishment of a Maritime Express Zone, which is expected to be officially put into operation in the third quarter of 2024 and greatly benefit our business development.

Unfavorable factors

(1) Sluggish global economy:

The total shipping capacity created by the new ship market has increased the shipping capacity supply in 2024. However, the sluggish global economy has resulted in oversupply and other unfavorable factors. Further exacerbated by the tight financial situation, persistent labor shortages, disrupted supply chains, and rising inflationary pressures, the global economic performance still lacks momentum.

(2) Variables faced by the container shipping industry:

The global shipping industry is facing geopolitical risks such as the Ukraine-Russia war, Israel-Palestine conflict, and Red Sea crisis. Meanwhile, climate change is also heightening transportation risks for key ports such as the Panama Canal and Suez Canal. With the era of Net Zero and Carbon Negative arriving globally in 2024, carbon surcharges have been imposed in the shipping market, adding to the operational costs of the shipping industry. On the other hand, international experts are concerned about the unresolved Taiwan Strait crisis,

which may have a seriously detrimental impact on the entire shipping industry and may lead to sanctions or forced reduction in cargo flow.

5.2.2 Production Procedures of Main Products

1. Major Products and Their Main Uses

Main Products	Important Activities
Shipside container transfers	Conveying inbound containers from shipside to inland container terminals or conveying outbound containers from inland container depot to shipside for shipment.
Shipside container truck operations	Providing shipside container truck services at the Container Storage and Transportation Center of Taipei Port.
Terminal services and manual operations	Providing terminal services at the Container Storage and Transportation Center of Taipei Port, including container lashing and unlashing, lashing buckle installation and removal, container coupling installation and removal, assistance with container transloading from and to trucks, and dockline handling.
CY inbound/outbound container haulage service	Conveying inbound containers (or empty containers) from the container yard after pick-up to cargo owners' factories or designated locations for unloading (or loading) and carry the containers to a container depot. The Company has offices in northern, central and southern Taiwan and has live up to its reputation with the safest and most punctual transport services to a variety of industrial and commercial customers.
Inland transshipment	Moving containers between Keelung, Taipei Port, Taoyuan, Taichung, and Kaohsiung for transshipment.
Ship and container leasing	Leasing different ships and containers to shipping companies for stable source of income.
International Freight Undertaking	Sea and air freight forwarding for import/export and and cross-border railway transportation business.
Warehouse and Logistic Services	By integrating our underlying strengths in sea, inland, and air, we are committed to developing third-party warehouse and logistics services. This will allow us to provide professional, one-stop logistics solution as well as cross-border e-commerce logistics services on the Group's strategic alliance platform, which will form the most efficient transportation conditions between both suppliers and the consumers.
Depot operation(CY)	Lifting, movement, storage of CY or empty containers and customs inspection for fast container pick-up or delivery of shipping companies and inbound/outbound cargo owners.

Main Products	Important Activities
Warehousing, Cargo Consolidations, And Warehouse Leasing	We accept/deliver cargoes requiring cargo consolidation, warehousing, cargo labeling, assembling/dismantling containers, warehouse transfer, diverting cargo destination, packaging, fixed engineering, and customs clearance services, allowing shipping companies, import/export shippers, and cargo consolidation companies to load/unload and deliver cargoes on time and allowing for quick, safe, and convenient container shipping.
Container repairing	Repairing and cleaning containers upon a shipping company's request.
Bus service	Highway bus, shuttle bus, and passenger car services and leasing of tour buses.
Gas station	Convenient, friendly, trust-worthy gas station and car washing service to the public.
Tire shop and vehicle inspection station	Vehicles inspection, sale of tires and steel rims, and wheel alignment and fast car maintenance services.
Other services	Grade A automotive mechanic and maintenance services.

2. Production Procedures of Main Products

The Group is a transportation company providing ship and container leasing and warehousing services, not a manufacturer. Therefore, there is no production procedure.

5.2.3 Supply Status of Main Materials

Most of the Group's tractors and passenger vehicles are made in Europe or Japan. The spare parts for maintenance and repair activities are supplied by qualified subcontractors selected by the company. All oil products sold at its gas stations are directly supplied by major domestic oil suppliers. Materials for container repairing, such as paint and iron materials, are purchased from domestic qualified suppliers offering the best prices. Ship and container leasing business does not use any materials.

5.2.4 Major Suppliers and Clients in the Last Two Calendar Years

1. Major Suppliers Refer to Those Commanding 10%-plus Share of Annual Order Volume

Unit: NT\$ thousands

Item	2023				2022			
	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer
1	Evergreen Marine(Asia) Pte. Ltd.	2,002,109	14.52	Subsidiary of the Company's major institutional stockholder	Evergreen Marine(Asia) Pte. Ltd.	1,954,521	13.59	Subsidiary of the Company's major institutional stockholder
2	Other	11,785,361	85.48	-	Other	12,430,716	86.41	-
	Net Total Supplies	13,787,470	100.00		Net Total Supplies	14,385,237	100.00	

2. Major Clients Refer to Those Commanding 10%-plus Share of Annual Order Volume

Unit: NT\$ thousands

Item	2023				2022			
	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer
1	Other	16,394,054	100.00	-	Other	17,586,956	100.00	-
	Net Sales	16,394,054	100.00		Net Sales	17,586,956	100.00	

5.2.5 Production in the Last Two Calendar Years

The company is primarily engaged in ship chartering, container leasing, operation of container yards, forwarder, passenger and island transportation, therefore, it is not applicable.

5.2.6 Shipments and Sales in the Last Two Calendar Years

Unit: NT\$ thousands

Shipments & Sales Year Major Products	2023				2022			
	Local		Export		Local		Export	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Inland Transportation Service	-	1,713,306	-	-	-	1,645,190	-	-
Operation of Container Yards	-	838,941	-	-	-	830,554	-	-
Ship Chartering and Other Internaional Shipping Service	-	1,586,009	-	1,636,798	-	2,006,422	-	1,696,593
Petrol Supply and Sales Service	-	430,801	-	-	-	482,949	-	-
Forwarder Service	-	2,661,661	-	7,478,462	-	3,795,318	-	7,082,323
Other	-	48,076	-	-	-	47,607	-	-
Total	-	7,278,794	-	9,115,260	-	8,808,040	-	8,778,916

5.3 Human Resources

Year		2023	2022	2024 (As of April 1, 2024)
Number of Employees	Staff	579	560	566
	Labor	742	731	729
	Seafarer	44	80	43
	Total	1,365	1,371	1,338
Average Age		43.80	43.50	43.70
Average Years of Service		22.80	21.60	22.70
Education	Ph.D.	0.00%	0.00%	0.00%
	Masters	3.81%	3.28%	3.96%
	Bachelor's Degree	55.82%	56.60%	56.73%
	Senior High School	34.65%	34.28%	33.78%
	Below Senior High School	5.72%	5.84%	5.53%

5.4 Information about Environment Protection Costs

5.4.1 Total Amount of Losses and Penalties Incurred by Environmental Pollution During the Latest Year and up to the Printing Date of This Annual Report:

1. On April 27, 2023, one of the labor dispatch driver was caught urinating in public, which is a violation of Article 27, Subparagraph 7 of the Waste Disposal Act. On July 3, 2023, the Kaohsiung City Environmental Protection Bureau imposed a fine of NT\$1,200 (document reference number 41-112-070015) for discarding other general waste in the designated removal area when the Company sent a labor dispatch driver to perform the operation, and the fine has been paid by the labor dispatch driver according to law.
2. On May 30, 2023, one of the labor dispatch driver entered a controlled area designated as Kaohsiung City Phase II Air Quality Maintenance Zone with vehicle number 462-5A. During inspection, it was discovered that the vehicle had not passed the smoke emission test for over two years, which is a violation of Article 40, Paragraph 3 of the Air Pollution Control Act. On September 6, 2023, the Kaohsiung City Environmental Protection Bureau imposed a fine of NT\$500 on us (Document No. 21-112-090014), which has been duly paid in accordance with the law.

5.4.2 Solutions and Possible Disbursements

1. Soil Pollution Control

The Company has conducted pavement reinforcement of its repair area for prevention of oil pollution to reduce impact to the environment.

2. Water Pollution Control

- (1) In addition to installation of sewage and waster water treatment plant for collection of all polluted water, the Company also had a team for operation and maintenance of the equipment to ensure the company's compliance with waste water discharge regulations and fulfill the objective of pollution control.
- (2) In 2023, the Dayuan Logistics Park hired a professional organization to integrate the electricity meters of the sewage treatment equipment into the central monitoring system. This enables the control and recording of sewage equipment usage data and the acquisition of a 'Simplified Discharge Permit' for sewage. The organization was also tasked with carrying out sewage treatment improvement projects. In addition, they conducted a sealed test on the underground oil tanks and transportation equipment of our fueling station, and applied for a renewal of the water pollution prevention and control permit for the Xizhi maintenance plant. The actual expenditure amount was NT\$258,000.

- (3)The Company set up wastewater reclamation system at car wash facilities in its factories and rainwater recovery system for effective recycling and reuse of water resources.
- (4)The Company created a cleaning area for its vehicles and machines and discharged sewage and oil to the oil-water separation system.

3.Air Pollution Control

- (1)The Company's fleet of tractors and passenger buses were maintained at regular basis. The company also retired old vehicles and purchased new vehicles at appropriate times. All new vehicles purchased by the company complied with the latest regulatory requirements on environment protection, in order to effectively reduce CO2 emission, improve air quality and keep up with international trend of environment protection.
- (2)The Company asked all vehicles drivers to switch off the engines when they were not operating their vehicles in order to reduce oil consumption of engine idling and emission of exhaust gas. The company also laid down a operation guideline for these requirements.
- (3)The Company improved the vehicle dispatch system to reduce the vacancy rate.
- (4)The Company supported government policy of oil-gas recovery and installed oil-gas recovery equipment at all of its gas station. The company also decreased waiting time of its vehicles by increasing operation efficiency of container yards.
- (5)The Company reduced waiting time of vehicles by increasing operation efficiency of container yards.
- (6)When the Company used fork lift trucks for warehousing operations, preference was given to electric trucks to meet operational needs and reduce exhaust gas emission.
- (7)To cooperate with the government's promotion of energy transition policies, solar energy facilities are installed on the roof of the Dayuan Logistics Park and TCG Port Container Terminal, which can not only reduce carbon emissions, but also help to improve environmental benefits and air quality.

5.4.3 Solution for Compalince with EU's Restriction of Hazardous Substances Direction: Not applicable.

5.5 Labor Relations

5.5.1 Employee Benefits

1. Employee Benefits are as Follows:

- (1) wedding gift money and funeral condolence money
- (2) wedding subsidy
- (3) funeral subsidy
- (4) solatium money for injury/disease
- (5) settling-in allowance for transferred employees
- (6) house rent and family visit allowances
- (7) medical consultation and meals
- (8) holiday gifts and monetary gifts
- (9) company outings, uniforms and monetary gift for birthday
- (10) foreign language training subsidy
- (11) recreation and leisure activities
- (12) year-end bonus and employees' compensation, depending on operation performance of the Company

2. Employee Insurance: coverage of Labor Insurance, Labor Occupational Accident Insurance and National Health Insurance. Group life insurance at discounted premiums.

5.5.2 Employee Education, Training, Retirement Systems and Their Implementation

1. Employee Education and Training are Divided into Two Categories: orientation training and on-the-job training

Orientation Training: all new recruits are required to take the Company's orientation training during the probation period and are formally hired after they meet the requirements after the training. The Company's orientation training covers introduction of corporate culture and philosophy with an emphasis on helping new recruits get familiar with their work environment and quickly bring them on board.

On-the-job Training: the Company's supervisors coach their staff from time to time in meetings and face-to-face communication. In addition, they also arrange the following internal and external professional job-related training annually for their staff.

(1)Internal training: organized by the Headquarters or other facilities/offices.

(2)External training: provided by domestic professional training institutions for enhancement of professional knowledge and knowhow.

The Group's Employee Training Categories and Cost in 2023 are Shown in the Table Below:

Category	Number of Attendees	Cost (Unit: NT\$ thousands)
Orientation Training for New Recruits	178	1,074
Professional Job Training	458	
Occupational Safety and Health Training	825	
Foreign Language Training	36	
Other Project Training	9,953	

2.Retirement System and Its Implementation

(1)Labor pension fund supervisory committee of the Company was set up on Jan. 23, 1987 with the approval of Taoyuan County government via Shelao Letter No. 6932. The Company has also introduced "Employee Pension Policy" and allocated 9% of an employee's monthly salary as the retirement reserve and deposit the fund in an account of Bank of Taiwan according to article 2 of Regulations for the Allocation and Management of the Workers' Retirement Reserve Funds.

This policy covers 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. An employee who has served the Company for 15 years or less is given two basis units for every year of service completed. An employee who has served the Company for over 15 years is given one basis unit for every year of service completed, subject to a maximum of 45 basis units. A basis unit refers to average monthly salary of the six months before the approval for retirement.

(2)Since July 1, 2005, the Company has allocated 6 % of an employee's monthly salary as contribution to the pension fund and deposit it into the employees' individual pension accounts according to the Labor Pension Act for employees who have chosen the pension plan specified in the Act. Employees may choose to make extra contribution to their pension fund on voluntary basis.

5.5.3 Labor-management Contract:

Although the Company has established a labor union, it does not have procedures or regulations in place in accordance with the Collective Agreement Act, nor has it signed a collective agreement.

5.5.4 Employee Code of Conduct and Employee Interests Protection Measure

1. Employee Code of Conduct

The Company has laid down the code of conduct for employees' services. Major requirements are as follows:

- (1) Follow the Company's all rules and work procedure guidelines and accept orders, directions and supervision of the supervisor.
- (2) Clock in and clock out according to the Company's schedule.
- (3) Put all materials and documents in order before leaving the office.
- (4) Be impartial, discreet, and ethical. Protect the company's reputation, give up all unhealthy habits and work with colleagues in harmony and with mutual respect.
- (5) Be responsible. Ensure layered accountability, work closely with related units, and accomplish tasks with concerted efforts to facilitate the Company's business activities.
- (6) Accept assignments given by the supervisor and do not refuse them without a valid reason.
- (7) Give constant attention to tidiness and safety of the workplace.
- (8) Be polite to customers and visitors without disrespect, arrogance or neglect.
- (9) Avoid private conversation with office telephone line and keep telephone conversation short.
- (10) Before an employee takes the Company's object out of the office, he/she needs to obtain the supervisor's approval and the item shall be checked by a guard.

2. Workplace and Staff Safety Protection Measures

- (1) The Company has set up Occupational Safety & Health Departments in all its facilities and assigned officers, safety manager and staff to take charge of occupational safety and health activities. The Company has also introduced occupational safety and health management system according to related regulations of the competent authorities in central government. The Company has fulfilled the goals of safety and health management and enhanced safety and health management performance through planning, implementation, evaluation and improvements of the system to ensure workplace safety and prevent occupational accidents. In addition, Taichung Container Terminal obtained verification for the Taiwan Occupational Safety and Health Management System (TOSHMS) and the Occupational Safety and Health Management

System (OHSAS18001) in 2016. In 2021, it completed the transition from OHSAS18001 to TOSHMS and obtained dual verification for TOSHMS and ISO45001:2018. The Taoyuan site obtained dual verification for TOSHMS and ISO45001:2018 in 2023. Additionally, our subsidiary, Evergreen Logistics Co., Ltd., is expected to have obtained ISO45001:2018 verification by the end of 2023. Through planning, implementation, inspection, and improvement of management functions, we have implemented occupational safety and health management objectives to boost the level of safety and health management and ensure workplace safety.

- (2) Occupational Safety & Health Departments issue the annual occupational safety and health management plans and require all units to manage their occupational safety and health and conduct self-inspection according to the plan. These units also lay down safety and health guidelines for all staff to comply.
- (3) The Company has created Occupational Safety & Health Committee. With participation of employee representatives, the Committee regularly holds a meeting every three months for the following matters:
 - a. To provide suggestions about occupational safety and health policy to the employer.
 - b. To offer coordination and recommendations of occupational safety and health management plan.
 - c. To review safety and health training plan.
 - d. To review workplace monitoring plan, the monitoring results and adoption measures.
 - e. To review activities related to health management, occupational disease prevention, and health promotion.
 - f. To check all safety and health proposals.
 - g. To review the results of self-inspection and audit safety and health items.
 - h. To review measures for preventing hazards caused by machinery, equipment, raw materials and other materials.
 - i. To review occupation accident investigation report.
 - j. To evaluate onsite safety and health management performance.
 - k. To review safety and health management for the contract business.
 - l. Other matters related to occupational safety and health management.
- (4) When the workers are employed by contractors and subcontractors, according to the law, an occupational safety and health coordination should be set up. The responsible person of the workplace is designated to take charge of leading and coordinating related activities, providing coaching and assistance about safety and health education to related contractors and subcontractors, and communication and coordination for necessary precautions to prevent occupational accidents. Meanwhile, the Company has also introduced advance controls and take precautions to prevent accidents for confined space operation, with dangerous equipment, overhead operation, electrical accidents, impose controls for hot work and conduct workplace monitoring.

- (5)The Company has set the self-inspection plan, regularly checked its machinery and equipment, carried out on-site inspection and kept the inspection record. When the inspection results fail to meet specific standards, such machines/equipment shall not be used and the improvements to the defects are tracked. The Company has also carried out on self-inspection and re-inspection for damage prevention on quarterly basis and has provided a fire drill training every six months.We have implemented a quarterly self-inspection and review mechanism for damage prevention and control, with fire drills and training conducted regularly by responsible units and fire safety managers. Drivers of The Company’s passenger vehicles and freight trucks are given the training to identify hazards during the roll call. Staff at maintenance facilities and container depots are given the same training before their start to work. Meanwhile, the Company has also held a competition for zero vehicle accident and zero accident in container depots on monthly basis, given monetary award to drivers with good safety records on quarterly basis and given monetary award to container depot without any accident every half a year. These efforts aim to increase staff participation and awareness in this regard, ensure operation safety of personnel, cargo, machines and equipment and prevent workplace safety incidents and occupational accidents. In order to prevent operational safety hazards caused by drug abuse, the Company has arranged annual urine drug testing for its employees operating hazardous machines.
- (6)The Company has conducted hazard assessment of, management of, and protection from occupational hazards in the workplace. Additionally, we have developed an environmental monitoring plan for operations, regularly conducted environmental monitoring (illumination, carbon dioxide, organic solvents, etc.), implemented safety measures for hazardous working environments, and performed fit testing for respiratory protective equipment. Through such efforts, we ensure compliance with occupational safety and health facility regulations to prevent employees from experiencing occupational accidents or illnesses.
- (7)The Company has investigated and handled occupational accidents, near misses and incidents that affect employees’ physical and psychological health and carry out related statistical analysis.
- (8)The Company has a clinic and a breastfeeding room, hires qualified doctors and full-time nurses. The Company also provides its employees with services such as organization and implementation of regular health advice sessions, maternal health protection, occupational disease prevention, health promotion, and health guidance, in order to ensure the employees’ work safety and health. In accordance with relevant laws and regulations, the Company formulates and carries out the labor protection practices as stipulated in the “prevention plan for diseases incurred from abnormal workload,” “maternal health protection plan,” “human-induced hazard prevention plan,” and “prevention plan against illegal conducts in the performance of duties. ”

- (9)The Company provides health checkup for new recruits and existing employees in accordance with the Regulations of the Labor Health Protection, and also assist the employees with health management to protect their health. The Company has holds occupational safety and health workshops and trainings on a regular basis to create safe, healthy work environment.
- (10)The Company has installed alarms, flashing lights and monitors for equipment, such as mobile cranes and container handlers according to the Regulations for the Occupational Safety and Health Act to ensure operation safety and prevent accidents.
- (11)All office buildings have 24-hour security guards, and are only accessible with an access card. This is to ensure the safety of the Company’s property and employees.
- (12)The Company has continued to carry out 6S (sort, set in order, shine, standardize, sustain and safety) activities, assigned “duty officer” on weekly basis, conducting inspection and tracked defects for improvement in order to enhance safety and health management.

5.5.5 Estimated Amounts of Current Loss Incurred from Labor Dispute in the Most Recent Fiscal Year and as of the Annual Report Print Date of the Annual Report and Potential Loss Incurred from Labor Disputes: None.

5.5.6 Current Labor Relations and Measures to Address Potential Labor Disputes in the Future

- 1.Maintain effective functioning of different channels of communication to achieve consensus and promote unity of all staff, such as communicating future developments, strategic goals, and important information, measures and reforms of the Company in regular operation meetings and department meetings. This can not only lay solid foundation for harmonious labor relations, but also inform the staff of changes in the Company’s operation and express their opinions.
- 2.Publicly acclaim employees with outstanding job performance or special achievements to bolster staff morale.
- 3.Drivers of Bus Department and Trucking Department are given training at one or two roll calls on monthly basis to help them fix work-related personal problems, communicate company policies and ensure smooth commutation. Practical training is provided when needed.

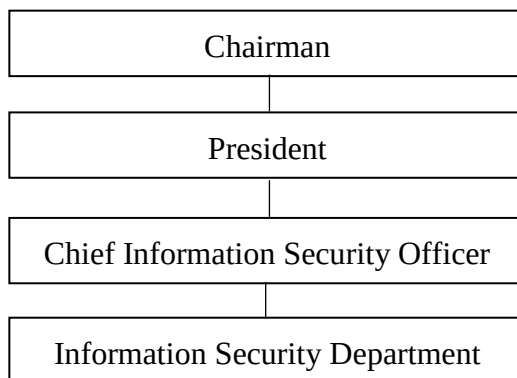
5.6 Cyber Security Management

To maintain the normal, secure, and stable operation of the Company's information and communication systems, and to ensure the confidentiality, integrity, availability, and compliance of company and business partner information with relevant regulatory requirements, we aim to achieve the following goals through the collective efforts of all employees and business partners:

1. Adhere to various legal regulations to safeguard the confidentiality of customer data on the Company's operational platforms, preventing unauthorized access or disclosure.
2. Protect all operational information of the Company's business activities to prevent unauthorized access or disclosure, ensuring the accuracy and integrity of business information.
3. Develop a comprehensive business continuity plan to ensure uninterrupted operations of all company activities, providing customers with the highest quality of service.
4. All employees are required to maintain a high level of information security awareness at all times, refraining from downloading unknown software, accessing unfamiliar websites, or disclosing company information without authorization. It is the ultimate responsibility of supervisors at all levels to oversee information security supervision and management, as well as training. Through regular management reviews, risk assessments, internal audits, educational training, and information security drills, we aim to achieve the goal of reducing information usage risks.

5.6.1 The Risk Management Framework of Information and Communication Security

To maintain the normal service of the Company's information system, ensure the confidentiality, integrity and availability of the Company's information, ensure the normal operation of business and strengthen the establishment of the Company's information security protection and control mechanisms, the Company appointed an information security chief and established a dedicated information security unit, the Information Security Department, which is staffed with one information security supervisor and two specialists who are specifically responsible for the Company's information security related work and adhere to the PDCA (Plan-Do-Check-Action) continuous improvement model in September, 2022. Monthly departmental meetings are also scheduled to review the implementation of information security policies.



Cyber security policies

- Establish an Information Security Department
- Set up information security policy
- Review the information security policy implementation
- Adjust the content of the information security policy

- Compliance with the AEO System
- Compliance with the Guidelines for Information Security Control of Listed OTC Companies
- Refer to industry cybersecurity standards

Cyber security standards

Cyber security guidelines

- Continuously conduct information security education and training
- Information and communication security management
- Information sharing and joint defense
- The establishment of information and communication backup systems

- Information security education and training
- Regular e-mail social engineering exercises
- Enforcement of information and communication security management
- Strengthen information sharing and joint defense
- Regular drills for switching information and communication backup systems

Cyber security procedure

5.6.2 The Policy of Information and Communication Security

1. The Company has created an anti-virus and anti-hacking mechanism and IT equipment backup environment. It also carries out penetration test, vulnerability scanning, and self-check for its network and computer equipment security on annual basis for early detection of potential problems and loophole fixing. The head of Computer Department has reported IT security status and countermeasures to the board of director on regular basis.
2. Internal audit personnel prepares the annual audit report on information and communications security check and controls according to the audit plan and gives the presentation on the implantation results in a board meeting.
3. The Company provides training on its information security requirements to new recruits and newly promoted supervisors. All units have arranged information security training on annual basis. Computer Department has promoted information security and provided case study

information from time to time through emails, the bulletin board and operation meeting of the Company.

4. The Company holds e-mail social engineering exercises on a regular basis every year. Through conducting exercises by sending simulated malicious emails to test colleagues, this improved colleagues' awareness of risky emails and provided information security education and training to strengthen the concept of information security for those who had not passed the test. This year's exercises were completed at the end of November 2023.
5. The Company is required to apply for AEO renewal certification every three years (conducting self-assessment inspection and uploading results every year) and handles various security review items (including physical security, process security and information security). The AEO renewal qualification can only be obtained post passing on-site verification. The latest renewal period would be for 2021 - 2023.
6. Joined the Taiwan Computer Network Crisis Management and Coordination Center (TWCERT/CC), an information sharing organization for information security, to obtain information on information security early warning, information security threats and vulnerabilities.
7. In the event of a major information security incident which conforms with the Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities or Taipei Exchange Procedures for Verification and Disclosure of Material Information of Companies with TPEX Listed Securities, the incident shall be handled in accordance with relevant regulations.

5.6.3 Information Security Risks and Specific Management Plans

1. Software、hardware and network equipment

The Company continuously invests in the replacement and addition of relevant software, hardware, and network equipment. Additionally, we establish monitoring systems and notification mechanisms to enable real-time analysis and decision-making, allowing for necessary measures to be taken promptly.

2. Information sharing and detection response

The Company continues to lease services for information sharing and detection response, which takes proactive measures in response to the shared information. By utilizing external cybersecurity experts for analysis, we promptly strengthen cybersecurity vulnerabilities as they are identified.

3. Staff information security education and training

The Company continues to invest in regular and ad-hoc cybersecurity education and training for employees to promote the importance and necessity of cybersecurity.

4. E-mail social engineering exercises

The Company holds e-mail social engineering exercises on a regular basis every year to improve colleagues' awareness of risky emails and provide staff information security training to strengthen the concept of information security for those who had not passed the test.

5. Drills for switching information and communication backup systems

The Company conducts annual regular information and communication backup system switching drills to ensure the availability of our backup systems and enhance the overall system reliability.

5.6.4 Major information security incidents

The Company had no information security incidents that resulted in losses in 2023.

5.6.5 Plan to obtain ISO27001 certificate

The Company introduced the ISO27001 information security management system in 2024, and planned to obtain certification before the end of December.

5.7 Important Agreements

5.7.1 Leasing, Transportation, Container Terminal Service, Logistics Service, Agency Service and Freight Rate Agreements

Agreement	Counterparty	Period	Major Contents	Restrictions
Leasing Agreement	Evergreen Marine Corp. (Taiwan) Ltd.	2023.09.01~2024.08.31	Ship Leasing	None
Leasing Agreement	Evergreen Marine(ASIA) Pte. Ltd.	2021.10.23~2024.10.22	Ship Leasing	None
Leasing Agreement	Evergreen International S.A.	2014.04.25~2028.06.30	Container Leasing	None
Leasing Agreement	Coupang Taiwan Co., Ltd.	2022.03.01~2032.04.15	Warehouse Leasing	None
		2022.04.16~2032.04.15	Warehouse Leasing	None
Leasing Agreement	Evergreen Marine Corp. (Taiwan) Ltd.	2023.05.01~2026.04.30	Warehouse Leasing	None
Passenger Transportation Service Agreement	EVA Airways Corp.	2024.01.01~2024.12.31	Passenger Transportation Service	None
Container Terminal Service Agreement	Trans Realco Shipping Agency Co., Ltd.	2021.08.01~2024.07.31	Container Terminal Service	None
		2023.05.01~2024.04.30	Container Terminal Service	None
Container Terminal Service Agreement	Sinotac Shipping Agency Corp.	2021.04.01~2025.03.31	Container Terminal Service	None
		2023.04.01~2025.03.31	Container Terminal Service	None
Container Terminal Service Agreement	SITC Steamships Co., Ltd. Taiwan Branch	2023.04.01~2025.03.31	Container Terminal Service	None
Logistics Service Agreement	Market Taiwan Inc. Taiwan Branch(U.S.A.)	2019.08.01~2024.07.31	Logistics Service	None
Logistics Service Agreement	E&Z Logistics Co., Ltd.	2023.01.01~2024.07.31	Logistics Service	None
Agency Service Agreement	EVA Airways Corp.	2023.03.01~2025.02.28	Transportation Service	None
Agency Service Agreement	China Airlines Ltd.	2024.03.09~2025.03.08	Transportation Service	None
Freight Rate Agreement	Evergreen Marine Corp. (Taiwan) Ltd.	2023.05.01~2024.04.30	Transportation Service	None

5.7.2 Loan Agreements

Counterparty	Period	Major Contents
Bank of Taiwan	2020.05.25~2027.05.25	Medium Secured Loan
	2020.05.25~2037.05.25	Long-Term Secured Loan
Cathy United Bank	2021.12.27~2028.12.27	Medium Credit Loan

VI. Financial Information

6.1 Five-Year Financial Summary

6.1.1 Condensed Balance Sheet—Based on IFRS (Consolidated)

Unit: NT\$ thousands

Item \ Year		Financial Summary for The Last Five Years (Note 1)					2024 (As of Mar. 31, 2024) (Note 2)
		2019	2020	2021	2022	2023	
Current Assets		6,121,815	6,947,311	11,651,185	11,037,247	15,098,372	16,472,264
Property, Plant and Equipment		23,682,974	22,677,070	24,246,163	16,328,064	17,020,889	17,215,125
Intangible Assets		8,281	7,222	144,210	215,795	200,698	200,034
Other Assets		5,198,732	5,440,171	5,763,722	14,466,749	11,098,051	10,860,849
Total Assets		35,011,802	35,071,774	41,805,280	42,047,855	43,418,010	44,748,272
Current Liabilities	Before Distribution	2,703,450	3,517,476	3,735,556	2,911,030	3,671,801	3,542,252
	After Distribution	3,023,592	3,837,618	4,162,412	4,244,956	4,845,656	-
Non-current Liabilities		9,485,576	8,204,681	10,338,771	9,316,302	7,878,709	7,712,061
Total Liabilities	Before Distribution	12,189,026	11,722,157	14,074,327	12,227,332	11,550,510	11,254,313
	After Distribution	12,509,168	12,042,299	14,501,183	13,561,258	12,724,365	-
Equity Attributable to Owners of the Parent		22,673,957	23,349,617	27,643,325	29,549,939	31,569,006	33,160,584
Capital Stock		10,671,411	10,671,411	10,671,411	10,671,411	10,671,411	10,671,411
Capital Surplus		4,266,977	4,267,947	4,277,360	4,286,854	4,295,775	4,295,753
Retained Earnings	Before Distribution	7,194,980	7,535,961	8,358,044	11,517,449	13,137,127	13,756,912
	After Distribution	6,874,838	7,215,819	7,931,188	10,183,523	11,963,272	-
Other Equity Interest		540,589	874,298	4,336,510	3,074,225	3,464,693	4,436,508
Treasury Stock		-	-	-	-	-	-
Non-controlling Interest		148,819	-	87,628	270,584	298,494	333,375
Total Equity	Before Distribution	22,822,776	23,349,617	27,730,953	29,820,523	31,867,500	33,493,959
	After Distribution	22,502,634	23,029,475	27,304,097	28,486,597	30,693,645	-

Note 1: The consolidated financial statements as of December 31, 2023, 2022, 2021, 2020 and 2019 have been audited by independent auditors.

Note 2: Until the printing date of annual report, the consolidated financial statements as of March 31, 2024 haven't been reviewed by independent auditors.

Note 3: The above amount after distribution during 2019-2022 is based on the resolution of the shareholders meeting of the following year, and the above amount after distribution in 2023 is based on the resolution of the Board of Directors.

6.1.2 Condensed Statement of Comprehensive Income – Based on IFRS (Consolidated)

Unit: NT\$ thousands

Item \ Year	Financial Summary for The Last Five Years (Note 1)					2024 (As of Mar. 31, 2024) (Note 2)
	2019	2020	2021	2022	2023	
Operating Revenue	7,730,682	6,966,387	8,880,226	17,586,956	16,394,054	4,485,959
Gross Profit	1,182,247	990,571	1,353,244	4,499,498	4,092,526	978,813
Operating Profit	917,411	744,984	959,483	3,201,719	2,606,584	588,757
Non-operating Income and Expenses	96,894	81,375	246,034	938,019	1,168,442	162,158
Profit before Income Tax	1,014,305	826,359	1,205,517	4,139,738	3,775,026	750,915
Profit for the Period from Continuing Operations	845,274	682,563	1,083,357	3,670,632	2,832,412	599,854
Loss from Discontinuing Operation	-	-	-	-	-	-
Profit for the Period	845,274	682,563	1,083,357	3,670,632	2,832,412	599,854
Other Comprehensive Income	(180,711)	313,479	3,541,734	(1,200,701)	626,641	1,026,627
Total Comprehensive Income for the Period	664,563	996,042	4,625,091	2,469,931	3,459,053	1,626,481
Profit, Attributable to Owners of the Parent	838,194	682,203	1,064,544	3,526,415	2,723,072	569,356
Profit, Attributable to Non-controlling Interest	7,080	360	18,813	144,217	109,340	30,498
Comprehensive Income Attributable to Owners of the Parent	657,447	994,832	4,604,437	2,323,976	3,344,072	1,591,600
Comprehensive Income Attributable to Non-controlling Interest	7,116	1,210	20,654	145,955	114,981	34,881
Earnings per Share (In Dollars)	0.79	0.64	1.00	3.30	2.55	0.53

Note 1: The consolidated financial statements as of December 31, 2023, 2022, 2021, 2020 and 2019 have been audited by independent auditors.

Note 2: Until the printing date of annual report, the consolidated financial statements as of March 31, 2024 haven't been reviewed by independent auditors.

6.1.3 Condensed Balance Sheet — Based on IFRS (The Company)

Unit: NT\$ thousands

Item \ Year		Financial Summary for The Last Five Years (Note 1)				
		2019	2020	2021	2022	2023
Current Assets		2,354,470	2,989,285	6,616,732	4,904,482	5,200,364
Property, Plant and Equipment		10,234,956	10,474,135	11,885,401	9,102,678	10,512,141
Intangible Assets		8,281	7,222	2,963	4,426	6,903
Other Assets		16,206,116	16,522,184	17,006,774	23,969,535	23,954,131
Total Assets		28,803,823	29,992,826	35,511,870	37,981,121	39,673,539
Current Liabilities	Before Distribution	850,293	992,473	1,193,320	1,289,652	1,256,633
	After Distribution	1,170,435	1,312,615	1,620,176	2,623,578	2,430,488
Non-current Liabilities		5,279,573	5,650,736	6,675,225	7,141,530	6,847,900
Total Liabilities	Before Distribution	6,129,866	6,643,209	7,868,545	8,431,182	8,104,533
	After Distribution	6,450,008	6,963,351	8,295,401	9,765,108	9,278,388
Capital Stock		10,671,411	10,671,411	10,671,411	10,671,411	10,671,411
Capital Surplus		4,266,977	4,267,947	4,277,360	4,286,854	4,295,775
Retained Earnings	Before Distribution	7,194,980	7,535,961	8,358,044	11,517,449	13,137,127
	After Distribution	6,874,838	7,215,819	7,931,188	10,183,523	11,963,272
Other Equity Interest		540,589	874,298	4,336,510	3,074,225	3,464,693
Treasury Stock		-	-	-	-	-
Total Equity	Before Distribution	22,673,957	23,349,617	27,643,325	29,549,939	31,569,006
	After Distribution	22,353,815	23,029,475	27,216,469	28,216,013	30,395,151

Note 1: The parent-company-only financial statements as of December 31, 2023, 2022, 2021, 2020 and 2019 have been audited by independent auditors.

Note 2: The above amount after distribution during 2019-2022 is based on the resolution of the shareholders meeting of the following year, and the above amount after distribution in 2023 is based on the resolution of the Board of Directors.

6.1.4 Condensed Statement of Comprehensive Income — Based on IFRS (The Company)

Unit: NT\$ thousands

Item \ Year	Financial Summary for The Last Five Years (Note)				
	2019	2020	2021	2022	2023
Operating Revenue	4,528,456	4,183,968	4,389,284	4,890,942	4,729,412
Gross Profit	631,108	569,092	631,915	952,906	699,520
Operating Profit	411,566	359,861	428,586	703,047	448,479
Non-operating Income and Expenses	595,480	465,927	693,434	2,941,943	2,878,313
Profit before Income Tax	1,007,046	825,788	1,122,020	3,644,990	3,326,792
Profit for the Year From Continuing Operations	838,194	682,203	1,064,544	3,526,415	2,723,072
Loss from Discontinuing Operation	-	-	-	-	-
Profit for the Year	838,194	682,203	1,064,544	3,526,415	2,723,072
Other Comprehensive Income	(180,747)	312,629	3,539,893	(1,202,439)	621,000
Total Comprehensive Income for the Year	657,447	994,832	4,604,437	2,323,976	3,344,072
Earnings per Share (In Dollars)	0.79	0.64	1.00	3.30	2.55

Note: The parent-company-only financial statements as of December 31, 2023, 2022, 2021, 2020 and 2019 have been audited by independent auditors.

6.1.5 Auditors' Opinions for The Last Five Years

Year	Accounting Firm	CPA	Audit Opinion
2019	PricewaterhouseCoopers, Taiwan	Lee, Hsiu-Ling ; Chih, Ping-Chiun	An Unqualified Opinion
2020	PricewaterhouseCoopers, Taiwan	Lee, Hsiu-Ling ; Chih, Ping-Chiun	An Unqualified Opinion
2021	PricewaterhouseCoopers, Taiwan	Lee, Hsiu-Ling ; Chou, Hsiao-Tzu	An Unqualified Opinion
2022	PricewaterhouseCoopers, Taiwan	Lai, Chung-Hsi ; Chou, Hsiao-Tzu	Unqualified opinion with explanatory paragraph thereon-reference to the reports of other independent auditors.
2023	PricewaterhouseCoopers, Taiwan	Lai, Chung-Hsi ; Chou, Hsiao-Tzu	Unqualified opinion with explanatory paragraph thereon-reference to the reports of other independent auditors.

6.2 Five-Year Financial Analysis

6.2.1 Financial Analysis — Based on IFRS (Consolidated)

Item \ Year		Financial Analysis for the Last Five Years (Note 1)					2024 (As of Mar. 31, 2024) (Note 2)
		2019	2020	2021	2022	2023	
Financial Structure (%)	Debt-asset Ratio	34.81	33.42	33.67	29.08	26.60	25.15
	Ratio of Long-term Capital to Property, Plant and Equipment	136.42	139.15	157.01	239.69	233.51	239.36
Solvency (%)	Current Ratio	226.44	197.51	311.90	379.15	411.20	465.02
	Quick Ratio	222.36	195.47	304.66	372.64	400.50	452.23
	Interest Coverage Ratio	5.02	6.71	14.58	33.67	35.56	35.36
Operating Ability	Receivables Turnover Rate (Times)	7.47	7.75	6.58	8.01	5.52	1.23
	Average Collection Days for Receivables	49	47	55	46	66	73
	Inventory Turnover Rate (Times)	-	-	-	-	-	-
	Payables Turnover Rate (Times)	19.01	18.43	14.53	18.17	9.84	1.94
	Average Days for Sale	-	-	-	-	-	-
	Property, Plant and Equipment Turnover Rate (Times)	0.33	0.30	0.38	0.87	0.98	0.26
	Total Asset Turnover Rate (Times)	0.23	0.20	0.23	0.42	0.38	0.10
Profitability	Return on Assets (%)	3.07	2.28	3.00	9.00	6.83	1.40
	Return on Equity (%)	3.73	2.96	4.24	12.76	9.18	1.84
	Ratio of Income before Tax to Paid-in Capital (%)	9.50	7.74	11.30	38.79	35.38	7.04
	Profit Margin before Tax (%)	10.93	9.80	12.20	20.87	17.28	13.37
	Earnings per Share (NT\$)	0.79	0.64	1.00	3.30	2.55	0.53
Cash Flow	Cash Flow Ratio (%)	101.27	79.18	77.73	170.38	122.12	17.73
	Cash Flow Adequacy Ratio (%)	99.38	122.49	95.91	108.44	113.88	-
	Cash Flow Reinvestment Ratio (%)	4.87	5.10	4.97	11.62	7.54	1.43
Leveraging	Operating Leverage	3.49	3.96	3.26	1.38	1.54	1.61
	Financial Leverage	1.38	1.24	1.10	1.04	1.04	1.04

Analysis of variation of 2023 vs. 2022 over 20%:

1. Receivables Turnover Rate: The accounts receivable increased in 2023.
2. Payables Turnover Rate : The accounts payable increased in 2023.
3. Return on Assets : The profit for the year decreased in 2023.
4. Return on Equity : The profit for the year decreased in 2023.
5. Earnings per Share : The profit attributable to owners of the parent decreased in 2023.
6. Cash Flow Ratio : The current Liabilities increased in 2023.
7. Cash Flow Reinvestment Ratio: The working capital increased in 2023.

Note 1: The consolidated financial statements as of December 31, 2023, 2022, 2021, 2020 and 2019 have been audited by independent auditors.

Note 2: Until the printing date of annual report, the consolidated financial statements as of March 31, 2024 haven't been reviewed by independent auditors.

The following calculation formulas:

1. Financial Structure

(1) Debt-asset Ratio = total liabilities / total assets

(2) Ratio of Long-term Capital to Property, Plant and Equipment = (total equity + non-current liabilities) / net worth of property, plant and equipment

2. Solvency

(1) Current Ratio = current assets / current liabilities

(2) Quick Ratio = (current assets – inventory – prepaid expenses) / current liabilities

(3) Interest Coverage Ratio = income before income tax and interest expenses / current interest expenses

3. Operating Ability

(1) Receivables (including accounts receivable and notes receivable arising from business operations) Turnover Rate = net sales / average receivables (including accounts receivable and notes receivable arising from business operations) for each period

(2) Average Collection Days for Receivables = 365 / receivables turn over rate

(3) Inventory Turnover Rate = cost of sales / average inventory

(4) Payables (including accounts payable and notes payable arising from business operations) Turnover Rate = cost of sale / average payables (including accounts payable and notes payable arising from business operations) for each period

(5) Average Days of Sale = 365 / inventory turnover rate

(6) Property, Plant and Equipment Turnover Rate = net sales / average net worth of property, plant and equipment

(7) Total Asset Turnover Rate = net sales / average total assets

4. Profitability

(1) Return on Assets = [net income + interest expenses (1- tax rate)] / average total assets

(2) Return on Equity = net income / average total equity

(3) Profit Margin before Tax = net income / net sales

(4) Earnings per Share = (profit and loss attributable to owners of the parent – dividends on preferred shares) / weighted average number of issued shares (Note 3)

5. Cash Flow

(1) Cash Flow Ratio = Net cash flow from operating activities / current liabilities

(2) Net Cash Flow Adequacy Ratio = Net cash flow from operating activities for the most recent five years / (capital expenditures + inventory increase + cash dividend)

(3) Cash Flow Reinvestment Ratio = (Net cash flow from operating activities – cash dividend) / gross property, plant and equipment value + long-term investment + other non-current assets + working capital) (Note 4)

6. Leveraging

(1) Operating Leverage = (net operating revenue – variable operating costs and expenses) / operating income (Note 5)

(2) Financial Leverage = operating income / (operating income / interest expenses)

Note 3: When the above formula for calculation of earnings per share is used during measurement, give special attention to the following matters:

1. Measurement should be based on the weighted average number of common shares, not the number of issued shares at year end.
2. In any case where there is a cash capital increase or treasury stock transaction, the period of time in circulation shall be considered in calculating the weighted average number of shares.
3. In the case of capital increase out of earnings or capital surplus, the calculation of earnings per share for the past fiscal year and the fiscal half-year shall be retrospectively adjusted based on the capital increase ratio, without the need to consider the issuance period for the capital increase.
4. If the preferred shares are non-convertible cumulative preferred shares, the dividend of the current year (whether issued or not) shall be subtracted from the net profit after tax, or added to the net loss after tax. In the case of non-cumulative preferred shares, if there is net profit after tax, dividend on preferred shares shall be subtracted from the net profit after tax; if there is loss, then no adjustment need be made.

Note 4: Give special attention to the following matters when carrying out cash flow analysis:

1. Net cash flow from operating activities means net cash in-flow amounts from operating activities listed in the statement of cash flows.
2. Capital expenditures means the amounts of cash out-flows for annual capital investment.
3. Inventory increase will only be entered when the ending balance is larger than the beginning balance. An inventory decrease at year end will be deemed zero for calculation.
4. Cash dividend includes cash dividends from both common shares and preferred shares.
5. Gross property, plant and equipment value means the total value of property, plant and equipment prior to the subtraction of accumulated depreciation.

Note 5: Issuers shall separate operating costs and operating expenses by their nature into fixed and variable categories. When estimations or subjective judgments are involved, give special attention to their reasonableness and to maintaining consistency.

Note 6: In the case of a company whose shares have no par value or have a par value other than NT\$10, for the calculation of the above-mentioned paid-in capital ratio, the ratio of equity attributable to owners of the parent as stated in the balance sheet shall be substituted.

6.2.2 Financial Analysis – Based on IFRS (The Company)

Item \ Year		Financial Analysis for the Last Five Years (Note 1)				
		2019	2020	2021	2022	2023
Financial Structure (%)	Debt-asset Ratio	21.28	22.15	22.16	22.20	20.43
	Ratio of Long-term Capital to Property, Plant and Equipment	273.12	276.88	288.75	403.08	365.45
Solvency (%)	Current Ratio	276.90	301.20	554.48	380.29	413.83
	Quick Ratio	265.82	294.96	547.92	374.31	407.47
	Interest Coverage Ratio	30.03	23.22	31.72	68.05	42.50
Operating Ability	Receivables Turnover Rate (Times)	8.92	9.20	9.37	10.69	10.38
	Average Collection Days for Receivables	41	40	39	34	35
	Inventory Turnover Rate (Times)	-	-	-	-	-
	Payables Turnover Rate (Times)	14.69	14.16	14.53	14.58	15.55
	Average Days for Sale	-	-	-	-	-
	Property, Plant and Equipment Turnover Rate (Times)	0.45	0.40	0.39	0.47	0.48
	Total Asset Turnover Rate (Times)	0.16	0.14	0.13	0.13	0.12
Profitability	Return on Assets (%)	3.14	2.42	3.34	9.71	7.18
	Return on Equity (%) ⁰	3.72	2.96	4.18	12.33	8.91
	Ratio of Income before Tax to Paid-in Capital (%)	9.44	7.74	10.51	34.16	31.17
	Profit Margin before Tax (%)	18.51	16.31	24.25	72.10	57.58
	Earnings per Share (NT\$)	0.79	0.64	1.00	3.30	2.55
Cash Flow	Cash Flow Ratio (%)	59.73	64.80	71.19	69.70	55.83
	Cash Flow Adequacy Ratio (%)	69.71	73.79	64.44	53.85	43.96
	Cash Flow Reinvestment Ratio (%)	0.44	1.00	1.40	1.28	(1.28)
Leveraging	Operating Leverage	2.13	2.30	2.09	1.72	2.41
	Financial Leverage	1.09	1.12	1.09	1.08	1.22

Analysis of variation of 2023 vs. 2022 over 20%:

1. Interest Coverage Ratio, Return on Assets, Return on Equity, Profit Margin before Tax and Earnings per Share: The profit for the year decreased in 2023.
2. Cash Flow Reinvestment Ratio: The net cash flow from operating activities decreased and cash dividend increased in 2023.
3. Operating Leverage: Operating profit decreased in 2023.

Note 1: The parent-company-only financial statements as of December 31, 2023, 2022, 2021, 2020 and 2019 have been audited by independent auditors.

The following calculation formulas:

1. Financial Structure

(1) Debt-asset Ratio = total liabilities / total assets

(2) Ratio of Long-term Capital to Property, Plant and Equipment = (total equity + non-current liabilities) / net worth of property, plant and equipment

2. Solvency

(1) Current Ratio = current assets / current liabilities

(2) Quick Ratio = (current assets – inventory – prepaid expenses) / current liabilities

(3) Interest Coverage Ratio = income before income tax and interest expenses / current interest expenses

3. Operating Ability

(1) Receivables (including accounts receivable and notes receivable arising from business operations) Turnover Rate = net sales / average receivables (including accounts receivable and notes receivable arising from business operations) for each period

(2) Average Collection Days for Receivables = 365 / receivables turn over rate

(3) Inventory Turnover Rate = cost of sales / average inventory

(4) Payables (including accounts payable and notes payable arising from business operations) Turnover Rate = cost of sale / average payables (including accounts payable and notes payable arising from business operations) for each period

(5) Average Days of Sale = 365 / inventory turnover rate

(6) Property, Plant and Equipment Turnover Rate = net sales / average net worth of property, plant and equipment

(7) Total Asset Turnover Rate = net sales / average total assets

4. Profitability

(1) Return on Assets = [net income + interest expenses (1- tax rate)] / average total assets

(2) Return on Equity = net income / average total equity

(3) Profit Margin before Tax = net income / net sales

(4) Earnings per Share = (net income – dividends on preferred shares) / weighted average number of issued shares (Note 2)

5. Cash Flow

(1) Cash Flow Ratio = Net cash flow from operating activities / current liabilities

(2) Net Cash Flow Adequacy Ratio = Net cash flow from operating activities for the most recent five years / (capital expenditures + inventory increase + cash dividend)

(3) Cash Flow Reinvestment Ratio = (Net cash flow from operating activities – cash dividend) / gross property, plant and equipment value + long-term investment + other non-current assets + working capital) (Note 3)

6. Leveraging

(1) Operating Leverage = (net operating revenue – variable operating costs and expenses) / operating income (Note 4)

(2) Financial Leverage = operating income / (operating income / interest expenses)

Note 2: When the above formula for calculation of earnings per share is used during measurement, give special attention to the following matters:

1. Measurement should be based on the weighted average number of common shares, not the number of issued shares at year end.
2. In any case where there is a cash capital increase or treasury stock transaction, the period of time in circulation shall be considered in calculating the weighted average number of shares.
3. In the case of capital increase out of earnings or capital surplus, the calculation of earnings per share for the past fiscal year and the fiscal half-year shall be retrospectively adjusted

based on the capital increase ratio, without the need to consider the issuance period for the capital increase.

4. If the preferred shares are non-convertible cumulative preferred shares, the dividend of the current year (whether issued or not) shall be subtracted from the net profit after tax, or added to the net loss after tax. In the case of non-cumulative preferred shares, if there is net profit after tax, dividend on preferred shares shall be subtracted from the net profit after tax; if there is loss, then no adjustment need be made.

Note 3: Give special attention to the following matters when carrying out cash flow analysis:

1. Net cash flow from operating activities means net cash in-flow amounts from operating activities listed in the statement of cash flows.
2. Capital expenditures means the amounts of cash out-flows for annual capital investment.
3. Inventory increase will only be entered when the ending balance is larger than the beginning balance. An inventory decrease at year end will be deemed zero for calculation.
4. Cash dividend includes cash dividends from both common shares and preferred shares.
5. Gross property, plant and equipment value means the total value of property, plant and equipment prior to the subtraction of accumulated depreciation.

Note 4: Issuers shall separate operating costs and operating expenses by their nature into fixed and variable categories. When estimations or subjective judgments are involved, give special attention to their reasonableness and to maintaining consistency.

Note 5: In the case of a company whose shares have no par value or have a par value other than NT\$10, for the calculation of the above-mentioned paid-in capital ratio, the ratio of equity shall be substituted.

6.3 Audit Committee's Review Report

To: 2024 Annual General Meeting

Evergreen International Storage & Transport Corporation (EITC)

The Board of Directors has prepared the Company's 2023 business report, financial report, and proposal for distribution of earnings. The CPA of PricewaterhouseCoopers, Taiwan has audited the financial report and issued the audit report.

The above business report, financial report, and proposal for distribution of earnings have been reviewed and determined to be correct and accurate by the Audit Committee members of EITC. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Evergreen International Storage & Transport Corporation

Convener of the Audit Committee : Chang, Ching-Ho

Date : March 12, 2024

6.4 Consolidated Financial Statements for the Years Ended December 31, 2023 and 2022 and Independent Auditors' Report :

Please refer to page 177~284 Appendix 1.

6.5 The Parent Company Only Financial Statements for the Years Ended December 31, 2023 and 2022 and Independent Auditors' Report :

Please refer to page 285~392 Appendix 2.

6.6 The Company Should Disclose the Financial Impact to the Company If the Company and Its Affiliated Companies Have Incurred and Financial or Cash Flow Difficulties in 2023 and as of the Date of this Annual Report: None.

VII. Review of Financial Conditions, Financial Performance, and Risk Management

7.1 Analysis of Financial Status

Unit: NT\$ thousands

Item \ Year	2023	2022	Difference	
			Amount	%
Current Assets	15,098,372	11,037,247	4,061,125	36.79
Property, Plant and Equipment	17,020,889	16,328,064	692,825	4.24
Intangible Assets	200,698	215,795	(15,097)	(7.00)
Other Assets	11,098,051	14,466,749	(3,368,698)	(23.29)
Total Assets	43,418,010	42,047,855	1,370,155	3.26
Current Liabilities	3,671,801	2,911,030	760,771	26.13
Non-current Liabilities	7,878,709	9,316,302	(1,437,593)	(15.43)
Total Liabilities	11,550,510	12,227,332	(676,822)	(5.54)
Equity Attributable to Owners of the Parent	31,569,006	29,549,939	2,019,067	6.83
Capital Stock	10,671,411	10,671,411	-	-
Capital Surplus	4,295,775	4,286,854	8,921	0.21
Retained Earnings	13,137,127	11,517,449	1,619,678	14.06
Other Equity Interest	3,464,693	3,074,225	390,468	12.70
Treasury Stock	-	-	-	-
Non-controlling Interest	298,494	270,584	27,910	10.31
Total Equity	31,867,500	29,820,523	2,046,977	6.86
Analysis of changes in financial ratios:				
1. The increase of current assets: Mainly due to the cash and accounts receivable increased in 2023.				
2. The decrease of other assets: Mainly due to the long-term notes and accounts receivable decreased in 2023.				
3. The increase of current liabilities: Mainly due to the accounts payable increased in 2023.				

7.2 Analysis of Financial Performance

Unit: NT\$ thousands

Item \ Year	2023	2022	Difference	
			Amount	%
Operating Revenue	16,394,054	17,586,956	(1,192,902)	(6.78)
Operating Costs	12,301,528	13,087,458	(785,930)	(6.01)
Gross Profit	4,092,526	4,499,498	(406,972)	(9.04)
Operating Expenses	1,485,942	1,297,779	188,163	14.50
Operating Profit	2,606,584	3,201,719	(595,135)	(18.59)
Non-operating Income and Expenses	1,168,442	938,019	230,423	24.56
Profit before Income Tax	3,775,026	4,139,738	(364,712)	(8.81)
Income Tax Expense	942,614	469,106	473,508	100.94
Profit for the Year	2,832,412	3,670,632	(838,220)	(22.84)
Other Comprehensive Income	626,641	(1,200,701)	1,827,342	152.19
Total Comprehensive Income for the Year	3,459,053	2,469,931	989,122	40.05

Analysis of changes in financial ratios:

- 1.The increase of non-operating income and expenses: Mainly due to the interest income increased in 2023.
- 2.The increase of income tax expense : Mainly due to the investment tax credits of income tax benefits in 2022.
- 3.The increase of other comprehensive income: Mainly due to the total unrealised gains(losses) from financial assets measured at fair value through other comprehensive income increased in 2023.

7.3 Analysis of Cash Flow

7.3.1 Cash Flow Analysis for the Current Year

Unit: NT\$ thousands

Cash and Cash Equivalents, Beginning of Year (1)	Net Cash Flow from Operating Activities (2)	Cash Outflow (3)	Cash Surplus (Deficit) (1)+(2)-(3)	Leverage of Cash Deficit	
				Investment Plans	Financing Plans
4,642,992	4,483,955	3,256,003	5,870,944	None	None
1. Analysis of cash flow deviation: (1) Operating activities: Net cash inflow is mainly due to cash inflows from operations. (2) Investing activities: Net cash inflow is mainly due to acquisition of cash dividends. (3) Financing activities: Net cash outflow is mainly due to repayment of long-term borrowings and distribution of cash dividends. 2. Leverage of Cash Deficit:None.					

7.3.2 Cash Flow Analysis for the Coming Year

Unit: NT\$ thousands

Estimated Cash and Cash Equivalents, Beginning of Year (1)	Estimated Net Cash Flow from Operating Activities (2)	Estimated Net Cash Outflow (3)	Estimated Cash Surplus (Deficit) (1)+(2)-(3)	Estimated Leverage of Cash Surplus(Deficit)	
				Investment Plans	Financing Plans
5,870,944	3,328,654	919,236	8,280,362	None	None
1. Analysis of cash flow deviation of year 2024: (1) Operating activities: Mainly estimated net cash inflow from operations. (2) Investing activities: Mainly estimated net cash inflow from acquisition of cash dividends and purchase of property, plant and equipment. (3) Financing activities: Mainly estimated net cash outflow from repayment of long-term borrowings and distribution of cash dividends. 2. Leverage of Cash Deficit:None.					

7.4 Impact of Major Capital Expenditure Items in the Most Recent Year to the Financial Status

Major capital expenditures of The Group in the most recent year:

- 1.The newly procured container trucks were deployed at container yards of Taipei Port and Taichung Port container yard to enhance the efficiency and safety of container trucks of terminal operations.
2. Older vehicles were progressively replaced with new ones with Euro 6 rated environmentally friendly engines, which will help improve air quality and save fuel. These vehicles are also equipped with active driver assistance to enable safe transportation services.

7.5 Investment Policy in the Most Recent Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year

- 1.The Group reinvestments in the most recent year were mainly investments in related enterprises and investments for operation diversification purpose. In order to expand the logistics business, The Group is expected to invest new subsidiaries in Indonesia for the coming year.
- 2.The Company's share of the profit and loss of subsidiaries, affiliates and joint ventures recognized by the equity method in 2023 was NTD 2.13 billion, The Group share of profit of associates and joint ventures accounted for using equity method in 2023 was NTD 117.76 million.

7.6 Analysis of Risk Management during the Latest Year and up to the Printing Date of this Annual Report

7.6.1 Risk Management Policy

1. Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures:
The Group's major interest rate risk is floating interest rate of its long-term loans. Part of this risk is reduced by cash and cash equivalent held by the Company. The management requires the in-charge units of the Company and its subsidiaries to manage foreign exchange risk of their functional currencies. The costs of inventories and materials only account for a small portion of the operating costs. Therefore, interest rate, exchange rate fluctuation and inflation have not made a significant impact to The Group's income.
2. Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions:
The Group does not engage in any high-risk or high-leverage investments and does not lend to others or conduct derivative transactions as the company plays it safe with its investment strategies. The Group's endorsements have been given according to related regulations and The Group's related operating procedures.
3. Future Research & Development Projects and Corresponding Budget:
 - (1) Continuously Developing an Environmentally Friendly Fleet.
 - (2) New Construction for Rubber-Tire Gantry Crane Collector Rail Facility.
 - (3) New Construction for Equipment and System of Maritime Express Handling Units.

- (4) Establishment of Control Station Entrance Caption Machine and OCR License Plate Recognition System.
 - (5) Implementation of Coating the Protective Paint on the Interior of Underground Oil Storage Tanks.
 - (6) Implementation of Advanced Email Attack Defense System (MailAPT) for Information Security.
 - (7) Adoption of a Security Information and Event Management (SIEM) System.
 - (8) Adoption of Data Loss Prevention (DLP) in the Information Security System
- The Group plans to spend about NTD254.96 million on these R&D projects.
4. Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales:
Changes in policies and regulations do not have significant effect to corporate finance and sales.
 5. Effects of and Response to Changes in Technology(including information communication security risks) and the Industry Relating to Corporate Finance and Sales:
In addition to building a relevant anti-virus and anti-hacking framework and establishing a data backup mechanism, an information system backup environment is also established in a third place to reduce the cyber security risk.
 6. The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Measures:
Since its inception, The Group has consistently maintained a professional ethical business philosophy, valued its corporate image and emphasized risk control. Currently, there is no significant foreseeable crisis.
 7. Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans:
Currently, the Company has no merger and acquisition plan.
 8. Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans:
The Group is not a manufacturer. So such risk does not exist.
 9. Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration:
The Group's biggest supplier of goods purchased is Evergreen Marine (Asia) Pte. Ltd, which is the subsidiary of the Company's major institutional stockholder. The Group has no customers whose annual net sales accounted for more than 10 percent. As a result, its transactions do not face excessive concentration risk.
 10. Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%: None.
 11. Effects of, Risks Relating to and Response to the Changes in Management Rights: None.
 12. In regard to litigations or non-litigations, the Company shall disclose major ongoing lawsuits, non-lawsuits or administrative lawsuits caused by the Company's directors, general manager, de facto responsible person, shareholders with over 10% shareholding and the subsidiaries that have either reached final verdict or are still pending. If the litigation result may have a significant impact to shareholders' equity or securities prices, the Company shall disclose the facts in contention, claim amount, starting date of litigation, litigants and the case status up to the printing date of this annual report:

The National Property Administration had appointed a lawyer to send a letter on Feb. 13, 2023 noticing and requesting the Company to pay the compensation for unjust enrichment of utilising the national land which it determined that the Company had no right to occupy. However, the Company will resolve the dispute through judicial route as it believes that there are legal issues indeed due to the determination of facts of individual case and the period of recovery. The Company had accrued NTD12.06 million according to the 5-year period of prescription for the claim of unjust enrichment. The Company had claimed an objection. To the printing date of this annual report, the case had no significant update and the final result is yet to be determined by the court.

13. Other Major Risks and Countermeasures: None.

7.6.2 Departments in Charge of Different Risk Management of the Company and Their Risk Management Activities

Risk Management	Responsible Unit	Risk Management Activities
Strategy and Operation Risk	Project Department	The Company's operation planning, business development, external investments and operation analysis.
	Business Department	Maintenance of relations with existing customers and development of new customers.
Financial Risk	Finance Department	Accounting treatment, capital management and risk assessment of financial instruments.
Liquidity Risk		
Credit Risk	Business Department	Assessment of credit quality of customers.
	Finance Department	Assessment of credit status and (contract) performance capability of financial asset transaction counterparties.
Cyber Security Risk	Information Security Department	Implementation of information security policy.
	Computer Department	Planning, maintenance and security control for the Company's hardware and software equipment of its computer and communications network .
Legal Risk	Legal Department	Legal consultation, contracts reviews and litigation matters.

7.7 Other Important Matters: None.

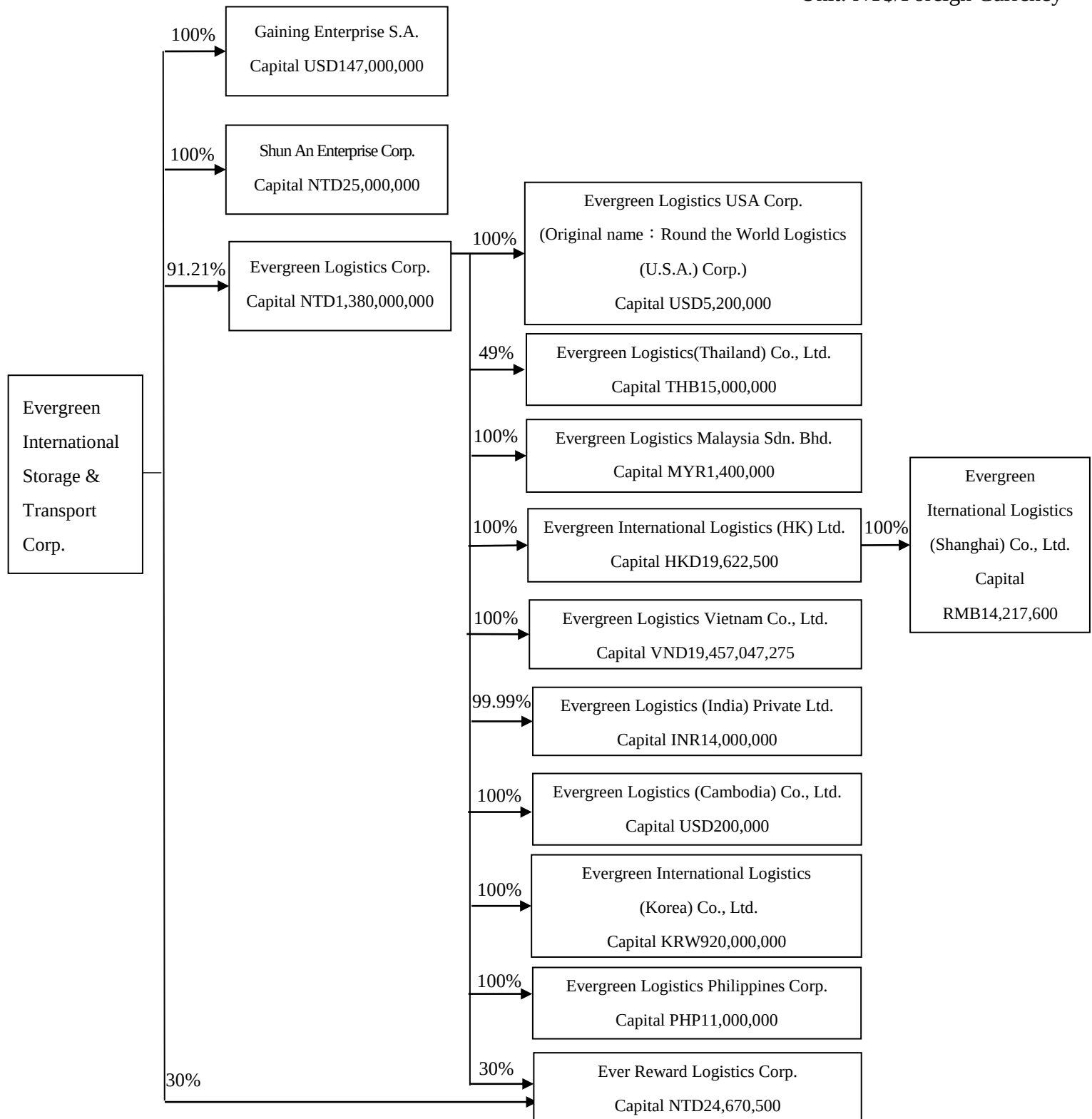
VIII. Special Disclosure

8.1 Summary of Affiliated Companies

8.1.1 Affiliated Companies Merger Business Report

1. Affiliated Companies Organization Chart (December 31, 2023)

Unit: NT\$/Foreign Currency



2. Basic Information of Affiliated Companies

December 31, 2023

Company	Date Founded	Location	Capital	Main Business Activities
Gaining Enterprise S.A.	1993.12.16	East 53rd Street, Marbella, Humboldt Tower, 2nd Floor, Panama, Republic of Panama	USD147,000,000 Rate : 30.6500	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
Shun An Enterprise Corp.	2008.11.10	3F., No. 100, Sec. 2, Xinnan Rd., Luzhu Dist., Taoyuan City, Taiwan	NTD25,000,000	1.Management Consulting 2.Employment Agency
Evergreen Logistics Corp.	2006.11.02	5F., No. 170, Sec. 2, Minsheng East Rd., Zhongshan Dist., Taipei City, Taiwan	NTD1,380,000,000	1.Ocean Freight Forwarders 2.Air Freight Forwarder 3.Customs Brokers
Evergreen Logistics USA Corp.	1987.10.02	333 Cantor Avenue, Unit C, Linden, New Jersey State, United States	USD5,200,000 Rate : 30.6500	1.Ocean Freight Forwarders 2.Air Freight Forwarder 3.Customs Brokers
Evergreen Logistics(Thailand) Co., Ltd.	2003.03.14	NO. 3656/15, 6TH FLOOR, GREEN TOWER, RAMA 4 ROAD, KLONGTON, KLONGTOEY, BANGKOK 10110, THAILAND	THB15,000,000 Rate : 0.8969	1.Ocean Freight Forwarders 2.Air Freight Forwarder
Evergreen Logistics Malaysia Sdn. Bhd.	2019.12.12	K03-10-05, TOWER 3, UOA BUSINESS PARK, NO.1, JALAN PENGATURCARA, U1/51A, SEKSYEN U 1, 40150 SHAH ALAM, SELANGOR. MALAYSIA	MYR1,400,000 Rate : 6.6638	1.Ocean Freight Forwarders 2.Air Freight Forwarder

Company	Date Founded	Location	Capital	Main Business Activities
Evergreen International Logistics (HK) Ltd.	2021.06.10	ROOM1208, 12/F METROPLAZA TOWER 2, 223 HING FONG ROAD,KWAI CHUNG,N.T. HONG KONG	HKD19,622,500 Rate : 3.9213	1.Ocean Freight Forwarders 2.Air Freight Forwarder
Evergreen Logistics Vietnam Co., Ltd.	2004.03.05	6TH FLOOR, 311 DIEN BIEN PHU, WARD 4, DISTRICT 3, HO CHI MINH CITY, VIETNAM	VND19,457,047,275 Rate : 0.0013	1.Ocean Freight Forwarders 2.Air Freight Forwarder
Evergreen Logistics (India) Private Ltd.	2019.09.18	MARATHON ICON, UNIT NO.708, OPP. PENINSULA CORPORATE PARK, OFF. GANPATRAO KADAM MARG, LOWER PAREL (WEST) MUMBAI – 400013, INDIA	INR14,000,000 Rate : 0.3684	1.Ocean Freight Forwarders 2.Air Freight Forwarder
Evergreen Logistics (Cambodia) Co., Ltd.	2022.09.29	THE GATEWAY OFFICE TOWER #20-04 PHUM 10, SANGKAT PHSAR DEPO, KHAN TOUL KORK, PHNOM PENH, CAMBODIA	USD200,000 Rate : 30.6500	1.Ocean Freight Forwarders 2.Air Freight Forwarder
Evergreen International Logistics (Korea) Co., Ltd.	2022.11.25	UNIT NO.1508, ACE HI-TECH CITY 3 BUILDING, 130, SEONYU-RO, YEONGDEUNGPO-GU, SEOUL, REPUBLIC OF KOREA	KRW920,000,000 Rate : 0.0238	1.Ocean Freight Forwarders 2.Air Freight Forwarder
Evergreen Logistics Philippines Corp.	2004.03.24	UNIT1814 CITYLAND HERRERA TOWER, 98 V.A. RUFINO COR. VALERO STS.,SALCEDO VILLAGE, MAKATI CITY, 1200 PHILIPPINES	PHP11,000,000 Rate : 0.5535	1.Ocean Freight Forwarders 2.Air Freight Forwarder

Company	Date Founded	Location	Capital	Main Business Activities
Ever Reward Logistics Corp.	2000.04.21	21F., No. 499, Zhongming South Rd., West Dist., Taichung City, Taiwan	NTD24,670,500	1.International Trading 2.Packing 3.Forwarding Agency 4.Storage and Warehousing 5.Information Administration
Evergreen International Logistics (Shanghai) Co., Ltd.	2022.08.12	ROOM 1003, 10F, NO. 2, LANE 1199, MINSHENG ROAD, PUDONG DISTRICT, SHANGHAI CITY, CHINA 200135	RMB14,217,600 Rate : 4.3116	1.Ocean Freight Forwarders 2.Air Freight Forwarder

Note 1: All affiliated companies, regardless of size, should be disclosed.

Note 2: Each related enterprise has a factory, and the sales value of the factory product exceeds 10% of the operating income of the control company. The name of the factory, the date of establishment, the address and the main production products of the factory shall be added.

Note 3: If the affiliated company is a foreign company, the name and address of the company can be expressed in English. The date of establishment can also be expressed on the date of the sterling, and the amount of paid-in capital is obtained in foreign currency.Indicates (but should be added to the exchange rate on the reporting date).

3. Information About Same Shareholders of Entities That Are Presumed to Have a Relationship of Control or Subordination:None.

4. Sectors of Affiliated Companies:

The Company's main business line includes inland container transport and container terminal operation, and its subsidiaries mainly focus on ship chartering and trading, container leasing, investments of container yards and container terminal, marine and air freight forwarding, customs brokerage business. Overall, the Company's subsidiaries are in "peripheral sectors" of container transport industry.

5.The Directors, Supervisors and President of Affiliated Companies

December 31, 2023

Unit: Shares, %

Company	Title(Note 1)	Name and Representative(Note 3)	Shares Holding(Note 2)	
			Shares	%
Gaining Enterprise S.A.	Director	Ko, Lee-Ching	0	0
	Director& President	Chang, Yen-I	0	0
	Director	Hsieh, Huey-Chuan	0	0
Shun An Enterprise Corp.	Chairman	Evergreen International Storage & Transport Corp. Representative: Chiu, Shien-Yuh	2,500,000	100
	Director	Evergreen International Storage & Transport Corp. Representative: Ko, Lee-Ching	2,500,000	100
	Director	Evergreen International Storage & Transport Corp. Representative: Tai, Jiin-Chyuan	2,500,000	100
	Supervisor	Evergreen International Storage & Transport Corp. Representative: Chen, Cheng-Pang	2,500,000	100
Evergreen Logistics Corp.	Chairman	Evergreen International Storage & Transport Corp. Representative: Lee, Ming-Che	125,864,030	91.21
	Director	Evergreen International Storage & Transport Corp. Representative: Chiu, Shien-Yuh	125,864,030	91.21
	Director	Evergreen International Storage & Transport Corp. Representative: Lin, Jhih-Ming	125,864,030	91.21
	Supervisor	Chen, Cheng-Pang	0	0
Evergreen Logistics USA Corp.	Director	Lee, Ming-Che	0	0
	Director	Lin, Jhih-Ming	0	0
	Director& President	Lu-Chia	0	0

December 31, 2023

Unit: Shares, %

Company	Title(Note 1)	Name and Representative(Note 3)	Shares Holding(Note 2)	
			Shares	%
Evergreen Logistics (Thailand) Co., Ltd.	Director	Lee, Ming-Che	0	0
	Director	Lin, Jhih-Ming	0	0
	Director	Tsai, Chia-Min	0	0
	Director	Nivat changariyavong	0	0
	Director	Jirat assavasoth	15,000	10
Evergreen Logistics Malaysia Sdn. Bhd.	Director	Lee, Ming-Che	0	0
	Director	Lin, Jhih-Ming	0	0
	Director	Shih, Ying-Hung	0	0
Evergreen International Logistics (HK) Ltd.	Director	Lee, Ming-Che	0	0
	Director	Lin, Jhih-Ming	0	0
Evergreen Logistics Vietnam Co., Ltd.	Director	Lee, Ming-Che	0	0
	Director	Lin, Jhih-Ming	0	0
	Director& President	Yu, Ching-Lin	0	0
Evergreen Logistics (India) Private Ltd.	Director	Lee, Ming-Che	0	0
	Director	Lin, Jhih-Ming	1	0.00001
	Director	Ku, Hsiang-Hsu	0	0
Evergreen Logistics (Cambodia) Co., Ltd.	Chairman	Lee, Ming-Che	0	0
	Director	Lin, Jhih-Ming	0	0
	Director	Wu, Cheng-Yun	0	0
Evergreen International Logistics (Korea) Co., Ltd.	Chairman	Lee, Ming-Che	0	0
	Director	Lin, Jhih-Ming	0	0
	Director	Sin Kyung Su	0	0

December 31, 2023

Unit: Shares, %

Company	Title(Note 1)	Name and Representative(Note 3)	Shares Holding(Note 2)	
			Shares	%
Evergreen Logistics Philippines Corp.	Chairman	Lee, Ming-Che	1	0.0001
	Director	Lin, Jhih-Ming	1	0.0001
	Director	Kuo, Neng-Chan	1	0.0001
	Director	Chen, Min-Lung	1	0.0001
	Director& President	Jay B. Taylan	1	0.0001
Ever Reward Logistics Corp.	Chairman	Evergreen Logistics Corp. Representative: Lee, Ming-Che	740,230	30.00
	Director	Evergreen Logistics Corp. Representative: Lin, Jhih-Ming	740,230	30.00
	Director	Evergreen International Storage & Transport Corp. Representative: Chang, Kuo-Hua	740,000	30.00
	Director	Yasuhiro Kurata	123,705	5.01
	Director	Hsieh, Ming-Ta	123,352	5.00
	Supervisor	Ko, Lee-Ching	0	0
	Supervisor	Hsieh, Yo-Lang	123,000	4.99
Evergreen International Logistics (Shanghai) Co., Ltd.	Chairman	Lee, Ming-Che	0	0
	Director	Lin, Jhih-Ming	0	0
	Director& President	Wang, Yao-Tsung	0	0
	Supervisor	Yeh, Jui-Ching	0	0

Note 1: If the affiliated company is a foreign company, the position is equivalent.

Note 2: If the invested company is a joint stock company, please fill in the number of shares and shareholding ratio. Please fill in the capital amount and capital contribution ratio and indicate it.

Note 3: When the directors and supervisors are legal persons, relevant information of the representative should be disclosed.

6. The Operating Overviews of Affiliated Companies (As of December 31, 2023)

Unit: NT\$ thousands

Company	Capital	Total Assets	Total Liabilities	Total Epuity	Operating Revenue	Operating Income (Loss)	Profit	EPS (Dollars)
Gaining Enterprise S.A.	4,505,550	13,016,521	421,161	12,595,360	1,642,228	758,897	1,033,904	703.34
Shun An Enterprise Corp.	25,000	73,500	522	72,978	95	(1,057)	10,658	4.26
Evergreen Logistics Corp.	1,380,000	4,615,817	1,754,273	2,861,544	4,149,429	1,254,023	1,127,482	10.93
Evergreen Logistics USA Corp.	159,380	1,046,298	461,867	584,431	1,588,211	(26,085)	2,950	567.29
Evergreen Logistics (Thailand) Co., Ltd.	13,454	86,574	36,545	50,029	277,475	20,042	15,524	77.62
Evergreen Logistics Malaysia Sdn. Bhd.	9,329	10,476	4,150	6,326	19,573	(1,888)	(1,923)	(1.37)
Evergreen International Logistics (HK) Ltd.	76,946	244,990	86,619	158,371	54,796	(2,979)	87,452	34.98
Evergreen Logistics Vietnam Co., Ltd.	25,294	176,696	45,271	131,425	293,689	16,060	13,609	-
Evergreen Logistics (India) Private Ltd.	5,158	9,677	7,112	2,565	28,685	322	(621)	(0.44)
Evergreen Logistics (Cambodia) Co., Ltd.	6,130	17,581	11,444	6,137	19,441	1,922	1,132	(5.66)
Evergreen International Logistics (Korea) Co., Ltd.	21,896	24,345	10,628	13,717	48,943	(6,462)	(6,648)	(12.72)
Evergreen Logistics Philippines Corp.	6,089	78,683	50,312	28,371	190,437	16,876	13,206	12.01
Ever Reward Logistics Corp.	24,671	87,053	31,260	55,793	37,031	9,118	7,928	3.21
Evergreen International Logistics (Shanghai) Co., Ltd.	61,301	1,477,155	1,330,579	146,576	4,120,825	129,180	89,248	-

Note 1: All affiliated companies, regardless of size, should be disclosed.

Note 2: If the affiliated company is a foreign company, the relevant figures should be converted into NT\$ at the exchange rate on the reporting date.

- 8.1.2 Consolidated Financial Statements Covering Affiliated Enterprises: Relevant information disclosed in the financial statements of the related business combination has been disclosed in the consolidated financial report in Appendix 1. The financial statements of the business combination are not prepared separately.
- 8.1.3 Reports on Affiliations: None.
- 8.2 The Company Has Carried Out a Private Placement of Securities during the Latest Year and up to the Printing Date of this Annual Report: None.
- 8.3 Holding or Disposal of Shares in the Company by the Company's Subsidiaries during the Latest Year and up to the Printing Date of this Annual Report: None.
- 8.4 Other Matters That Require Additional Description: None.
- 8.5 Any of the Situations Listed in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act, Which Might Materially Affect Shareholders' Equity or the Price of the Company's Securities, Has Occurred during the Latest Year and up to the Printing Date of this Annual Report : None.

【Appendix 1】

Consolidated Financial Statements and Report of Independent Accountants for the Year Ended December 31, 2023

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, 2023 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, as well as that, 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 12, 2024

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, 2023 and 2022, 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, 2023 and 2022, 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, 2023, the total revenue of container transport and container yard service was NT\$2,854,523 thousand, constituting 17.41% of operating revenue in 2023 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, 2023, the total revenue of marine freight revenue was NT\$7,353,309 thousand, constituting 44.85% of operating revenue in 2023. 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.

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 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\$58,199 thousand and NT\$76,328 thousand, constituting 0.13% and 0.18% of the total consolidated assets as of December 31, 2023 and 2022, respectively, and comprehensive income was NT\$13,060 thousand and NT\$27,130 thousand, constituting 0.38% and 1.10% of the consolidated total comprehensive income and loss for the year then ended, respectively.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion with explanatory paragraph thereon on the parent company only financial statements of Evergreen International Storage and Transport Corporation as at and for the years ended December 31, 2023 and 2022.

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 12, 2024

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

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

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current Assets						
1100	Cash and cash equivalents	6(1)	\$ 5,870,944	14	\$ 4,642,992	11
1110	Financial assets at fair value through profit or loss - current	6(2)	556,400	1	350,422	1
1120	Financial assets at fair value through other comprehensive income - current	6(3)	3,003,212	7	3,169,510	8
1136	Financial assets at amortised cost - current	6(4)	93,268	-	88,834	-
1150	Notes receivable, net	6(5)	24,638	-	38,218	-
1170	Accounts receivable, net	6(5)(9)	1,669,453	4	1,001,501	2
1180	Accounts receivable, net - related parties	6(5)(9) and 7	3,388,430	8	1,484,576	4
1200	Other receivables	7	29,320	-	25,591	-
1220	Current income tax assets		70,034	-	46,137	-
130X	Inventories		61,541	-	52,493	-
1410	Prepayments		147,947	-	106,886	-
1470	Other current assets		183,185	1	30,087	-
11XX	Total Current Assets		15,098,372	35	11,037,247	26
Non-current Assets						
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	2,047,644	5	1,588,447	4
1535	Financial assets at amortised cost - non-current	6(4) and 8	142,666	-	127,899	-
1550	Investments accounted for using equity method	6(6)	1,292,597	3	1,244,344	3
1600	Property, plant and equipment, net	6(7) and 7	17,020,889	39	16,328,064	39
1755	Right-of-use assets	6(8)	1,580,654	4	1,732,358	4
1760	Investment property, net	6(10) and 8	3,678,996	9	3,830,439	9
1780	Intangible assets		200,698	-	215,795	1
1840	Deferred income tax assets		163,274	-	245,167	1
1930	Long-term notes and accounts receivable	6(5)(9)	34,847	-	39,301	-
1940	Long-term notes and accounts receivable - related parties	6(5)(9) and 7	2,010,567	5	4,780,665	11
1990	Other non-current assets		146,806	-	878,129	2
15XX	Total Non-current Assets		28,319,638	65	31,010,608	74
1XXX	TOTAL ASSETS		\$ 43,418,010	100	\$ 42,047,855	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, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current Liabilities						
2100	Short-term borrowings	6(11)	\$ -	-	\$ 60,000	-
2130	Current contract liabilities	6(20)	24,332	-	41,467	-
2150	Notes payable		14,262	-	25,366	-
2160	Notes payable - related parties		72	-	989	-
2170	Accounts payable		1,169,848	3	518,736	1
2180	Accounts payable - related parties	7	602,934	1	169,042	1
2200	Other payables	6(12)	558,065	1	511,248	1
2220	Other payables - related parties	6(12) and 7	19,118	-	284,870	1
2230	Current income tax liabilities		360,172	1	377,713	1
2280	Current lease liabilities		225,458	1	197,390	1
2320	Long-term liabilities, current portion	6(13)	342,500	1	560,418	1
2399	Other current liabilities, others		355,040	1	163,791	-
21XX	Total Current Liabilities		3,671,801	9	2,911,030	7
Non-current Liabilities						
2540	Long-term borrowings	6(13)	2,817,000	7	4,290,844	10
2570	Deferred income tax liabilities		2,748,070	6	2,472,206	6
2580	Non-current lease liabilities		1,460,671	3	1,635,932	4
2600	Other non-current liabilities	6(14)(15)	852,968	2	917,320	2
25XX	Total Non-current Liabilities		7,878,709	18	9,316,302	22
2XXX	TOTAL LIABILITIES		11,550,510	27	12,227,332	29
Equity attributable to owners of parent						
	Capital stock	6(16)				
3110	Common stock		10,671,411	25	10,671,411	25
	Capital surplus	6(17)				
3200	Capital surplus		4,295,775	10	4,286,854	10
	Retained earnings	6(18)				
3310	Legal reserve		2,825,697	6	2,467,071	6
3350	Unappropriated retained earnings		10,311,430	24	9,050,378	22
	Other equity interest	6(19)				
3400	Other equity interest		3,464,693	8	3,074,225	7
31XX	Equity attributable to owners of the parent		31,569,006	73	29,549,939	70
36XX	Non-controlling interest		298,494	-	270,584	1
3XXX	TOTAL EQUITY		31,867,500	73	29,820,523	71
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	TOTAL LIABILITIES AND EQUITY		\$ 43,418,010	100	\$ 42,047,855	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)

Items	Notes	Year ended December 31			
		2023		2022	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(20) and 7	\$ 16,394,054	100	\$ 17,586,956	100
5000 Operating costs	6(25) and 7	(12,301,528)	(75)	(13,087,458)	(75)
5900 Gross profit		<u>4,092,526</u>	<u>25</u>	<u>4,499,498</u>	<u>25</u>
Operating expenses	6(25) and 7				
6100 Selling expenses		(679,732)	(4)	(549,941)	(3)
6200 General and administrative expenses		(805,333)	(5)	(745,468)	(4)
6450 Expected credit loss	12(2)	(877)	-	(2,370)	-
6000 Total operating expenses		<u>(1,485,942)</u>	<u>(9)</u>	<u>(1,297,779)</u>	<u>(7)</u>
6900 Operating profit		<u>2,606,584</u>	<u>16</u>	<u>3,201,719</u>	<u>18</u>
Non-operating income and expenses					
7100 Interest income	6(21)	161,940	1	44,714	-
7010 Other income	6(22)	842,548	5	768,060	5
7020 Other gains and losses	6(23)	155,435	1	130,506	1
7050 Finance costs	6(24)	(109,237)	(1)	(126,703)	(1)
7060 Share of profit of associates and joint ventures accounted for using equity method	6(6)	<u>117,756</u>	<u>1</u>	<u>121,442</u>	<u>1</u>
7000 Total non-operating income and expenses		<u>1,168,442</u>	<u>7</u>	<u>938,019</u>	<u>6</u>
7900 Profit before income tax		3,775,026	23	4,139,738	24
7950 Income tax expense	6(27)	(942,614)	(6)	(469,106)	(3)
8200 Profit for the year		<u>\$ 2,832,412</u>	<u>17</u>	<u>\$ 3,670,632</u>	<u>21</u>

(Continued)

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

				Year ended December 31			
				2023		2022	
Items		Notes	AMOUNT	%	AMOUNT	%	
Other comprehensive income,net							
Items that will not be reclassified to profit or loss							
8311	Remeasurement of defined benefit plan	6(15)	\$ 2,625	-	\$ 78,864	-	
8316	Total unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	6(3)(19)	602,297	4 (	2,467,121) (	14)	
8349	Income tax related to the components of other comprehensive profit	6(27)	(806)	- (	15,509)	-	
Items that will be reclassified to profit or loss							
8361	Exchange differences arising on translation of foreign operations		21,588	-	1,203,480	7	
8399	Income tax related to the components of other comprehensive profit	6(27)	937	- (	415)	-	
8300	Total other comprehensive income (loss) for the year, net		<u>\$ 626,641</u>	<u>4 (</u>	<u>\$ 1,200,701) (</u>	<u>7)</u>	
8500	Total comprehensive income for the year		<u>\$ 3,459,053</u>	<u>21</u>	<u>\$ 2,469,931</u>	<u>14</u>	
Profit attributable to:							
8610	Owners of the parent		\$ 2,723,072	16	\$ 3,526,415	20	
8620	Non-controlling interest		<u>109,340</u>	<u>1</u>	<u>144,217</u>	<u>1</u>	
			<u>\$ 2,832,412</u>	<u>17</u>	<u>\$ 3,670,632</u>	<u>21</u>	
Comprehensive income attributable to:							
8710	Owners of the parent		\$ 3,344,072	20	\$ 2,323,976	13	
8720	Non-controlling interest		<u>114,981</u>	<u>1</u>	<u>145,955</u>	<u>1</u>	
			<u>\$ 3,459,053</u>	<u>21</u>	<u>\$ 2,469,931</u>	<u>14</u>	
Earnings per share							
9750	Basic earnings per share (in dollars)	6(28)	<u>\$ 2.55</u>		<u>\$ 3.30</u>		
9850	Diluted earnings per share (in dollars)		\$ 2.55		\$ 3.30		

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

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent									
	Retained Earnings				Other equity interest				
						Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income		Non-controlling interest	Total equity
Notes	Common stock	Capital surplus	Legal reserve	Unappropriated retained earnings	Exchange differences arising on translation of foreign operation		Total		
<u>2022</u>									
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	\$ 270,584	\$ 29,820,523
<u>2023</u>									
Balance at January 1, 2023		\$ 10,671,411	\$ 4,286,854	\$ 2,467,071	\$ 9,050,378	\$ 151,862	\$ 2,922,363	\$ 270,584	\$ 29,820,523
Profit for the year	-	-	-	2,723,072	-	-	2,723,072	109,340	2,832,412
Other comprehensive income for the year	6(19)	-	-	2,350	22,273	596,377	621,000	5,641	626,641
Total comprehensive income for the year		-	-	2,725,422	22,273	596,377	3,344,072	114,981	3,459,053
Appropriation of 2022 earnings	6(18)								
Legal reserve	-	-	358,626	(358,626)	-	-	-	-	-
Cash dividends	-	-	-	(1,333,926)	-	-	(1,333,926)	-	(1,333,926)
Changes in equity of associates and joint ventures accounted for using equity method	-	(230)	-	-	-	-	(230)	(1)	(231)
Other changes in capital surplus	-	9,151	-	-	-	-	9,151	-	9,151
Changes in non-controlling interests	-	-	-	-	-	-	-	(87,070)	(87,070)
Disposal of investments in equity instruments measured at fair value through other comprehensive income	6(3)(18)(19)	-	-	228,182	-	(228,182)	-	-	-
Balance at December 31, 2023		\$ 10,671,411	\$ 4,295,775	\$ 2,825,697	\$ 10,311,430	\$ 174,135	\$ 3,290,558	\$ 298,494	\$ 31,867,500

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)

		Year ended December 31	
	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 3,775,026	\$ 4,139,738
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(25)	1,382,186	1,208,676
Amortisation	6(25)	20,885	21,703
Expected credit loss		877	2,370
Gain on financial assets at fair value through profit or loss	6(2)	(978)	(150)
Interest expense	6(24)	107,997	126,205
Interest income	6(21)	(460,786)	(378,697)
Dividend income	6(22)	(789,988)	(607,826)
Share of profit of associates and joint ventures accounted for using equity method	6(6)	(117,756)	(121,442)
Gain on disposal of property, plant and equipment	6(23)	(175,222)	(4,792)
Gain from bargain purchase	6(22)(30)	-	132,345
Loss (Income) from subleasing right-of-use assets		91	(92)
Gain on lease modification	6(8)(23)	(410)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets mandatorily measured at fair value through profit or loss		(205,000)	(215,000)
Current contract assets		-	32,672
Notes receivable, net		13,583	17,848
Accounts receivable, net		(662,245)	356,360
Accounts receivable, net - related parties		887,008	1,065,356
Other receivables		10,915	7,695
Inventories		(9,048)	(481)
Prepayments		(41,160)	(4,957)
Other current assets		(153,041)	177,415
Other non-current assets		41	28
Changes in operating liabilities			
Current contract liabilities		(16,297)	(34,808)
Notes payable		(11,135)	(20,534)
Notes payable - related parties		(919)	989
Accounts payable		652,710	(269,231)
Accounts payable - related parties		437,260	(101,750)
Other payables		43,808	24,719
Other payables - related parties		(35,080)	(44,264)
Other current liabilities, others		191,140	(94,848)
Other non-current liabilities		(64,537)	(141,358)
Cash inflow generated from operations		4,779,925	5,009,199
Interest received		446,148	372,367
Interest paid		(115,579)	(122,060)
Income tax paid		(626,539)	(299,692)
Net cash flows from operating activities		4,483,955	4,959,814

(Continued)

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through other comprehensive income		(\$ 24,127)	(\$ 303,891)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	333,567	13,356
Proceeds from capital reduction of financial assets at fair value through other comprehensive income		-	153,205
Acquisition of financial assets at amortised cost		(44,897)	(1,059)
Proceeds from disposal of financial assets at amortised cost		25,697	2,175
Acquisition of investments accounted for using equity method		-	(53,478)
Net cash flow from acquisition of subsidiaries	6(31)	-	82,148
Acquisition of property, plant and equipment (including prepayments for equipment)	6(31)	(1,276,035)	(2,562,535)
Proceeds from disposal of property, plant and equipment		254,190	13,586
Increase in refundable deposits		-	(29,596)
Decrease in refundable deposits		11,248	-
Acquisition of intangible assets		(5,630)	(4,342)
Dividends received		852,887	651,590
Net cash flows from (used in) investing activities		126,900	(2,038,841)
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in short-term loans		(60,000)	(60,000)
Other payables - related parties		5,331	-
Proceeds from long-term borrowings	6(32)	57,900	729,580
Repayment of long-term borrowings	6(32)	(1,752,096)	(2,996,117)
Increase in guarantee deposits received	6(32)	2,015	66,432
Repayment of lease liabilities	6(32)	(210,645)	(180,114)
Dividends paid	6(18)	(1,333,926)	(426,856)
Change in non-controlling interests		(87,070)	(1,756)
Other financing activities		9,151	9,184
Net cash flows used in financing activities		(3,369,340)	(2,859,647)
Effect of exchange rate changes		(13,563)	337,019
Net increase in cash and cash equivalents		1,227,952	398,345
Cash and cash equivalents at beginning of year		4,642,992	4,244,647
Cash and cash equivalents at end of year		\$ 5,870,944	\$ 4,642,992

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 and other related business.

(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.

(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 12, 2024.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS[®]”) Accounting Standards 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 2023 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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
Amendments to IAS 12, ‘International tax reform - pillar two model rules’	May 23, 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.

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

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2024 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
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
Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’	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.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by International Accounting Standards Board
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 – comparative information’	January 1, 2023
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

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 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:

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2023	December 31, 2022	
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 and other related business	91.21	91.21	
The Company	ERL	International trading, packing, marine freight forwarding, storage and warehousing, information administration	60.00	60.00	Note 1
ELC	Evergreen Logistics USA Corp.(Original name : Round The World Logistics (U.S.A.) Corp.)	Marine and air freight forwarding and other related business	100.00	100.00	
ELC	Evergreen Logistics (Thailand) Co., Ltd.	Marine and air freight forwarding and other related business	49.00	49.00	Note 2
ELC	Evergreen Logistics Malaysia Sdn. Bhd.	Marine and air freight forwarding and other related business	100.00	100.00	Note 3
ELC	Evergreen International Logistics (HK) Ltd.	Marine and air freight forwarding and other related business	100.00	100.00	Note 4
ELC	Evergreen Logistics Vietnam Co., Ltd.	Marine and air freight forwarding and other related business	100.00	100.00	Note 5
ELC	Evergreen Logistics (India) Private Ltd.	Marine and air freight forwarding and other related business	99.99	99.99	Note 6
Evergreen International Logistics (HK) Ltd.	Evergreen International Logistics (Shanghai) Co., Ltd.	Marine and air freight forwarding and other related business	100.00	100.00	Note 7
ELC	Evergreen Logistics (Cambodia) Co., Ltd.	Marine and air freight forwarding and other related business	100.00	100.00	Note 8
ELC	Evergreen International Logistics (Korea) Co., Ltd.	Marine and air freight forwarding and other related business	100.00	100.00	Note 9
ELC	Evergreen Logistics Philippines Corp.	Marine and air freight forwarding and other related business	100.00	100.00	Note 10

- Note 1: 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 2: 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 3: 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 4: 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 5: 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 6: 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 7: 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 8: 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 9: 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 10: 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 gross 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 - 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) Leasing arrangements (lessee) — right-of-use assets/ lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the 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 or loss and does not give rise to equal taxable and deductible temporary differences. 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.
- F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from acquisitions of equipment or technology to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(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, 2023, the carrying amount of unlisted stocks without active market was \$734,182.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and petty cash	\$ 3,455	\$ 3,824
Checking accounts and demand deposits	1,921,032	2,178,946
Time deposits	3,946,457	2,460,222
	<u>\$ 5,870,944</u>	<u>\$ 4,642,992</u>

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, 2023	December 31, 2022
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	\$ 555,000	\$ 350,000
Valuation adjustment	1,400	422
	<u>\$ 556,400</u>	<u>\$ 350,422</u>

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, 2023	Year ended December 31, 2022
<u>Financial assets mandatorily measured at fair value through profit or loss</u>		
Beneficiary certificates	<u>\$ 4,391</u>	<u>\$ 2,595</u>

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, 2023	December 31, 2022
Current items:		
Equity instruments		
Listed stocks	\$ 844,140	\$ 925,399
Valuation adjustment	2,159,072	2,244,111
Total	<u>\$ 3,003,212</u>	<u>\$ 3,169,510</u>
Non-current items:		
Equity instruments		
Listed stocks	\$ 615,193	\$ 612,093
Emerging stocks	-	3,100
Unlisted stocks	260,260	260,244
Subtotal	875,453	875,437
Valuation adjustment	1,172,191	713,010
Total	<u>\$ 2,047,644</u>	<u>\$ 1,588,447</u>

- 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 \$5,050,856 and \$4,757,957 as at December 31, 2023 and 2022, respectively.
- B. Aiming to satisfy the operational needs, the Group sold \$333,567 and \$13,356 of listed stocks investments at fair value and resulted in cumulative gains (losses) on disposal of \$228,182 and (\$1,096) during the years ended December 31, 2023 and 2022, 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, 2023	Year ended December 31, 2022
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ 602,297	(\$ 2,467,121)
Income tax recognised in other comprehensive income	(\$ 272)	\$ 2,050
Cumulative gains (losses) reclassified to retained earnings due to derecognition	\$ 228,182	(\$ 1,096)
Dividend income recognised in profit or loss		
Held at end of period	\$ 789,988	\$ 607,676
Derecognised during the period	-	150
	<u>\$ 789,988</u>	<u>\$ 607,826</u>

(4) Financial assets at amortised cost

Items	December 31, 2023	December 31, 2022
Current items:		
Time deposits	\$ 93,268	\$ 88,834
Non-current items:		
Pledged time deposits	\$ 142,666	\$ 127,899

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

	Year ended December 31, 2023	Year ended December 31, 2022
Interest income	\$ 3,031	\$ 2,069

B. As at December 31, 2023 and 2022, 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 were \$235,934 and \$216,733, respectively.

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

D. 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, 2023	December 31, 2022
Notes receivable	\$ 24,638	\$ 38,218
Accounts receivable - non-related parties	\$ 1,662,054	\$ 991,368
Accounts receivable - related parties	610,919	549,880
Lease payment receivable - non-related parties - current	8,959	11,986
Lease payment receivable - related parties - current	3,019,261	1,227,989
Less: Allowance for bad debts	(2,984)	(1,196)
Unearned finance income	(240,326)	(293,950)
	<u>\$ 5,057,883</u>	<u>\$ 2,486,077</u>
Lease payment receivable - non-related-parties-non-current (Listed as long-term notes and accounts receivable)	\$ 36,563	\$ 41,304
Lease payment receivable - related parties-non-current (Listed as long-term notes and accounts receivable - related parties)	2,184,574	5,194,496
Less: Allowance for bad debts	(655)	(1,558)
Unearned finance income	(175,068)	(414,276)
	<u>\$ 2,045,414</u>	<u>\$ 4,819,966</u>

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

	December 31, 2023	
	Accounts receivable	Notes receivable
Without past due	\$ 7,271,928	\$ 22,929
Up to 3 months past due	229,155	1,709
Over 3 months past due	21,247	-
	<u>\$ 7,522,330</u>	<u>\$ 24,638</u>
	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	-
	<u>\$ 8,017,023</u>	<u>\$ 38,218</u>

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

- B. As of December 31, 2023 and 2022, and January 1, 2022, the balances of receivables (including notes receivable) from contracts with customers amounted to \$2,152,917, \$1,435,432 and \$1,528,539, respectively.
- C. As of December 31, 2023 and 2022, 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 \$24,638 and \$38,218; \$7,103,297 and \$7,306,043, 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

	2023	2022
At January 1	\$ 1,244,344	\$ 1,101,599
Increase in investments using the equity method	-	62,208
Share of profit or loss of investments accounted for using equity method	117,756	121,442
Earnings distribution of investments accounted for using equity method	(62,899)	(43,764)
Changes in capital surplus	(112)	369
Changes in other equity items	(6,492)	2,490
At December 31	<u>\$ 1,292,597</u>	<u>\$ 1,244,344</u>
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Associates :		
United Stevedoring Corp.	\$ 33,694	\$ 33,596
Taipei Port Container Terminal Corp.	1,130,467	1,071,397
Qingdao Evergreen Container Storage and Transportation Corp.	70,237	63,023
Round The World Logistics Corp. (M) Sdn. Bhd.	58,199	76,328
	<u>\$ 1,292,597</u>	<u>\$ 1,244,344</u>

- 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, 2023 and 2022, the carrying amount of the Group's individually immaterial associates amounted to \$1,292,597 and \$1,244,344, respectively.

	Year ended December 31, 2023	Year ended December 31, 2022
Profit for the period from continuing operations	\$ 652,703	\$ 652,491
Other comprehensive income (loss) - net of tax	-	-
Total comprehensive income	<u>\$ 652,703</u>	<u>\$ 652,491</u>

- 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.

(7) Property, plant and equipment

2023

	Land	Land improvements	Buildings	Machinery	Loading/ unloading equipment	Transportation equipment	Ships	Office equipment	Leasehold improvements	Other equipment	Construction in progress	Total
<u>At January 1</u>												
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)
	<u>\$ 8,041,745</u>	<u>\$ 52,358</u>	<u>\$ 263,014</u>	<u>\$ 1,562</u>	<u>\$ 776,156</u>	<u>\$ 6,816,943</u>	<u>\$ 204,687</u>	<u>\$ 21,999</u>	<u>\$ 18,228</u>	<u>\$ 131,290</u>	<u>\$ 82</u>	<u>\$ 16,328,064</u>
Opening 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
Additions	-	1,271	3,164	95	3,770	4,985	93,707	23,927	6,402	20,022	-	157,343
Disposals	-	-	-	-	-	(7,049)	(71,913)	(3)	-	-	-	(78,965)
Reclassifications	763,584	-	3,860	-	365,421	304,097	55,543	(212)	21,370	97,950	(82)	1,611,531
Depreciation charge	-	(11,169)	(17,559)	(544)	(93,878)	(740,772)	(98,926)	(12,981)	(6,423)	(37,982)	-	(1,020,234)
Effect of exchange rate changes	119	-	263	-	5	20,996	1,812	(31)	(32)	18	-	23,150
Closing net book amount	<u>\$ 8,805,448</u>	<u>\$ 42,460</u>	<u>\$ 252,742</u>	<u>\$ 1,113</u>	<u>\$ 1,051,474</u>	<u>\$ 6,399,200</u>	<u>\$ 184,910</u>	<u>\$ 32,699</u>	<u>\$ 39,545</u>	<u>\$ 211,298</u>	<u>\$ -</u>	<u>\$ 17,020,889</u>
<u>At December 31</u>												
Cost	\$ 8,805,448	\$ 108,048	\$ 1,236,610	\$ 20,567	\$ 2,317,497	\$ 9,777,690	\$ 3,442,772	\$ 67,772	\$ 111,224	\$ 824,468	\$ -	\$ 26,712,096
Accumulated depreciation	-	(65,588)	(983,868)	(19,454)	(1,266,023)	(3,378,490)	(3,257,862)	(35,073)	(71,679)	(613,170)	-	(9,691,207)
	<u>\$ 8,805,448</u>	<u>\$ 42,460</u>	<u>\$ 252,742</u>	<u>\$ 1,113</u>	<u>\$ 1,051,474</u>	<u>\$ 6,399,200</u>	<u>\$ 184,910</u>	<u>\$ 32,699</u>	<u>\$ 39,545</u>	<u>\$ 211,298</u>	<u>\$ -</u>	<u>\$ 17,020,889</u>

2022

	Land	Land improvements	Buildings	Machinery	Loading/unloading equipment	Transportation equipment	Ships	Office equipment	Leasehold improvements	Other equipment	Construction in progress	Total
<u>At January 1</u>												
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)	
	<u>\$ 8,802,162</u>	<u>\$ 25,682</u>	<u>\$ 199,954</u>	<u>\$ 1,989</u>	<u>\$ 827,481</u>	<u>\$ 12,090,352</u>	<u>\$ 207,700</u>	<u>\$ 12,128</u>	<u>\$ 8,041</u>	<u>\$ 86,464</u>	<u>\$ 1,984,210</u>	<u>\$ 24,246,163</u>
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	<u>\$ 8,041,745</u>	<u>\$ 52,358</u>	<u>\$ 263,014</u>	<u>\$ 1,562</u>	<u>\$ 776,156</u>	<u>\$ 6,816,943</u>	<u>\$ 204,687</u>	<u>\$ 21,999</u>	<u>\$ 18,228</u>	<u>\$ 131,290</u>	<u>\$ 82</u>	<u>\$ 16,328,064</u>
<u>At December 31</u>												
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)	
	<u>\$ 8,041,745</u>	<u>\$ 52,358</u>	<u>\$ 263,014</u>	<u>\$ 1,562</u>	<u>\$ 776,156</u>	<u>\$ 6,816,943</u>	<u>\$ 204,687</u>	<u>\$ 21,999</u>	<u>\$ 18,228</u>	<u>\$ 131,290</u>	<u>\$ 82</u>	<u>\$ 16,328,064</u>

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

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

	Year ended December 31, 2023	Year ended December 31, 2022
Amount capitalised	\$ -	\$ 8,689

(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 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, 2023	December 31, 2022
	Book value	Book value
Land	\$ 257,684	\$ 1,202,997
Buildings	1,321,262	510,451
Other equipment	1,708	18,910
	<u>\$ 1,580,654</u>	<u>\$ 1,732,358</u>

	Year ended December 31, 2023	Year ended December 31, 2022
	Depreciation charge	Depreciation charge
Land	\$ 32,386	\$ 120,212
Buildings	175,911	54,838
Other equipment	954	2,078
	<u>\$ 209,251</u>	<u>\$ 177,128</u>

D. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were \$60,378 and \$208,736, respectively.

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

	Year ended December 31, 2023	Year ended December 31, 2022
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 25,922	\$ 29,733
Expense on short-term lease contracts	13,392	915
Expense on leases of low-value assets	3,509	1,559
Gain on sublease of right-of-use assets	1,304	1,404
Gain on lease modification	410	-

F. For the years ended December 31, 2023 and 2022, the Group's total cash outflow for leases were \$253,468 and \$212,321, 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 9.5 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, 2023	Year ended December 31, 2022
Finance income from the net investment in the finance lease	\$ 298,873	\$ 334,012

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

	December 31, 2023
2024	\$ 3,028,220
2025	1,110,306
2026	551,034
2027	539,152
2028	5,295
After 2029	15,350
Total	\$ 5,249,357

	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	<u>\$ 6,475,775</u>

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

	December 31, 2023	
	Current	Non-current
Undiscounted lease payments	\$ 3,028,220	\$ 2,221,137
Unearned finance income	(240,326)	(175,068)
Net investment in the lease	<u>\$ 2,787,894</u>	<u>\$ 2,046,069</u>

	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	<u>\$ 946,025</u>	<u>\$ 4,821,524</u>

E. Gain arising from operating lease agreements for the years ended December 31, 2023 and 2022 are as follows:

	Year ended December 31, 2023	Year ended December 31, 2022
Rental income arising from fixed lease payments	<u>\$ 1,591,471</u>	<u>\$ 1,927,463</u>
Rental income arising from variable lease payments	<u>\$ 4,669</u>	<u>\$ 4,449</u>

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

	December 31, 2023
2024	\$ 1,445,839
2025	913,599
2026	795,653
2027	678,587
2028	439,213
After 2029	217,360
Total	<u>\$ 4,490,251</u>

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

(10) Investment property

A. Changes in investment property:

	2023		
	Land	Buildings	Total
<u>At January 1</u>			
Cost	\$ 1,280,267	\$ 2,707,742	\$ 3,988,009
Accumulated depreciation	-	(157,570)	(157,570)
	<u>\$ 1,280,267</u>	<u>\$ 2,550,172</u>	<u>\$ 3,830,439</u>
Opening net book amount	\$ 1,280,267	\$ 2,550,172	\$ 3,830,439
Additions	-	1,258	1,258
Depreciation charge	-	(152,701)	(152,701)
Closing net book amount	<u>\$ 1,280,267</u>	<u>\$ 2,398,729</u>	<u>\$ 3,678,996</u>
<u>At December 31</u>			
Cost	\$ 1,280,267	\$ 2,709,000	\$ 3,989,267
Accumulated depreciation	-	(310,271)	(310,271)
	<u>\$ 1,280,267</u>	<u>\$ 2,398,729</u>	<u>\$ 3,678,996</u>

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

	2022		
	Land	Buildings	Total
<u>At January 1</u>			
Cost	\$ 452,352	\$ 96,880	\$ 549,232
Accumulated depreciation	-	(56,232)	(56,232)
	<u>\$ 452,352</u>	<u>\$ 40,648</u>	<u>\$ 493,000</u>
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	<u>\$ 1,280,267</u>	<u>\$ 2,550,172</u>	<u>\$ 3,830,439</u>
<u>At December 31</u>			
Cost	\$ 1,280,267	\$ 2,707,742	\$ 3,988,009
Accumulated depreciation	-	(157,570)	(157,570)
	<u>\$ 1,280,267</u>	<u>\$ 2,550,172</u>	<u>\$ 3,830,439</u>

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

	Year ended December 31, 2023	Year ended December 31, 2022
Rental income from investment property	<u>\$ 373,088</u>	<u>\$ 271,941</u>
Direct operating expenses arising from the investment property that generated rental income during the year	<u>\$ 210,087</u>	<u>\$ 137,765</u>

C. The fair value of the investment property held by the Group as at December 31, 2023 and 2022 were \$8,148,379 and \$9,227,744, 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, 2023	December 31, 2022
Gross margin	47.631%	51.320%
Discount rate	2.345%	2.220%

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, 2023	December 31, 2022
Unsecured bank borrowings	\$ -	\$ 60,000
Interest rate range	-	1.38000%~1.76000%

(12) Other payables (including related parties)

	December 31, 2023	December 31, 2022
Payable on equipment	\$ 58,315	\$ 283,692
Others	518,868	512,426
	<u>\$ 577,183</u>	<u>\$ 796,118</u>

(13) Long-term borrowings

Type of borrowings	December 31, 2023	December 31, 2022
Unsecured bank borrowings	\$ 587,500	\$ 2,337,162
Secured bank borrowings	2,572,000	2,514,100
	3,159,500	4,851,262
Less: Current portion	(342,500)	(560,418)
	<u>\$ 2,817,000</u>	<u>\$ 4,290,844</u>
Expiry year	2024~2037	2024~2037
Interest rate range	1.96378%~2.13296%	1.54067%~5.77000%

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

(14) Other non-current liabilities

	December 31, 2023	December 31, 2022
Accrued pension obligations	\$ 761,524	\$ 827,893
Guarantee deposits received	90,211	88,196
Others	1,233	1,231
	<u>\$ 852,968</u>	<u>\$ 917,320</u>

(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:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Present value of defined benefit obligations	(\$ 5,645)	(\$ 5,451)
Fair value of plan assets	<u>6,744</u>	<u>6,541</u>
Net defined benefit asset	<u>\$ 1,099</u>	<u>\$ 1,090</u>
Present value of defined benefit obligations	(\$ 1,975,622)	(\$ 2,054,055)
Fair value of plan assets	<u>1,214,098</u>	<u>1,226,162</u>
Net defined benefit liability	<u>(\$ 761,524)</u>	<u>(\$ 827,893)</u>

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

	2023		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	(\$ 2,059,506)	\$ 1,232,703	(\$ 826,803)
Current service cost	(30,659)	-	(30,659)
Interest (expense) income	(24,888)	14,547	(10,341)
	<u>(2,115,053)</u>	<u>1,247,250</u>	<u>(867,803)</u>
Remeasurements:			
Return on plan assets(excluding amounts included in interest income or expense)	-	6,524	6,524
Change in demographic assumptions	(7,938)	-	(7,938)
Change in financial assumptions	(4,957)	-	(4,957)
Experience adjustments	8,996	-	8,996
	<u>(3,899)</u>	<u>6,524</u>	<u>2,625</u>
Pension fund contribution	-	77,524	77,524
Paid pension	137,749	(110,456)	27,293
Exchange difference	(64)	-	(64)
At December 31	<u>(\$ 1,981,267)</u>	<u>\$ 1,220,842</u>	<u>(\$ 760,425)</u>
	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)
	<u>(2,197,942)</u>	<u>1,151,147</u>	<u>(1,046,795)</u>
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)
	<u>(8,972)</u>	<u>87,836</u>	<u>78,864</u>
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	<u>(\$ 2,059,506)</u>	<u>\$ 1,232,703</u>	<u>(\$ 826,803)</u>

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being 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, 2023 and 2022 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, 2023	Year ended December 31, 2022
Discount rate	1.13%~6.60%	1.18%~7.50%
Future salary increases	1.75%~7.00%	1.75%~7.00%

The assumption of future death rate depends on the Taiwan Standard Ordinary Experience Mortality Table for the years ended December 31, 2023 and 2022.

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%
<u>December 31, 2023</u>				
Effect on present value of defined benefit obligation	(\$ 48,012)	\$ 72,332	\$ 71,440	(\$ 47,824)
<u>December 31, 2022</u>				
Effect on present value of defined benefit obligation	(\$ 56,257)	\$ 79,101	\$ 78,234	(\$ 56,156)

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 Group for the year ending December 31, 2024 amount to \$134,741.

(g) As of December 31, 2023, the weighted average duration of the retirement plan is 6~27.4 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, 2023 and 2022 were \$94,053 and \$92,360, respectively.

(16) Capital stock

A. As of December 31, 2023, 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, 2023 and 2022.

(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

	2023	2022
At January 1	\$ 9,050,378	\$ 6,005,196
Profit for the year	2,723,072	3,526,415
Appropriation, release and distribution	(1,692,552)	(541,079)
Remeasurement on post employment benefit obligations, net of tax	2,350	60,942
Disposal of investments in equity instruments measured at fair value through other comprehensive income	228,182	(1,096)
At December 31	<u>\$ 10,311,430</u>	<u>\$ 9,050,378</u>

- 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 2022 earnings had been resolved after meeting the statutory voting threshold on June 19, 2023 for shareholders' meeting. The appropriation of 2021 earnings had been resolved after meeting the statutory voting threshold on June 14, 2022 for shareholders' meeting. Details are summarized below:

	2022		2021	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 358,626		\$ 114,223	
Cash dividends	1,333,926	\$ 1.25	426,856	\$ 0.40
	<u>\$ 1,692,552</u>		<u>\$ 541,079</u>	

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 2023 at the Board of Directors' meeting on March 12, 2024. The information is summarised below:

	2023	
	Amount	Dividends per share (in dollars)
Legal reserve	\$ 295,360	
Cash dividends	1,173,855	\$ 1.10
	<u>\$ 1,469,215</u>	

The information about the aforementioned earnings distribution in 2023 has not been resolved at the stockholders' meeting up until March 12, 2024.

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

(19) Other equity items

	2023		
	Unrealised gains (losses) on valuation	Currency translation	Total
At January 1	\$ 2,922,363	\$ 151,862	\$ 3,074,225
Revaluation-gross	596,649	-	596,649
Revaluation-tax	(272)	-	(272)
Revaluation transferred to retained earnings-gross	(228,182)	-	(228,182)
Currency translation:			
- Group	-	21,418	21,418
- Tax on Group	-	855	855
At December 31	<u>\$ 3,290,558</u>	<u>\$ 174,135</u>	<u>\$ 3,464,693</u>

	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	<u>\$ 2,922,363</u>	<u>\$ 151,862</u>	<u>\$ 3,074,225</u>

(20) Operating revenue

	Year ended December 31, 2023	Year ended December 31, 2022
Revenue from contracts with customers	\$ 14,125,953	\$ 15,049,091
Rental income	2,268,101	2,537,865
	<u>\$ 16,394,054</u>	<u>\$ 17,586,956</u>

A. The group derives revenue from the transfer of goods and services over time and at a point in time un the following major businesses. Revenue can be disaggregated by the following operating departments:

Year ended December 31, 2023	Inland Transportation	Container Terminals	International Marine Business	Gasoline Station	Freight Forwarder	Others	Total
Revenue from contracts with customers	\$ 1,694,082	\$ 602,975	\$ 1,380,698	\$ 430,801	\$ 10,017,301	\$ 96	\$14,125,953
Rental income	19,224	235,966	1,842,108	-	122,823	47,980	2,268,101
	<u>\$ 1,713,306</u>	<u>\$ 838,941</u>	<u>\$ 3,222,806</u>	<u>\$ 430,801</u>	<u>\$ 10,140,124</u>	<u>\$ 48,076</u>	<u>\$16,394,054</u>

Year ended December 31, 2022	Inland Transportation	Container Terminals	International Marine Business	Gasoline Station	Freight Forwarder	Others	Total
Revenue from contracts with customers	\$ 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
	<u>\$ 1,645,190</u>	<u>\$ 830,554</u>	<u>\$ 3,703,015</u>	<u>\$ 482,949</u>	<u>\$ 10,877,641</u>	<u>\$ 47,607</u>	<u>\$17,586,956</u>

B. Contract assets and contract liabilities

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>January 1, 2022</u>
Contract assets			
Contract assets – Freight forwarder	\$ -	\$ -	\$ 29,532
Contract liabilities			
Contract liabilities – Freight forwarder	(\$ 17,464)	(\$ 32,827)	(\$ 57,390)
Contract liabilities – Services	-	-	(37)
Contract liabilities – Deferred revenue from passenger transportation, oil sales, and inland container transportation	(6,868)	(8,640)	(8,671)
Total	<u>(\$ 24,332)</u>	<u>(\$ 41,467)</u>	<u>(\$ 66,098)</u>

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

	<u>Year ended December 31, 2023</u>	<u>Year ended December 31, 2022</u>
Revenue from passenger transportation, oil sales, inland container transportation, freight forwarder and services	\$ 34,970	\$ 61,716

(21) Interest income

	<u>Year ended December 31, 2023</u>	<u>Year ended December 31, 2022</u>
Interest income from bank deposits	\$ 158,882	\$ 42,616
Interest income from financial assets at amortised cost	3,031	2,069
Imputed rate of interest for deposits	27	29
	<u>\$ 161,940</u>	<u>\$ 44,714</u>

(22) Other income

	<u>Year ended December 31, 2023</u>	<u>Year ended December 31, 2022</u>
Dividend income	\$ 789,988	\$ 607,826
Gain from bargain purchase	-	132,345
Other income - others	52,560	27,889
	<u>\$ 842,548</u>	<u>\$ 768,060</u>

(23) Other gains and losses

	Year ended December 31, 2023	Year ended December 31, 2022
Gains on disposal of property, plant and equipment	\$ 175,222	\$ 4,792
(Losses) Gains on subleasing right-of-use assets	(91)	92
Gains on lease modifications	410	-
Net currency exchange (losses) gains	(6,668)	148,931
Gains on financial assets at fair value through profit or loss	4,391	2,595
Other losses	(17,829)	(25,904)
	<u>\$ 155,435</u>	<u>\$ 130,506</u>

(24) Finance costs

	Year ended December 31, 2023	Year ended December 31, 2022
Interest expense:		
Interest expense on bank borrowings	\$ 81,964	\$ 105,104
Imputed rate of interest for deposits	1,240	498
Interest expense on lease liabilities	25,922	29,733
Other interest expense	111	57
	<u>109,237</u>	<u>135,392</u>
Less: Capitalized borrowing costs	-	(8,689)
	<u>\$ 109,237</u>	<u>\$ 126,703</u>

(25) Expenses by nature

	Year ended December 31, 2023	Year ended December 31, 2022
Employee benefit expense	\$ 2,247,166	\$ 2,171,371
Depreciation	1,382,186	1,208,676
Amortisation	20,885	21,703
Other operating costs and expenses	<u>10,137,233</u>	<u>10,983,487</u>
Operating costs and operating expenses	<u>\$ 13,787,470</u>	<u>\$ 14,385,237</u>

(26) Employee benefit expense

	Year ended December 31, 2023	Year ended December 31, 2022
Wages and salaries	\$ 1,861,387	\$ 1,862,267
Labor and health insurance fees	208,031	146,153
Pension cost	94,053	92,360
Directors' remuneration	15,544	14,000
Other personnel expenses	68,151	56,591
	<u>\$ 2,247,166</u>	<u>\$ 2,171,371</u>

- 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, 2023 and 2022, employees' compensation were accrued at \$34,000 and \$38,000, respectively ; directors' remuneration were accrued at \$6,037 and \$6,456 , 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, 2023.

Employees' compensation and directors' remuneration of 2022 as resolved by the Board of Directors were in agreement with those amounts recognized in the 2022 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, 2023	Year ended December 31, 2022
Current tax:		
Current tax on profit for the year	\$ 520,194	\$ 490,159
Tax on unappropriated earnings	94,846	30,806
Investment tax credits	-	(67,940)
Prior year income tax overestimation	(30,083)	(5,635)
Deferred tax:		
Origination and reversal of temporary differences	357,657	21,716
Income tax expense	<u>\$ 942,614</u>	<u>\$ 469,106</u>

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

	Year ended December 31, 2023	Year ended December 31, 2022
Changes in fair value of financial assets at fair value through other comprehensive income	\$ 272	(\$ 2,050)
Currency translation differences	(937)	415
Remeasurement of defined benefit obligations	534	17,559
	<u>(\$ 131)</u>	<u>\$ 15,924</u>

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

	Year ended December 31, 2023	Year ended December 31, 2022
Changes in equity of associates and joint ventures accounted for using equity method	<u>\$ 119</u>	<u>\$ 63</u>

B. Reconciliation between income tax expense and accounting profit:

	Year ended December 31, 2023	Year ended December 31, 2022
Tax calculated based on profit before tax and statutory tax rate	\$ 991,675	\$ 1,128,394
Expenses disallowed by tax regulation	50,880	(431)
Tax exempt income by tax regulation	(424,641)	(402,926)
Temporary differences not recognised as deferred tax assets	-	(26,774)
Effect from investment tax credits	-	(206,436)
Change in assessment of realisation of deferred tax assets	(2,018)	1
Change in assessment of realisation of deferred tax liabilities	261,852	-
Tax on unappropriated earnings	94,846	30,806
Prior year income tax overestimation	(30,083)	(5,635)
Others	103	(47,893)
Income tax expense	<u>\$ 942,614</u>	<u>\$ 469,106</u>

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:

	2023					
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	Translation differences	December 31
Deferred tax assets:						
-Temporary differences:						
Unrealised exchange loss	\$ 3,548	\$ 15,190	\$ -	\$ -	\$ -	\$ 18,738
Unrealised expenses	20,548	(4,738)	-	-	1	15,811
Net defined benefit liabilities	82,210	(9,782)	(1,237)	-	-	71,191
Investments losses	-	(840)	-	-	12	(828)
Fixed asset	60	(2)	-	-	-	58
Investment tax credits	138,496	(81,687)	-	-	-	56,809
Tax losses	43	(43)	-	-	-	-
Others	262	1,251	-	-	(18)	1,495
Subtotal	245,167	(80,651)	(1,237)	-	(5)	163,274
Deferred tax liabilities:						
-Temporary differences:						
Unrealised exchange revenue	(112)	112	-	-	-	-
Unrealised revenues	(884)	846	-	-	(14)	(52)
Net defined benefit liabilities	(243)	(1)	(1)	-	-	(245)
Investments income (overseas)	(1,350,870)	(284,241)	1,369	(119)	-	(1,633,861)
Fixed asset	(10,951)	1,739	-	-	(41)	(9,253)
Difference between depreciation for financial reporting and tax purpose	1	(1)	-	-	-	-
Reserve for land revaluation increment tax	(1,063,191)	-	-	-	-	(1,063,191)
Others	(45,956)	4,540	-	-	(52)	(41,468)
Subtotal	(2,472,206)	(277,006)	1,368	(119)	(107)	(2,748,070)
Total	(\$ 2,227,039)	(\$ 357,657)	\$ 131	(\$ 119)	(\$ 112)	(\$ 2,584,796)

	2022						
		Recognised in	in other	Recognised in	Translation	Acquired	
	January 1	profit or loss	comprehensive income	equity	differences	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	<u>141,462</u>	<u>131,497</u>	<u>(27,973)</u>	<u>-</u>	<u>5</u>	<u>176</u>	<u>245,167</u>
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	<u>(2,271,064)</u>	<u>(153,213)</u>	<u>12,049</u>	<u>(63)</u>	<u>(2,294)</u>	<u>(57,621)</u>	<u>(2,472,206)</u>
Total	<u>(\$ 2,129,602)</u>	<u>(\$ 21,716)</u>	<u>(\$ 15,924)</u>	<u>(\$ 63)</u>	<u>(\$ 2,289)</u>	<u>(\$ 57,445)</u>	<u>(\$ 2,227,039)</u>

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

Qualifying items	December 31, 2023		
	Unused tax credits	Unrecognised deferred tax assets	Expiry year
Operation equipment			
- Newly established main buildings	\$ 56,809	\$ -	2026

Qualifying items	December 31, 2022		
	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, 2023 and 2022, the amounts of temporary difference unrecognised as deferred tax liabilities were \$0 and \$1,203,885, respectively.

F. The Company's income tax returns through 2021 have been assessed and approved by the Tax Authority.

(28) Earnings per share

	Year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 2,723,072</u>	<u>1,067,141</u>	<u>\$ 2.55</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	2,723,072	1,067,141	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>-</u>	<u>1,073</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 2,723,072</u>	<u>1,068,214</u>	<u>\$ 2.55</u>

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

(29) Transactions with non-controlling interest

Cash dividends paid to non-controlling interest for the years ended December 31, 2023 and 2022 amounted to \$87,069 and \$1,756, respectively.

(30) Business combination

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, respectively. 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:

	<u>April 25, 2022</u>
Purchase consideration	
Cash paid	\$ 19,028
Net asset value of non-controlling interests	<u>38,762</u>
	<u>57,790</u>
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	<u>76,004</u>
Gain from bargain purchase	<u><u>(\$ 18,214)</u></u>

- (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:

	<u>April 28, 2022</u>
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	<u>2,632</u>
Goodwill	<u><u>\$ 33</u></u>

(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:

	<u>June 20, 2022</u>
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	<u>90,540</u>
Gain from bargain purchase	<u>(\$ 31,255)</u>

(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:

	<u>June 21, 2022</u>
Purchase consideration	
Cash paid	\$ 2,302
Net asset value of non-controlling interests	<u>1</u>
	<u>2,303</u>
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	<u>3,480</u>
Gain from bargain purchase	<u>(\$ 1,177)</u>

(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:

	<u>December 28, 2022</u>
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	<u>70,100</u>
Gain from bargain purchase	<u>(\$ 37,916)</u>

(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.

(31) Supplemental cash flow information

A. Investing activities with partial cash payments:

	<u>Year ended December 31, 2023</u>	<u>Year ended December 31, 2022</u>
Acquisition of property, plant and equipment (including prepayments for equipment)	\$ 1,050,658	\$ 2,223,446
Add : Opening balance of payable on equipment	283,692	622,781
Less : Ending balance of payable on equipment	(58,315)	(283,692)
Cash paid during the year	<u>\$ 1,276,035</u>	<u>\$ 2,562,535</u>

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)
	<u>\$ 154,227</u>
Cash paid for the acquisition	115,464
Cash and cash equivalents	(197,612)
Net cash paid for the acquisition	<u>(\$ 82,148)</u>

(32) Changes in liabilities from financing activities

	2023			
	Long-term borrowings (including current portion)	Lease liabilities	Guarantee deposits received	Liabilities from financing activities-gross
At January 1	\$ 4,851,262	\$ 1,833,322	\$ 88,196	\$ 6,772,780
Changes in cash flow from financing activities	(1,694,196)	(210,645)	2,015	(1,902,826)
Interest paid	-	(25,922)	-	(25,922)
Impact of changes in foreign exchange rate	2,434	71	-	2,505
Changes in other non-cash items	-	89,303	-	89,303
At December 31	<u>\$ 3,159,500</u>	<u>\$ 1,686,129</u>	<u>\$ 90,211</u>	<u>\$ 4,935,840</u>

	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	395,383	15,213	-	410,596
Acquired from business combinations	-	12,093	-	12,093
Changes in other non-cash items	-	311,744	-	311,744
At December 31	<u>\$ 4,851,262</u>	<u>\$ 1,833,322</u>	<u>\$ 88,196</u>	<u>\$ 6,772,780</u>

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 (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 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 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
Ningbo Victory Container Co., Ltd.	Other related parties
Kingtrans Intl. Logistics (Tianjin) Co., Ltd.	Other related parties
Ever Shine (Shanghai) Enterprise Management Consulting Co., Ltd.	Other related parties
Ever Shine (Shenzhen) Enterprise Management Consulting Co., Ltd.	Other related parties

Names of related parties	Relationship with the Group
Ever Shine (Qingdao) Enterprise Management Consulting Co., Ltd.	Other related parties
Evergreen Shipping Agency (China) Co., Ltd.	Other related parties
Evergreen Information Processing (Shanghai) Co., Ltd.	Other related parties
EVA Airways Corp.	Other related parties
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
Everfamily International Foods Corp.	Other related parties
Arport Air Cargo Terminal (Xiamen) Co., Ltd.	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 (Europe) GmbH	Other related parties
Evergreen Shipping Agency (India) Private Ltd.	Other related parties
Evergreen Shipping Agency (Korea) Corp.	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
Evergreen Shipping Services (Cambodia) Co., Ltd.	Other related parties
PT. Evergreen Shipping Agency Indonesia	Other related parties
Everport Terminal Services Inc.	Other related parties

Names of related parties	Relationship with the Group
VIP Greenport Joint Stock Company	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 International Hotel Property (BANKGKOK) 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, 2023	Year ended December 31, 2022
The entities which have significant influence to the Group	\$ 727,251	\$ 1,193,633
Associates	275,054	358,984
Other related parties		
Evergreen International S.A.	1,169,300	1,164,879
Others	3,407,198	3,391,755
	<u>\$ 5,578,803</u>	<u>\$ 6,109,251</u>

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, 2023	Year ended December 31, 2022
The entities which have significant influence to the Group	\$ 643,287	\$ 860,912
Associates	41,201	42,226
Other related parties		
Evergreen Marine (Asia) Pte. Ltd.	2,002,109	1,954,521
Others	951,327	1,888,702
	<u>\$ 3,637,924</u>	<u>\$ 4,746,361</u>

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts receivable:		
The entities which have significant influence to the Group	\$ 213,931	\$ 241,117
Associates	20,415	28,592
Other related parties		
Evergreen International S.A.	2,922,173	1,078,349
Others	231,911	136,518
Subtotal	<u>3,388,430</u>	<u>1,484,576</u>
Other receivables:		
The entities which have significant influence to the Group	\$ 2,226	\$ 1,978
Associates	-	3,220
Other related parties	1,006	971
Subtotal	<u>3,232</u>	<u>6,169</u>
Long-term receivables:		
Other related parties		
Evergreen International S.A.	2,010,567	4,780,665
Subtotal	<u>2,010,567</u>	<u>4,780,665</u>
Total	<u>\$ 5,402,229</u>	<u>\$ 6,271,410</u>

D. Payables to related parties

	December 31, 2023	December 31, 2022
Accounts payable:		
The entities which have significant influence to the Group	\$ 20,653	\$ 40,735
Associates	46,610	2,266
Other related parties		
Evergreen Shipping Agency (China) Co., Ltd.	413,249	1,149
Others	122,422	124,892
Subtotal	602,934	169,042
Notes payable:		
Other related parties		
Others	72	989
Subtotal	72	989
Other payables:		
The entities which have significant influence to the Group	5,368	6,981
Other related parties		
Ever Accord Construction Corp.	-	230,015
Others	10,685	39,273
Subtotal	16,053	276,269
Total	\$ 619,059	\$ 446,300

E. Property transactions

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

	Year ended December 31, 2023	Year ended December 31, 2022
The entities which have significant influence to the Group	\$ 36,000	\$ -
Other related parties		
Ever Accord Construction Corp.	6,204	677,052
Evergreen Heavy Industrial Corp. (Malaysia) Berhad	-	454,814
Evergreen International Corp.	763,731	960
Others	4,358	8,515
	\$ 810,293	\$ 1,141,341

The Company purchased the land ownership of 35 lots located in No.1121, BaoAn Sec., Xizhi Dist., New Taipei City from other related party, Evergreen International Corp., at a consideration of \$763,111 as resolved by the Board of Directors on December 21, 2022, paid \$534,178 of prepayments for the year ended December 31, 2022 and recorded as other non-current assets. The ownership of the land had been transferred on January 10, 2023.

(b) Disposal of property, plant and equipment

		Year ended December 31, 2023	
		Proceeds	Gain/(loss)
Other related parties			
Evergreen International S.A.	\$	6,596	\$ 802
	\$	6,596	\$ 802
		Year ended December 31, 2022	
		Proceeds	Gain/(loss)
Other related parties			
Evergreen International S.A.	\$	4,234,737	\$ 521
	\$	4,234,737	\$ 521

(c) Acquisition of financial assets

				Year ended December 31, 2023
		Account	No. of shares	Objects
Other related parties	Financial assets at fair value through other comprehensive income-current		282,000	Evergreen Aviation Technologies Corp.
				\$ 19,176
				Year ended December 31, 2022
		Account	No. of shares	Objects
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, 2023	December 31, 2022
Associates	\$ -	\$ 5,541
Other related parties	3,065	3,060
	<u>\$ 3,065</u>	<u>\$ 8,601</u>

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 2.17 to 9 years. Rents are paid according to the contract.

(b) Acquisition of right-of-use assets

The Group increased right-of-use assets by \$23,814 and \$90,930 for the years ended December 31, 2023 and 2022, respectively.

(c) Lease liabilities

(i) Outstanding balance:

	December 31, 2023	December 31, 2022
The entities which have significant influence to the Group	\$ 84,099	\$ 90,930
Associates	7,484	1,245
Other related parties	10,917	17,993
	<u>\$ 102,500</u>	<u>\$ 110,168</u>

(ii) Interest expense:

	Year ended December 31, 2023	Year ended December 31, 2022
The entities which have significant influence to the Group	\$ 1,089	\$ 32
Associates	54	34
Other related parties	89	276
	<u>\$ 1,232</u>	<u>\$ 342</u>

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. 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, 2023 and 2022, respectively.

(3) Key management compensation

	Year ended December 31, 2023	Year ended December 31, 2022
Short-term employee benefits	\$ 62,316	\$ 51,502
Post-employment benefits	1,296	988
	<u>\$ 63,612</u>	<u>\$ 52,490</u>

8. PLEDGED ASSETS

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

Pledged assets	Book value		Purpose
	December 31, 2023	December 31, 2022	
Financial assets at amortised cost - non-current	\$ 142,666	\$ 127,899	To purchase supplies and materials and execute contracts etc.
Investment property - Land and buildings	2,563,502	2,613,590	Long-term borrowings
	<u>\$ 2,706,168</u>	<u>\$ 2,741,489</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

The National Property Administration had appointed a lawyer to send a letter on February 13, 2023 noticing and requesting the Company to pay the compensation for unjust enrichment of utilising the national land which it determined that the Company had no right to occupy. However, the Company will resolve the dispute through judicial route as it believes that there are legal issues indeed due to the determination of facts of individual case and the period of recovery. The Company had accrued \$12,094 (recorded as other gains and losses) in the third quarter of 2023 according to the 5-year period of prescription for the claim of unjust enrichment. The Company had claimed an objection. As of December 31, 2023, the case had no significant update and the final result is yet to be determined by the court.

(2) Commitments

(a) As of December 31, 2023, December 31, 2022 and January 1 2022, the Group has guarantees provided by financial institutions amounting to \$112,639, \$78,284 and \$23,716, respectively, for the operational needs.

- (b) As of December 31, 2023, December 31, 2022 and January 1 2022, the Group issued guarantee notes all amounting to \$135,549, \$353,933 and \$118,000, respectively, for the operational needs.
- (c) To meet operational needs, the Group signed the loading/ unloading equipment and installment contracts with the manufacturers on August 23, 2022 and January 3,2023, for a total contract price of \$147,540 thousand. Capital expenditure contracted for as of December 31, 2023 but not yet incurred amounted to \$25,720 thousand.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

The appropriation of earnings was resolved by the Company's Board of Directors on March 12,2024. Information about appropriation of earnings is provided in Note 6(18).

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ <u>556,400</u>	\$ <u>350,422</u>
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	\$ <u>5,050,856</u>	\$ <u>4,757,957</u>
Financial assets at amortised cost		
Cash and cash equivalents	\$ 5,870,944	\$ 4,642,992
Financial assets at amortised cost	235,934	216,733
Notes receivable	24,638	38,218
Accounts receivable	7,103,297	7,306,043
Other receivables	29,320	25,591
Refundable deposits	28,641	39,909
	\$ <u>13,292,774</u>	\$ <u>12,269,486</u>

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ -	\$ 60,000
Contract liabilities	24,332	41,467
Notes payable	14,334	26,355
Accounts payable	1,772,782	687,778
Other payables	577,183	796,118
Long-term borrowings (including current portion)	3,159,500	4,851,262
Guarantee deposits received	90,211	88,196
	<u>\$ 5,638,342</u>	<u>\$ 6,551,176</u>
Lease liabilities	<u>\$ 1,686,129</u>	<u>\$ 1,833,322</u>

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, 2023			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 107,969	30.6500	\$ 3,309,261
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 42,097	30.6500	\$ 1,290,283

December 31, 2022			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 66,745	30.5950	\$ 2,042,049
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 10,983	30.5950	\$ 336,035

- 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, 2023 and 2022, amounted to (\$6,668) and \$148,931, respectively.
- v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Year ended December 31, 2023			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 33,093	\$ -
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 12,903	\$ -

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

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, 2023 and 2022 would have increased/decreased by \$55,640 and \$35,042, 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 \$505,086 and \$475,796, 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, 2023 and 2022, the Group's borrowings at variable rates were denominated in NTD.
- 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, 2023 and 2022 would have increased/decreased by \$25,276 and \$39,216, 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, 2023 and 2022, 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, 2023 and 2022, the provision matrix is as follows:

	Without past due	Up to 3 months past due	Over 3 months past due	Total
<u>At December 31, 2023</u>				
Expected loss rate	0.03%~0.13%	0.03%~51.54%	100.00%	
Total book value	\$ 7,271,928	\$ 229,155	\$ 21,247	\$ 7,522,330
Loss allowance	\$ 1,932	\$ 1,707	\$ -	\$ 3,639
	Without past due	Up to 3 months past due	Over 3 months past due	Total
<u>At December 31, 2022</u>				
Expected loss rate	0.03%~0.09%	0.03%~27.23%	100.00%	
Total book value	\$ 7,426,957	\$ 511,872	\$ 78,194	\$ 8,017,023
Loss allowance	\$ 2,191	\$ 563	\$ -	\$ 2,754

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

	2023
	Accounts receivable
At January 1	(\$ 2,754)
Provision of impairment loss	(1,541)
Reversal of impairment loss	664
Effect of exchange rate changes	(8)
At December 31	(\$ 3,639)
	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)

(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, 2023	December 31, 2022
Floating rate	\$ 722,600	\$ 497,900

- iv. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining periods at the balance sheet date to the contractual maturity date. As of December 31, 2023 and 2022, accounts payable and other payables would expire within one year. As of December 31, 2023 and 2022, 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 :

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
December 31, 2023					
Lease liabilities	\$ 248,977	\$ 239,004	\$ 632,813	\$ 658,751	\$ 1,779,545
Long-term borrowings (including current portion)	\$ 406,706	\$ 287,754	\$ 1,252,122	\$ 1,670,724	\$ 3,617,306

Non-derivative financial liabilities :

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
December 31, 2022					
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

(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, notes receivable, accounts receivable, other receivables, refundable deposits, 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, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value</u>				
<u>measurements</u>				
Financial assets measured				
at fair value through profit				
or loss				
Beneficiary certificates	\$ 556,400	\$ -	\$ -	\$ 556,400
Financial asset measured				
at fair value through other				
comprehensive income				
Equity securities	<u>4,316,674</u>	<u>-</u>	<u>734,182</u>	<u>5,050,856</u>
	<u>\$ 4,873,074</u>	<u>\$ -</u>	<u>\$ 734,182</u>	<u>\$ 5,607,256</u>

December 31, 2022	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
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	<u>4,113,140</u>	<u>-</u>	<u>644,817</u>	<u>4,757,957</u>
	<u>\$ 4,463,562</u>	<u>\$ -</u>	<u>\$ 644,817</u>	<u>\$ 5,108,379</u>

(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:

	<u>Listed shares</u>	<u>Open-end fund</u>
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, 2023 and 2022, 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, 2023 and 2022:

	Equity securities	
	Year ended December 31, 2023	Year ended December 31, 2022
Opening net book amount	\$ 644,817	\$ 616,621
Acquired in the period	-	15,923
Gains and losses recognised in other comprehensive income	89,323	12,580
Transfers out from level 3	- (	3,100)
Effect of exchange rate changes	42	2,793
Closing net book amount	<u>\$ 734,182</u>	<u>\$ 644,817</u>

- 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.
- 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 valued 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, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non - derivative equity instrument:						
Unlisted shares	\$	734,182	Market comparable companies	Price to earnings ratio multiple	11.36	The higher the multiple, the higher the fair value.
				Price to book ratio multiple	1.53~4.45	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, 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.

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, 2023				
		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%	\$ -	\$ -	\$ 7,342	\$ 7,342
		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

(4) The Group originally recognised restricted deposits as "financial assets at amortised cost - current". Since the restricted deposit is applied in the unused balance in the special fund account remitted under the "The Management, Utilization, and Taxation of Repatriated Offshore Funds Act". The unused balance in the abovementioned special fund account is reclassified as " cash and cash equivalents " and reclassified the prior period accounts together for comparison purposes in accordance with the provisions of the IFRSs Q&A as amended by the competent authority on January 5, 2024. This reclassification had no effect on the earnings per share for the year ended December 31, 2022, nor did it have any effect on the total assets and total liabilities as of December 31, 2022.

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: Please refer to table 4.
- 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 5.
- H. Receivables from related parties reaching \$100 million or 20% of the Company's paid-in capital or more: Please refer to table 6.
- I. Derivative financial instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 8.

(3) Information on investments in Mainland China

- A. Basic information: Please refer to table 9.
- 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 10.

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 and other related business.
- (f) Other businesses are those not classified under items (a) to (e).

(2) Measurement of segment information

- (a) Segment profit (loss), the basis of assessing performance, is measured at operating profit (loss).
- (b) Segment assets are measured at the basis of identifiable assets, including property, plant and equipment, right-of-use assets, investment property, intangible assets, prepayments for equipment and prepayments for lands.
- (c) Management measurement of the performance of segments do not include information on liabilities. Therefore, the information on the segment's liabilities are not disclosed.

(3) 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, 2023							
	Inland Transportation	Container Terminals	International Marine Business	Gasoline Station	Freight Forwarder	Others	Adjustments and Write- off	Total
Revenue from outside the Group	\$ 1,714,898	\$ 943,661	\$ 3,222,807	\$ 430,813	\$ 10,828,617	\$ 59,557	(\$ 806,299)	\$ 16,394,054
Operating profit	\$ 94,786	\$ 154,369	\$ 906,910	\$ 2,002	\$ 1,410,131	\$ 48,253	(\$ 9,867)	\$ 2,606,584
Identifiable assets	\$ 1,401,850	\$ 11,116,846	\$ 8,566,128	\$ 65,005	\$ 1,442,836	\$ 563,928	(\$ 558,316)	\$ 22,598,277
Depreciation and amortisation	\$ 94,628	\$ 214,435	\$ 987,404	\$ 2,473	\$ 179,069	\$ 3,921	(\$ 78,859)	\$ 1,403,071
	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

(4) 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, 2023 and 2022 is provided as follows:

	Year ended December 31, 2023	Year ended December 31, 2022
Reportable segments operating profit and loss	\$ 2,569,812	\$ 3,162,459
Other segments operating profit and loss	36,772	39,260
Total segments	2,606,584	3,201,719
Total non-operating income and expenses	1,168,442	938,019
Profit before tax	<u>\$ 3,775,026</u>	<u>\$ 4,139,738</u>

(5) Information on products and services

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

(6) Geographical information

Geographical information for the years ended December 31, 2023 and 2022 is as follows:

	Year ended December 31, 2023		Year ended December 31, 2022	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 7,277,787	\$ 24,212,355	\$ 9,097,665	\$ 15,964,689
America	3,625,638	349,423	6,363,456	6,666,904
Others	5,490,629	111,679	2,125,835	-
	<u>\$ 16,394,054</u>	<u>\$ 24,673,457</u>	<u>\$ 17,586,956</u>	<u>\$ 22,631,593</u>

The non-current assets do not include financial instruments, investments accounted for using equity method, and deferred income tax assets.

(7) Major customer information

The Group has a large number of counterparties, and there are no major customers that account for more than 10% of operating revenues.

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES

Provision of endorsements and guarantees to others

Year ended December 31, 2023

(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, 2023	Outstanding endorsement/ guarantee amount at December 31, 2023	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 / guarantees 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	\$ 47,353,509	\$ 1,693,413	\$ 337,150	\$ -	\$ -	1.07	\$ 47,353,509	Y	N	N	
1	Evergreen Logistics Corporation	Evergreen International Logistic(HK) Ltd.	4	4,292,316	245,200	245,200	-	-	8.57	4,292,316	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 31,569,006 thousand dollars $\times$ 150% = 47,353,509 thousand dollars

The net assets based on latest financial report 31,569,006 thousand dollars $\times$ 30% = 9,470,702 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 Corporation should not exceed 150% of the Company's net asset value. The calculation is shown below:

The net assets based on latest financial report 2,861,544 thousand dollars $\times$ 150% = 4,292,316 thousand dollars

The net assets based on latest financial report 2,861,544 thousand dollars $\times$ 30% = 858,463 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, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 2, Page 1

Securities held by	Type and name of marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2023				Footnote
				Number of shares or units	Book value	Ownership (%)	Fair value	
Evergreen International Storage and Transport Corporation	Beneficiary certificate							
	FSITC Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss - current	13,078,744.20	\$ 205,840	-	\$ 205,840	
	Capital Money Market Fund	None	Financial assets at fair value through profit or loss - current	5,732,816.60	95,090	-	95,090	
	Mega Diamond Money Market Fund	None	Financial assets at fair value through profit or loss - current	10,105,837.43	130,360	-	130,360	
	Jih Sun Money Market Fund	None	Financial assets at fair value through profit or loss - current	8,201,502.11	125,110	-	125,110	
	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	259,168	0.60	259,168	
	Evergreen Marine Corp. (Taiwan) Ltd.	Major institutional stockholder of the Company	Financial assets at fair value through other comprehensive income - current	10,101,644	1,449,586	0.48	1,449,586	
	EVA Airways Corp.	Investee of the Company's major institutional stockholder	Financial assets at fair value through other comprehensive income - current	40,640,013	1,278,128	0.75	1,278,128	
	Central Reinsurance Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	50,353,414	1,160,646	6.29	1,160,646	
	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	38,083	12.00	38,083	
	Universal Venture Fund Inc.	None	Financial assets at fair value through other comprehensive income - non-current	348,909	2,987	2.98	2,987	
	UNI Airways Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	15,693,273	369,400	4.17	369,400	

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, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 2, Page 2

Securities held by	Type and name of marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2023				Footnote
				Number of shares or units	Book value	Ownership (%)	Fair value	
Evergreen International Storage and Transport Corporation	Ever Accord Construction Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	10,079,604	\$ 180,832	15.27	\$ 180,832	
	Evergreen Security Corp.	Subsidiary of the Company's major institutional stockholder	Financial assets at fair value through other comprehensive income - non-current	50,000	1,673	0.25	1,673	
	EverFun Travel Services Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	1,439,509	59,493	8.82	59,493	
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	100,207	14,380	-	14,380	
	Formosa Advanced Technologies Co., Ltd.	None	Financial assets at fair value through other comprehensive income - current	50,000	1,950	0.01	1,950	
	Evergreen Aviation Technologies Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	50,000	5,425	0.01	5,425	
Gaining Enterprise S.A.	Greenpen Properties Sdn. Bhd.	None	Financial assets at fair value through other comprehensive income - non-current	950,000	19,692	19.00	19,692	
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	129,896	0.30	129,896	
	Evergreen Marine Corp. (Taiwan) Ltd.	Major institutional stockholder of the Company	Financial assets at fair value through other comprehensive income - non-current	100,000	14,350	-	14,350	
	EVA Airways Corp.	Investee of the Company's major institutional stockholder	Financial assets at fair value through other comprehensive income - non-current	100,000	3,145	-	3,145	
	UNI Airways Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	206,000	4,843	0.05	4,843	
	Evergreen Air Cargo Services Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	2,400,000	57,179	2.00	57,179	

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, 2023
(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, 2023 (Note 4)		Addition (Note 3)		Disposal (Note 3)				Balance as at December 31, 2023 (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 Money Market Fund	Financial assets at fair value through profit or loss - current			-	\$ -	2,743,947.95	\$500,000	2,743,947.95	\$ 500,175	\$ 500,000	\$ 175	-	\$ -
	FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current			-	-	26,174,605.90	410,000	13,095,861.70	205,725	205,000	725	13,078,744.20	205,000
	Yuanta Wan Tai Money Market Fund	Financial assets at fair value through profit or loss - current			1,959,730.70	30,000	26,207,308.50	405,000	28,167,039.20	435,762	435,000	762	-	

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

Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more

Year ended December 31, 2023

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

Table 4

Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:				Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
							Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount			
Evergreen International Storage and Transport Corporation	Land ownership of 35 parcels of land located in No.1121, Baoan Sec., Xizhi Dist., New Taipei City	December 21, 2022 Date of title transfer January 10, 2023	\$ 763,111	Full payment	Evergreen International Corp.	Other related party	The Company	The Company	November 16, 1998	\$ 422,250	Property valuation report	Considering that the integrity of the land rights is beneficial to the Company's long-term operation planning	None
							National Property Administration	Non-related party	November 27, 2003	2,440			

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, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 5, Page 1

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 Logistics Corporation	Subsidiary of the Company	Operating revenues	\$ 116,538	2.46	10~60 Days	-	-	Accounts Receivable \$2,089	0.44	Note 1
	United Stevedoring Corp.	Investee of the Company's subsidiary	Operating revenues	238,002	5.03	15~60 Days	-	-	Accounts Receivable \$18,537	3.95	
	Evergreen Marine Corp. (Taiwan) Ltd.	Major institutional stockholder of the Company	Operating revenues	574,416	12.15	20~60 Days	-	-	Accounts Receivable \$170,194	36.23	
	EVA Airways Corp.	Investee of the Company's major institutional stockholder	Operating revenues	185,114	3.91	20~60 Days	-	-	Accounts Receivable \$17,729	3.77	
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of Company's major institutional stockholder	Operating revenues	895,382	18.93	30~60 Days	-	-	-	-	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of Company's major institutional stockholder	Operating revenues	201,590	4.26	30~60 Days	-	-	-	-	
	Evergreen Marine (Singapore) Pte. Ltd.	Indirect subsidiary of Company's major institutional stockholder	Operating revenues	134,818	2.85	30~60 Days	-	-	-	-	
	Evergreen Marine Corp. (Taiwan) Ltd.	Major institutional stockholder of the Company	Operating costs	138,553	3.24	20~60 Days	-	-	Accounts Payable \$2	-	
Gaining Enterprise S.A.	Evergreen International S.A.	The main stockholder of the major institutional stockholder of the Company	Operating revenues	1,169,300	71.20	120 Days	-	-	Accounts Receivable \$1,256,925	100.00	Note 2
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of Company's major institutional stockholder	Operating revenues	175,975	10.72	30 Days	-	-	-	-	

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, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 5, Page 2

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.	Italia Marittima S.p.A.	Indirect subsidiary of Company's major institutional stockholder	Operating revenues	\$ 291,523	17.75	30 Days	-	-	-	-	
Evergreen Logistics Corporation	Evergreen Logistics USA Corp.	Indirect subsidiary of the Company	Operating revenues	223,190	5.38	30 Days	-	-	Accounts Receivable \$19,244	3.10	Note 1
	Evergreen Marine Corp. (Taiwan) Ltd.	Major institutional stockholder of the Company	Operating revenues	146,916	3.54	67~150 Days	-	-	Accounts Receivable \$43,737	7.04	
	Evergreen Logistics (Shanghai) Ltd.	Other related parties	Operating revenues	131,540	3.17	30 Days	-	-	-	-	
	Round The World S.A.	Other related parties	Operating revenues	801,518	19.32	30 Days	-	-	Accounts Receivable \$116,923	18.82	
	Evergreen International Storage and Transport Corporation	The Company	Operating costs	116,538	4.02	15~30 Days	-	-	Accounts Payable \$2,089	1.22	Note 1
	Evergreen Logistics USA Corp.	Indirect subsidiary of the Company	Operating costs	181,711	6.28	30 Days	-	-	Accounts Payable \$15,669	9.14	Note 1
	EVA Airways Corp.	Investee of the Company's major institutional stockholder	Operating costs	274,481	9.48	15~30 Days	-	-	Accounts Payable \$15,118	8.82	
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of Company's major institutional stockholder	Operating costs	289,356	9.99	5~20 Days	-	-	-	-	
Evergreen Logistics USA Corp.	Evergreen Logistics Corporation	Subsidiary of the Company	Operating revenues	181,711	11.44	30 Days	-	-	Accounts Receivable \$15,669	6.13	Note 1

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, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 5, Page 3

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 USA Corp.	Evergreen Logistics Corporation	Subsidiary of the Company	Operating costs	\$ 223,190	13.83	30 Days	-	-	Accounts Payable \$19,244	19.15	Note 1
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of Company's major institutional stockholder	Operating costs	225,822	13.99	5~20 Days	-	-	-	-	
Evergreen International Logistics (Shanghai) Co., Ltd.	Evergreen Marine Corp. (Taiwan) Ltd.	Major institutional stockholder of the Company	Operating costs	304,199	7.62	5~20 Days	-	-	Accounts Payable \$1,066	0.09	
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of Company's major institutional stockholder	Operating costs	1,303,033	32.64	5~20 Days	-	-	-	-	
	Evergreen Marine (Singapore) Pte. Ltd.	Indirect subsidiary of Company's major institutional stockholder	Operating costs	137,786	3.45	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 part of lease payment receivable amounting to \$3,675,815.

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, 2023

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

Table 6

Creditor	Counterparty	Relationship with the Company	Balance as at December 31, 2023	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	\$ 170,194	3.43	\$ -	-	\$ 162,425	\$ 1,081
Gaining Enterprise S.A.	Evergreen International S.A.	The main stockholder of the major institutional stockholder of the Company	4,932,740	1.00	-	-	349,118	1,604
Evergreen Logistics Corporation	Round The World S.A.	Other related parties	116,923	10.88	-	-	116,923	-

Note : To determine the turnover rate of Gaining Enterprise S.A., receivables excludes part of lease payment receivable amounting to \$3,675,815.

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION AND SUBSIDIARIES

Significant inter-company transactions during the reporting periods

Year ended December 31, 2023

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

Table 7

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)
0	Evergreen International Storage and Transport Corporation	Evergreen Logistics Corporation	1	Operating revenues	\$ 116,538	Note 4	0.71
1	Evergreen Logistics Corporation	Evergreen Logistics USA Corp.	3	Operating revenues	223,190	Note 4	1.36
1	Evergreen Logistics Corporation	Evergreen Logistics USA Corp.	3	Operating costs	181,711	Note 4	1.11

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, 2023

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

Table 8, Page 1

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2023			Net income (loss) of the investee during the year ended December 31, 2023	Investment income (loss) recognised by the Company during the year ended December 31, 2023	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	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	\$ 4,660,401	\$ 4,977,435	1,470,000	100.00	\$ 12,595,360	\$ 1,033,904	\$ 1,033,904	Subsidiary of the Company (Note)
	Shun An Enterprise Corp.	Taiwan	Management consulting and employment agency	30,000	30,000	2,500,000	100.00	72,978	10,658	10,658	Subsidiary of the Company (Note)
	Evergreen Logistics Corp.	Taiwan	Marine and air freight forwarding and other related business	604,723	604,722	125,864,030	91.21	2,761,507	1,127,482	1,029,178	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	16,735	7,928	2,378	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	1,130,467	356,410	59,070	Investee of the Company accounted for using equity method
Evergreen Logistics Corporation	Evergreen Logistics USA Corp.	America	Marine and air freight forwarding and other related business	415,650	415,650	5,200	100.00	584,430	2,950	(1,305)	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, 2023

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

Table 8, Page 2

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2023			Net income (loss) of the investee during the year ended December 31, 2023	Investment income (loss) recognised by the Company during the year ended December 31, 2023	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value			
Evergreen Logistics Corporation	Evergreen Logistics (Thailand) Co., Ltd.	Thailand	Marine and air freight forwarding and other related business	\$ 19,028	\$ 19,028	98,000	49.00	\$ 24,514	\$ 15,524	\$ 7,607	Indirect subsidiary of the Company (Note)
	Evergreen Logistics Malaysia Sdn. Bhd.	Malaysia	Marine and air freight forwarding and other related business	8,847	8,847	1,400,000	100.00	6,359	(1,923)	(1,923)	Indirect subsidiary of the Company (Note)
	Evergreen International Logistics (HK) Ltd.	Hongkong	Marine and air freight forwarding and other related business	73,788	73,788	2,500,000	100.00	158,371	87,452	87,452	Indirect subsidiary of the Company (Note)
	Evergreen Logistics Vietnam Co., Ltd.	Vietnam	Marine and air freight forwarding and other related business	59,285	59,285	-	100.00	131,424	13,609	13,394	Indirect subsidiary of the Company (Note)
	Evergreen Logistics (India) Private Ltd.	India	Marine and air freight forwarding and other related business	2,302	2,302	1,399,999	99.99	2,565	(621)	(621)	Indirect subsidiary of the Company (Note)
	Evergreen Logistics (Cambodia) Co., Ltd.	Cambodia	Marine and air freight forwarding and other related business	6,446	6,446	200,000	100.00	6,137	1,132	1,132	Indirect subsidiary of the Company (Note)
	Evergreen International Logistics (Korea) Co., Ltd.	Korea	Marine and air freight forwarding and other related business	22,035	9,401	920,000	100.00	13,717	(6,648)	(6,648)	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, 2023

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

Table 8, Page 3

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2023			Net income (loss) of the investee during the year ended December 31, 2023	Investment income (loss) recognised by the Company during the year ended December 31, 2023	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value			
Evergreen Logistics Corporation	Evergreen Logistics (Philippines) Co., Ltd.	Philippines	Marine and air freight forwarding and other related business	\$ 32,183	\$ 32,183	1,100,000	100.00	\$ 28,371	\$ 13,206	\$ 13,206	Indirect subsidiary of the Company (Note)
	Round The World Logistics Corp. (M) Sdn. Bhd.	Malaysia	Marine and air freight forwarding and other related business	53,478	53,478	245,000	49.00	58,199	34,307	16,810	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	20,539	7,928	2,379	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	33,694	7,365	3,683	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, 2023

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

Table 9

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, 2023	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan during the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income (loss) of the investee during the year ended December 31, 2023	Ownership held by the Company (direct or indirect) (%)	Investment income (loss) recognised by the Company during the year ended December 31, 2023 (Note 2)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	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.	\$ 183,243	2	\$ -	\$ -	\$ -	\$ -	\$ 254,621	15.00	\$ 38,193	\$ 70,237	\$ -	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.	61,564	2	61,300	-	-	61,300	89,250	91.21	81,401	146,572	-	Investment Income (loss) Note 2 (2) B

Name of the company	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	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	\$ 61,300	\$ 168,575	\$ 19,120,500

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. and Evergreen International Logistics (HK) Ltd.
- (3) Others.

Note 2: In the 'Investment income (loss) recognised by the Company for Year ended December 31, 2023 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, 2023

Table 10

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

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.

【Appendix 2】

Parent Company Only Financial Statements and Report of Independent Accountants for the Years Ended December 31, 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 balance sheets of Evergreen International Storage and Transport Corporation (the “Company”) as at December 31, 2023 and 2022, and the related statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other matter* section), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing 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 Financial Statements* section of our report. We are independent of the Company 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

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

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

Description

Please refer to Note 4(28) for accounting policies on operating revenue, and Note 6(19) for details of operating revenue.

The Company is primarily engaged in land container transport, cargo handling, operation of gasoline station, highway bus and tourist bus carrier. For the year ended December 31, 2023, the total revenue of container transport and container yard service was NT\$2,861,398 thousand, constituting 60.5% of operating revenue in 2023 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 Company 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 Company'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 Company 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 for using the equity method

Description

Please refer to Note 4(14) for accounting policies on policy of investment using the equity method, and Note 6(6) for details of policy of investment using the equity method.

The investee accounted for using equity method, Evergreen Logistics Corp., which is 91.21% directly held by the Company, is primarily engaged in the marine freight forwarding. 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 Company 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 company. 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.

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 Company'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 parent company only amounted to NT\$53,081 thousand and NT\$69,619 thousand, constituting 0.13% and 0.18% of the parent company only total assets as of December 31, 2023 and 2022, respectively, and comprehensive income were NT\$11,912 thousand and NT\$24,745 thousand, constituting 0.36% and 1.06% of the parent company only total comprehensive income and loss for the years then ended.

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

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 12, 2024

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

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

EVERGREEN INTERNATIONAL STORAGE & TRANSPORT CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 1,062,492	3	\$ 812,161	2
1110	Financial assets at fair value through profit or loss - current	6(2)	556,400	1	350,422	1
1120	Financial assets at fair value through other comprehensive income - current	6(3)	2,986,882	7	3,153,295	8
1136	Financial assets at amortised cost - current	6(4)	32,000	-	32,000	-
1150	Notes receivable, net	6(5)	20,765	-	22,252	-
1170	Accounts receivable, net	6(5)	229,282	1	210,219	1
1180	Accounts receivable, net - related parties	6(5) and 7	219,727	1	208,646	1
1197	Finance lease receivable, net	6(9)	4,995	-	3,708	-
1200	Other receivables	7	7,867	-	18,725	-
1220	Current income tax assets		-	-	15,888	-
130X	Inventories		56,001	-	52,493	-
1410	Prepayments		23,074	-	22,114	-
1470	Other current assets		879	-	2,559	-
11XX	Total Current Assets		5,200,364	13	4,904,482	13
Non-current assets						
1517	Financial assets at fair value through other comprehensive income- non-current	6(3)	1,813,114	5	1,419,157	4
1535	Financial assets at amortised cost - non-current	6(4) and 8	137,563	-	122,931	-
1550	Investments accounted for using equity method	6(6)	16,577,047	42	15,894,576	42
1600	Property, plant and equipment, net	6(7) and 7	10,512,141	27	9,102,678	24
1755	Right-of-use assets	6(8)	1,325,542	3	1,457,337	4
1760	Investment property, net	6(10) and 8	3,887,167	10	4,040,112	10
1780	Intangible assets		6,903	-	4,426	-
1840	Deferred income tax assets	6(26)	137,936	-	228,863	1
194D	Long-term finance lease receivable, net	6(9)	32,475	-	36,364	-
1990	Other non-current assets		43,287	-	770,195	2
15XX	Total Non-current Assets		34,473,175	87	33,076,639	87
1XXX	TOTAL ASSETS		\$ 39,673,539	100	\$ 37,981,121	100

(Continued)

EVERGREEN INTERNATIONAL STORAGE & TRANSPORT CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2130	Current contract liabilities	6(19)	\$ 6,868	-	\$ 8,640	-
2150	Notes payable		2,717	-	9,237	-
2170	Accounts payable		244,886	1	237,695	1
2180	Accounts payable - related parties	7	311	-	23,490	-
2200	Other payables	6(11)	326,308	1	296,556	1
2220	Other payables - related parties	6(11) and 7	10,530	-	247,280	1
2230	Current income tax liabilities		205,764	-	59,882	-
2280	Current lease liabilities		154,652	-	147,472	-
2320	Long-term liabilities, current portion	6(12)	262,500	1	236,111	-
2399	Other current liabilities, others		42,097	-	23,289	-
21XX	Total Current Liabilities		1,256,633	3	1,289,652	3
Non-current liabilities						
2540	Long-term borrowings	6(12)	2,497,000	6	2,861,322	8
2570	Deferred income tax liabilities	6(26)	2,675,088	7	2,406,078	6
2580	Non-current lease liabilities		1,259,009	3	1,397,559	4
2600	Other non-current liabilities	6(13)(14)	416,803	1	476,571	1
25XX	Total Non-current Liabilities		6,847,900	17	7,141,530	19
2XXX	TOTAL LIABILITIES		8,104,533	20	8,431,182	22
Equity						
	Capital stock	6(15)				
3110	Common stock		10,671,411	27	10,671,411	28
	Capital surplus	6(16)				
3200	Capital surplus		4,295,775	11	4,286,854	11
	Retained earnings	6(17)				
3310	Legal reserve		2,825,697	7	2,467,071	7
3350	Unappropriated retained earnings		10,311,430	26	9,050,378	24
	Other equity interest	6(18)				
3400	Other equity interest		3,464,693	9	3,074,225	8
3XXX	TOTAL EQUITY		31,569,006	80	29,549,939	78
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	TOTAL LIABILITIES AND EQUITY		\$ 39,673,539	100	\$ 37,981,121	100

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

EVERGREEN INTERNATIONAL STORAGE & TRANSPORT CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31			
Items	Notes	2023		2022	
		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(19) and 7	\$ 4,729,412	100	\$ 4,890,942	100
5000 Operating costs	6(24) and 7	(4,029,892)	(85)	(3,938,036)	(81)
5900 Gross profit		699,520	15	952,906	19
Operating expenses	6(24) and 7				
6100 Selling expenses		(28,980)	-	(27,667)	(1)
6200 General and administrative expenses		(220,810)	(5)	(221,641)	(4)
6450 Expected credit loss	12(2)	(1,251)	-	(551)	-
6000 Total operating expenses		(251,041)	(5)	(249,859)	(5)
6900 Operating profit		448,479	10	703,047	14
Non-operating income and expenses					
7100 Interest income	6(20)	19,997	1	10,997	-
7010 Other income	6(21)	788,113	17	601,415	12
7020 Other gains and losses	6(22)	15,182	-	70,919	2
7050 Finance costs	6(23)	(80,168)	(2)	(54,365)	(1)
7070 Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(6)	2,135,189	45	2,312,977	47
7000 Total non-operating income and expenses		2,878,313	61	2,941,943	60
7900 Profit before income tax		3,326,792	71	3,644,990	74
7950 Income tax expense	6(26)	(603,720)	(13)	(118,575)	(2)
8200 Profit for the year		\$ 2,723,072	58	\$ 3,526,415	72
Other comprehensive income, net					
Items that will not be reclassified to profit or loss					
8311 Remeasurement of defined benefit plan	6(14)	\$ 9,391	-	\$ 138,481	3
8316 Total unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	6(3)(18)	538,333	12	(2,396,652)	(49)
8330 Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using equity method, items that will not be reclassified to profit or loss		52,282	1	(125,607)	(3)
8349 Income tax related to the components of other comprehensive profit	6(26)	(1,279)	-	(15,087)	-
Items that will be reclassified to profit or loss					
8361 Exchange differences arising on translation of foreign operations		28,946	-	1,143,916	24
8380 Share of other comprehensive loss of subsidiaries, associates and joint ventures accounted for using equity method, items that will be reclassified to profit or loss		(6,673)	-	52,510	1
8300 Total other comprehensive income (loss) for the year, net		\$ 621,000	13	(\$ 1,202,439)	(24)
8500 Total comprehensive income for the year		\$ 3,344,072	71	\$ 2,323,976	48
Earnings per share	6(27)				
9750 Basic earnings per share(in dollars)		\$ 2.55		\$ 3.30	
9850 Diluted earnings per share(in dollars)		\$ 2.55		\$ 3.30	

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

EVERGREEN INTERNATIONAL STORAGE & TRANSPORT CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)

	Notes	Common stock	Capital surplus	Retained Earnings		Other equity interest		Total equity
				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	
<u>2022</u>								
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
Profit for the year		-	-	-	3,526,415	-	-	3,526,415
Other comprehensive income (loss) for the year	6(17)(18)	-	-	-	60,942	1,196,426	(2,459,807)	(1,202,439)
Total comprehensive income (loss) for the year		-	-	-	3,587,357	1,196,426	(2,459,807)	2,323,976
Appropriation of 2021 earnings	6(17)							
Legal reserve		-	-	114,223	(114,223)	-	-	-
Cash dividends		-	-	-	(426,856)	-	-	(426,856)
Changes in equity of subsidiaries, associates and joint ventures accounted for using equity method	6(18)	-	310	-	(1,096)	-	1,096	310
Other changes in capital surplus		-	9,184	-	-	-	-	9,184
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
<u>2023</u>								
Balance at January 1, 2023		\$ 10,671,411	\$ 4,286,854	\$ 2,467,071	\$ 9,050,378	\$ 151,862	\$ 2,922,363	\$ 29,549,939
Profit for the year		-	-	-	2,723,072	-	-	2,723,072
Other comprehensive income for the year	6(17)(18)	-	-	-	2,350	22,273	596,377	621,000
Total comprehensive income for the year		-	-	-	2,725,422	22,273	596,377	3,344,072
Appropriation of 2022 earnings	6(17)							
Legal reserve		-	-	358,626	(358,626)	-	-	-
Cash dividends		-	-	-	(1,333,926)	-	-	(1,333,926)
Changes in equity of subsidiaries, associates and joint ventures accounted for using equity method	6(18)	-	(230)	-	480	-	(480)	(230)
Other changes in capital surplus		-	9,151	-	-	-	-	9,151
Disposal of investments in equity instruments measured at fair value through other comprehensive income	6(3)(17)(18)	-	-	-	227,702	-	(227,702)	-
Balance at December 31, 2023		\$ 10,671,411	\$ 4,295,775	\$ 2,825,697	\$ 10,311,430	\$ 174,135	\$ 3,290,558	\$ 31,569,006

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

EVERGREEN INTERNATIONAL STORAGE & TRANSPORT CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 3,326,792	\$ 3,644,990
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(24)	627,098	502,144
Amortisation	6(24)	3,153	2,453
Expected credit loss		1,251	551
Gain on financial assets at fair value through profit or loss		(978)	(150)
Interest expense	6(23)	78,983	53,842
Interest income	6(20)	(19,980)	(10,986)
Dividend income	6(21)	(760,802)	(581,704)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(6)	(2,135,189)	(2,312,977)
Gain from bargain purchase	6(21)	-	766
Gain on disposal of property, plant and equipment	6(22)	(12,699)	(4,305)
Gain on lease modification	6(8)(22)	(579)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets mandatorily measured at fair value through profit or loss		(205,000)	(215,000)
Notes receivable, net		1,487	1,183
Accounts receivable, net		(19,424)	40,435
Accounts receivable, net - related parties		(11,971)	(9,103)
Other receivables		11,330	11,521
Inventories		(3,508)	(481)
Prepayments		(960)	(10,138)
Other current assets		1,680	11,710
Changes in operating liabilities			
Current contract liabilities		(1,772)	(31)
Notes payable		(6,520)	(6,520)
Accounts payable		7,191	4,828
Accounts payable - related parties		(23,179)	2,264
Other payables		18,760	27,910
Other payables - related parties		(973)	(11,364)
Other current liabilities, others		18,808	5,117
Other non-current liabilities		(48,763)	(84,110)
Cash inflow generated from operations		844,236	1,038,271
Interest received		19,507	10,023
Interest paid		(78,697)	(53,037)
Income tax paid		(83,410)	(96,346)
Net cash flows from operating activities		701,636	898,911

(Continued)

EVERGREEN INTERNATIONAL STORAGE & TRANSPORT CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through other comprehensive income		(\$ 19,176)	(\$ 170,275)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	329,965	-
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	6(3)	-	151,525
Acquisition of financial assets at amortised cost		(16,294)	(28)
Proceeds from disposal of financial assets at amortised cost		1,662	-
Acquisition of investments accounted for using equity method	6(6) and 7	(1)	(1)
Proceeds from capital reduction of investments accounted for using equity method		317,034	-
Acquisition of property, plant and equipment (including prepayments for equipment)	6(28)	(1,231,506)	(1,560,009)
Proceeds from disposal of property, plant and equipment		13,954	6,200
Increase in refundable deposits		(113)	(11)
Acquisition of intangible assets		(5,630)	(3,916)
Cash received from finance lease receivable		5,904	8,252
Dividends received		1,970,931	583,021
Net cash flows from (used in) investing activities		1,366,730	(985,242)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term borrowings	6(29)	57,900	729,580
Repayment of long-term borrowings	6(29)	(395,833)	(236,111)
Increase in guarantee deposits received	6(29)	-	62,947
Decrease in guarantee deposits received	6(29)	(1,614)	-
Repayment of lease liabilities	6(29)	(153,713)	(147,270)
Dividends paid	6(17)	(1,333,926)	(426,856)
Other financing activities		9,151	9,184
Net cash flows used in financing activities		(1,818,035)	(8,526)
Net increase (decrease) in cash and cash equivalents		250,331	(94,857)
Cash and cash equivalents at beginning of year		812,161	907,018
Cash and cash equivalents at end of year		\$ 1,062,492	\$ 812,161

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

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

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

These parent company only financial statements were authorised for issuance by the Board of Directors on March 12, 2024.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS[®]”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by FSC and became 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
Amendments to IAS 12, ‘International tax reform - pillar two model rules’	May 23, 2023

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

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

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
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
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

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

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards 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
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 21, 'Lack of exchangeability'	January 1, 2025

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

(1) Compliance statement

These parent company only financial statements are prepared by the Company in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

(2) Basis of preparation

- A. Except for the following items, these parent company only financial statements have been prepared under the historical cost convention:
- (a) Financial assets 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 Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translations

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The parent company only financial statements are presented in New Taiwan Dollars, which is the Company’s functional 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 subsidiaries and associates entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognised in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Company retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Company retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(4) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

- (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
- (b) Assets held mainly for trading purposes;
- (c) Assets that are expected to be realised within twelve months from the balance sheet date;
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

- (a) Liabilities that are expected to be settled within the normal operating cycle;
- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be settled within twelve months from the balance sheet date;
- (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(5) Cash equivalents

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

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

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

- C. At initial recognition, the Company measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:

The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(8) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
- (a) The objective of the Company's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Company 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.

(10) Impairment of financial assets

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

(11) Derecognition of financial assets

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

- A. The contractual rights to receive 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 Company 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 Company has not retained control of the financial asset.

(12) Leasing arrangements (lessor) — finance lease/ 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.

(13) 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.

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

- A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company 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.
- B. Unrealised gains or losses occurring from inter-company transactions with subsidiaries have been offset. Necessary adjustments are made to the accounting policies of subsidiaries, to be consistent with the accounting policies of the Company.
- C. After acquisition of subsidiaries, the Company recognises proportionately for the share of profit and loss and other comprehensive income in the statement of comprehensive income as part of the Company's profit and loss and other comprehensive income, respectively. When the share of loss from a subsidiary exceeds the carrying amount of Company's interests in that subsidiary, the Company continues to recognise its shares in the subsidiary's loss proportionately.
- D. Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received shall be recognised directly in equity and attributed to the owners of the parent.
- E. If the Company loses control of a subsidiary, the Company recognises any investment retained in the former subsidiary at its fair value at the date when control is lost and recognises any resulting difference as a gain or loss in profit or loss. The Company shall account for all amounts recognised in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Company reclassifies the gain or loss from equity to profit or loss when it loses control of the subsidiary.

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

- L. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- M. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.
- N. According to “Rules Governing the Preparation of Financial Statements by Securities Issuers”, ‘profit for the year’ and ‘other comprehensive income for the year’ reported in the parent company only statement of comprehensive income, shall equal to ‘profit for the year’ and ‘other comprehensive income’ attributable to owners of the parent reported in that entity’s consolidated statement of comprehensive income. Total equity reported in an entity’s parent company only financial statements, shall equal to equity attributable to owners of parent reported in that entity’s consolidated financial statements.

(15) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change.

The estimated useful lives of property, plant and equipment are as follows:

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 years
Office equipment	3 - 8 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.

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

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate.

Lease payments are comprised of the following:

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

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

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

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

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

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

(17) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 3~55 years.

(18) Intangible assets

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

(19) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for 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.

(20) 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.

(21) 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.

(22) 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.

(23) 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.

(24) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

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

C. 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.

(25) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheet. 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 or taxable profit nor loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred 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.

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

(26) 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.

(27) 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.

(28) Revenue recognition

A. Sales of goods

The Company sells oil. Revenue arising from the sales of goods is recognised when the Company 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 Company 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 Company provides passenger transportation, container transportation and container yard services. 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 Company follows the guidance of IFRS 16 "Leases" to recognise revenue from the leasing of ships and equipment. 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.

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

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are

continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; the information is addressed below:

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

Lease term

The Company 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 Company.

(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 Company 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, 2023, the carrying amount of unlisted stocks without active market was \$652,468.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash on hand and petty cash	\$ 2,616	\$ 2,640
Checking accounts and demand deposits	299,876	179,463
Time deposits	760,000	630,058
	<u>\$ 1,062,492</u>	<u>\$ 812,161</u>

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

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

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

<u>Items</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	\$ 555,000	\$ 350,000
Valuation adjustment	1,400	422
	<u>\$ 556,400</u>	<u>\$ 350,422</u>

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

	<u>Year ended December 31, 2023</u>	<u>Year ended December 31, 2022</u>
<u>Financial assets mandatorily measured at fair value through profit or loss</u>		
Beneficiary certificates	<u>\$ 4,391</u>	<u>\$ 2,595</u>

- B. 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

<u>Items</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current items:		
Equity instruments		
Listed stocks	\$ 827,680	\$ 910,767
Valuation adjustment	2,159,202	2,242,528
Total	<u>\$ 2,986,882</u>	<u>\$ 3,153,295</u>
Non-current items:		
Equity instruments		
Listed stocks	\$ 504,834	\$ 504,834
Unlisted stocks	212,226	212,226
Subtotal	717,060	717,060
Valuation adjustment	1,096,054	702,097
Total	<u>\$ 1,813,114</u>	<u>\$ 1,419,157</u>

- A. The Company has elected to classify investments in listed 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 \$4,799,996 and \$4,572,452 as at December 31, 2023 and 2022, respectively.
- B. For the year ended December 31, 2023, the Company sold listed stocks at fair value of \$329,965 due to operational reason, and generated accumulated gain on disposal of \$227,702.

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 company received the capital reduction proceeds amounting to \$151,525 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, 2023	Year ended December 31, 2022
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ 538,333	(\$ 2,396,652)
Cumulative gains reclassified to retained earnings due to derecognition	\$ 227,702	\$ -
Dividend income recognised in profit or loss		
Held at end of period	\$ 760,802	\$ 581,704

(4) Financial assets at amortised cost

Items	December 31, 2023	December 31, 2022
Current items:		
Time deposits	\$ 32,000	\$ 32,000
Non-current items:		
Pledged time deposits	\$ 137,563	\$ 122,931

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

	Year ended December 31, 2023	Year ended December 31, 2022
Interest income	\$ 2,450	\$ 1,723

B. As at December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Company were \$169,563 and \$154,931, respectively.

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

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

The Company 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, 2023	December 31, 2022
Notes receivable	\$ 20,765	\$ 22,252
Accounts receivable - non-related parties	\$ 230,179	\$ 210,755
Accounts receivable - related parties	220,866	208,895
Less: Allowance for bad debts	(2,036)	(785)
	<u>\$ 449,009</u>	<u>\$ 418,865</u>

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

	December 31, 2023	
	Accounts receivable	Notes receivable
Without past due	\$ 384,501	\$ 20,765
Up to 3 months past due	66,544	-
Over 3 months past due	-	-
	<u>\$ 451,045</u>	<u>\$ 20,765</u>
	December 31, 2022	
	Accounts receivable	Notes receivable
Without past due	\$ 365,543	\$ 22,252
Up to 3 months past due	54,107	-
Over 3 months past due	-	-
	<u>\$ 419,650</u>	<u>\$ 22,252</u>

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

B. As of December 31, 2023 and 2022, and January 1, 2022, the balances of receivables (including notes receivable) from contracts with customers amounted to \$470,640, \$444,980 and \$474,292, respectively.

C. As at December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's notes and accounts receivable were \$20,765 and \$22,252; \$449,009 and \$418,865, respectively.

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

(6) Investments accounted for using equity method

	2023	2022
At January 1	\$ 15,894,576	\$ 12,510,958
Increase in investments for using the equity method	1	767
Decrease in investments for using the equity method	(317,034)	-
Share of profit or loss of investments accounted for using equity method	2,135,189	2,312,977
Earnings distribution of investments accounted for using equity method	(1,210,129)	(1,317)
Changes in capital surplus	(111)	373
Changes in other equity items	74,555	1,070,818
At December 31	<u>\$ 16,577,047</u>	<u>\$ 15,894,576</u>
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Subsidiary :		
Gaining Enterprise S.A.	\$ 12,595,360	\$ 12,571,548
Shun An Enterprise Corp.	72,978	62,186
Evergreen Logistics Corp.	2,761,507	2,172,810
Associates :		
Ever Reward Logistics Corp.	16,735	16,635
Taipei Port Container Terminal Corp.	1,130,467	1,071,397
	<u>\$ 16,577,047</u>	<u>\$ 15,894,576</u>

A. Subsidiary

- (a) Please refer to Note 4(3) of the consolidated financial statements for the information on subsidiaries.
- (b) On May 10, 2023, the Board of Directors of the Company's subsidiary, GESA, resolved to conduct a cash capital reduction to return capital to shareholders. The capital reduction ratio was 6%. The expected amount of capital reduction was USD10,000 thousand.

B. Associates

- (a) The carrying amount of the Company's interests in all individually immaterial associates and the Company's share of the operating results are summarised below:

As of December 31, 2023 and 2022, the carrying amount of the Company's individually immaterial associates amounted to \$1,147,202 and \$1,088,032, respectively.

	Year ended December 31, 2023	Year ended December 31, 2022
Profit for the period from continuing operations	\$ 364,338	\$ 393,124
Other comprehensive income		
- net of tax	4	600
Total comprehensive income	<u>\$ 364,342</u>	<u>\$ 393,724</u>

- (b) 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.

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

(7) Property, plant and equipment

	2023											
	Land	Land improvements	Buildings	Machinery	Loading/unloading equipment	Transportation equipment	Ships	Office equipment	Leasehold improvements	Other equipment	Construction in progress	Total
<u>At January 1</u>												
Cost	\$7,705,522	\$ 106,777	\$ 996,523	\$ 20,515	\$2,251,462	\$ 1,701,156	\$1,576,838	\$ 15,380	\$ 68,850	\$ 709,421	\$ 82	\$15,152,526
Accumulated depreciation	-	(54,419)	(912,592)	(18,953)	(1,476,044)	(1,361,268)	(1,566,679)	(14,326)	(64,279)	(581,288)	-	(6,049,848)
	<u>\$7,705,522</u>	<u>\$ 52,358</u>	<u>\$ 83,931</u>	<u>\$ 1,562</u>	<u>\$ 775,418</u>	<u>\$ 339,888</u>	<u>\$ 10,159</u>	<u>\$ 1,054</u>	<u>\$ 4,571</u>	<u>\$ 128,133</u>	<u>\$ 82</u>	<u>\$ 9,102,678</u>
Opening net book amount	\$7,705,522	\$ 52,358	\$ 83,931	\$ 1,562	\$ 775,418	\$ 339,888	\$ 10,159	\$ 1,054	\$ 4,571	\$ 128,133	\$ 82	\$ 9,102,678
Additions	-	1,271	2,910	95	3,770	-	92,945	-	-	19,977	-	120,968
Disposals	-	-	-	-	-	(1,256)	-	-	-	-	-	(1,256)
Reclassifications	763,584	-	3,860	-	365,421	304,097	55,543	-	20,859	97,949	(82)	1,611,231
Depreciation charge	-	(11,169)	(11,159)	(544)	(93,589)	(95,526)	(69,393)	(302)	(3,279)	(36,519)	-	(321,480)
Closing net book amount	<u>\$8,469,106</u>	<u>\$ 42,460</u>	<u>\$ 79,542</u>	<u>\$ 1,113</u>	<u>\$1,051,020</u>	<u>\$ 547,203</u>	<u>\$ 89,254</u>	<u>\$ 752</u>	<u>\$ 22,151</u>	<u>\$ 209,540</u>	<u>\$ -</u>	<u>\$10,512,141</u>
<u>At December 31</u>												
Cost	\$8,469,106	\$ 108,048	\$1,003,293	\$ 20,567	\$2,316,347	\$ 1,847,010	\$1,725,326	\$ 15,021	\$ 89,709	\$ 820,012	\$ -	\$16,414,439
Accumulated depreciation	-	(65,588)	(923,751)	(19,454)	(1,265,327)	(1,299,807)	(1,636,072)	(14,269)	(67,558)	(610,472)	-	(5,902,298)
	<u>\$8,469,106</u>	<u>\$ 42,460</u>	<u>\$ 79,542</u>	<u>\$ 1,113</u>	<u>\$1,051,020</u>	<u>\$ 547,203</u>	<u>\$ 89,254</u>	<u>\$ 752</u>	<u>\$ 22,151</u>	<u>\$ 209,540</u>	<u>\$ -</u>	<u>\$10,512,141</u>

2022												
	Land	Land improvements	Buildings	Machinery	Loading/ unloading equipment	Transportation equipment	Ships	Office equipment	Leasehold improvements	Other equipment	Construction in progress	Total
<u>At January 1</u>												
Cost	\$8,533,437	\$ 74,802	\$ 992,673	\$ 20,256	\$2,216,707	\$ 1,695,948	\$1,574,377	\$ 15,140	\$ 68,850	\$ 639,559	\$1,984,210	\$17,815,959
Accumulated depreciation	-	(49,120)	(901,622)	(18,267)	(1,390,235)	(1,394,786)	(1,546,104)	(14,362)	(60,809)	(555,253)	-	(5,930,558)
	<u>\$8,533,437</u>	<u>\$ 25,682</u>	<u>\$ 91,051</u>	<u>\$ 1,989</u>	<u>\$ 826,472</u>	<u>\$ 301,162</u>	<u>\$ 28,273</u>	<u>\$ 778</u>	<u>\$ 8,041</u>	<u>\$ 84,306</u>	<u>\$1,984,210</u>	<u>\$11,885,401</u>
Opening net book amount	\$8,533,437	\$ 25,682	\$ 91,051	\$ 1,989	\$ 826,472	\$ 301,162	\$ 28,273	\$ 778	\$ 8,041	\$ 84,306	\$1,984,210	\$11,885,401
Additions	-	3,064	3,850	364	9,550	-	1,497	626	-	17,167	608,234	644,352
Disposals	-	-	-	-	(1,507)	(308)	-	-	-	(80)	-	(1,895)
Reclassifications	(827,915)	29,726	-	-	33,438	126,485	964	-	-	58,316	(2,592,362)	(3,171,348)
Depreciation charge	-	(6,114)	(10,970)	(791)	(92,535)	(87,451)	(20,575)	(350)	(3,470)	(31,576)	-	(253,832)
Closing net book amount	<u>\$7,705,522</u>	<u>\$ 52,358</u>	<u>\$ 83,931</u>	<u>\$ 1,562</u>	<u>\$ 775,418</u>	<u>\$ 339,888</u>	<u>\$ 10,159</u>	<u>\$ 1,054</u>	<u>\$ 4,571</u>	<u>\$ 128,133</u>	<u>\$ 82</u>	<u>\$ 9,102,678</u>
<u>At December 31</u>												
Cost	\$7,705,522	\$ 106,777	\$ 996,523	\$ 20,515	\$2,251,462	\$ 1,701,156	\$1,576,838	\$ 15,380	\$ 68,850	\$ 709,421	\$ 82	\$15,152,526
Accumulated depreciation	-	(54,419)	(912,592)	(18,953)	(1,476,044)	(1,361,268)	(1,566,679)	(14,326)	(64,279)	(581,288)	-	(6,049,848)
	<u>\$7,705,522</u>	<u>\$ 52,358</u>	<u>\$ 83,931</u>	<u>\$ 1,562</u>	<u>\$ 775,418</u>	<u>\$ 339,888</u>	<u>\$ 10,159</u>	<u>\$ 1,054</u>	<u>\$ 4,571</u>	<u>\$ 128,133</u>	<u>\$ 82</u>	<u>\$ 9,102,678</u>

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

	Year ended December 31, 2023	Year ended December 31, 2022
Amount capitalised	\$ -	\$ 8,689

(8) Leasing arrangements — lessee

- A. The Company leases various assets including land, buildings and other equipment. Rental contracts are typically made for periods of 3 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, 2023	December 31, 2022
	Book value	Book value
Land	\$ 257,684	\$ 1,202,997
Buildings	1,067,858	237,486
Other equipment	-	16,854
	<u>\$ 1,325,542</u>	<u>\$ 1,457,337</u>

	Year ended December 31, 2023	Year ended December 31, 2022
	Depreciation charge	Depreciation charge
Land	\$ 32,386	\$ 120,212
Buildings	119,029	23,614
Other equipment	-	1,645
	<u>\$ 151,415</u>	<u>\$ 145,471</u>

- D. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were \$9,262 and \$41,894, respectively.
- E. The information on income and expense accounts relating to lease contracts is as follows:

	Year ended December 31, 2023	Year ended December 31, 2022
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 17,164	\$ 23,250
Expense on short-term lease contracts	3,083	98
Expense on leases of low-value assets	171	153
Gain on sublease of right-of-use assets	503	293
Gain on lease modification	579	-

F. For the years ended December 31, 2023 and 2022, the Company's total cash outflow for leases were \$174,131 and \$170,771, respectively.

G. The Company'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 Company takes into consideration all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. The assessment of lease period is reviewed if a significant event occurs which affects the assessment.

(9) Leasing arrangements – lessor

A. The Company leases various assets including land, buildings, ships and transportation equipment. Rental contracts are typically made for periods of 1 to 9.5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

B. The Company 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, 2023	Year ended December 31, 2022
Finance income from the net investment in the finance lease	\$ 503	\$ 293

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

	December 31, 2023
2024	5,429
2025	4,452
2026	4,585
2027	4,718
2028	4,851
After 2029	15,350
Total	\$ 39,385
	December 31, 2022
2023	4,187
2024	4,319
2025	4,452
2026	4,585
2027	4,718
After 2028	20,201
Total	\$ 42,462

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

	December 31, 2023	
	Current	Non-current
Undiscounted lease payments	\$ 5,429	\$ 33,956
Unearned finance income	(434)	(1,481)
Net investment in the lease	<u>\$ 4,995</u>	<u>\$ 32,475</u>
	December 31, 2022	
	Current	Non-current
Undiscounted lease payments	\$ 4,187	\$ 38,275
Unearned finance income	(479)	(1,911)
Net investment in the lease	<u>\$ 3,708</u>	<u>\$ 36,364</u>

E. Gain arising from operating lease agreements for the years ended December 31, 2023 and 2022 are as follows:

	Year ended December 31, 2023	Year ended December 31, 2022
Rent income arising from fixed lease payments	<u>\$ 233,629</u>	<u>\$ 378,098</u>
Rent income arising from variable lease payments	<u>\$ 4,669</u>	<u>\$ 4,449</u>

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

	December 31, 2023
2024	\$ 468,589
2025	365,376
2026	349,196
2027	245,571
2028	223,297
After 2029	217,360
Total	<u>\$ 1,869,389</u>
	December 31, 2022
2023	\$ 291,302
2024	11,667
2025	8,322
2026	5,778
2027	5,778
After 2028	5,778
Total	<u>\$ 328,625</u>

(10) Investment property

A. Changes in investment property:

	2023		
	Land	Buildings	Total
<u>At January 1</u>			
Cost	\$ 1,467,498	\$ 2,779,630	\$ 4,247,128
Accumulated depreciation	-	(207,016)	(207,016)
	<u>\$ 1,467,498</u>	<u>\$ 2,572,614</u>	<u>\$ 4,040,112</u>
Opening net book amount	\$ 1,467,498	\$ 2,572,614	\$ 4,040,112
Additions	-	1,258	1,258
Depreciation charge	-	(154,203)	(154,203)
Closing net book amount	<u>\$ 1,467,498</u>	<u>\$ 2,419,669</u>	<u>\$ 3,887,167</u>
<u>At December 31</u>			
Cost	\$ 1,467,498	\$ 2,780,888	\$ 4,248,386
Accumulated depreciation	-	(361,219)	(361,219)
	<u>\$ 1,467,498</u>	<u>\$ 2,419,669</u>	<u>\$ 3,887,167</u>
	2022		
	Land	Buildings	Total
<u>At January 1</u>			
Cost	\$ 639,583	\$ 168,768	\$ 808,351
Accumulated depreciation	-	(104,174)	(104,174)
	<u>\$ 639,583</u>	<u>\$ 64,594</u>	<u>\$ 704,177</u>
Opening net book amount	\$ 639,583	\$ 64,594	\$ 704,177
Additions	-	748	748
Reclassifications	827,915	2,610,113	3,438,028
Depreciation charge	-	(102,841)	(102,841)
Closing net book amount	<u>\$ 1,467,498</u>	<u>\$ 2,572,614</u>	<u>\$ 4,040,112</u>
<u>At December 31</u>			
Cost	\$ 1,467,498	\$ 2,779,630	\$ 4,247,128
Accumulated depreciation	-	(207,016)	(207,016)
	<u>\$ 1,467,498</u>	<u>\$ 2,572,614</u>	<u>\$ 4,040,112</u>

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

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

	Year ended December 31, 2023	Year ended December 31, 2022
Rental income from investment property	\$ 361,813	\$ 269,052
Direct operating expenses arising from the investment property that generated rental income during the period	\$ 212,567	\$ 140,136

C. The fair value of the investment property held by the Company as at December 31, 2023 and 2022 were \$7,561,826 and \$8,679,049, respectively, which was valued by the Company. 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, 2023	December 31, 2022
Gross margin	45.481%	49.484%
Discount rate	2.345%	2.220%

E. 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) Other payables (including related parties)

	December 31, 2023	December 31, 2022
Payable on equipment	\$ 57,277	\$ 282,348
Others	279,561	261,488
	<u>\$ 336,838</u>	<u>\$ 543,836</u>

(12) Long-term borrowings

Type of borrowings	December 31, 2023	December 31, 2022
Unsecured bank borrowings	\$ 187,500	\$ 583,333
Secured bank borrowings	2,572,000	2,514,100
	2,759,500	3,097,433
Less: Current portion	(262,500)	(236,111)
	<u>\$ 2,497,000</u>	<u>\$ 2,861,322</u>
Expiry year	2024~2037	2024~2037
Interest rate range	1.99378%~ 2.13296%	1.54067%~ 1.83345%

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

(13) Other non-current liabilities

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accrued pension obligations	\$ 332,906	\$ 391,060
Guarantee deposits received	83,897	85,511
	<u>\$ 416,803</u>	<u>\$ 476,571</u>

(14) 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.

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Present value of defined benefit obligations	(\$ 1,547,004)	(\$ 1,617,222)
Fair value of plan assets	<u>1,214,098</u>	<u>1,226,162</u>
Net defined benefit liability	<u>(\$ 332,906)</u>	<u>(\$ 391,060)</u>

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

	2023		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	(\$ 1,617,222)	\$ 1,226,162	(\$ 391,060)
Current service cost	(24,054)	-	(24,054)
Interest (expense) income	(19,083)	14,469	(4,614)
	<u>(1,660,359)</u>	<u>1,240,631</u>	<u>(419,728)</u>
Remeasurements:			
Return on plan assets			
(excluding amounts included in interest income or expense)	-	6,492	6,492
Change in demographic assumptions	-	-	-
Change in financial assumptions	1,115	-	1,115
Experience adjustments	<u>1,784</u>	<u>-</u>	<u>1,784</u>
	<u>2,899</u>	<u>6,492</u>	<u>9,391</u>
Pension fund contribution	-	77,431	77,431
Paid pension	<u>110,456</u>	<u>(110,456)</u>	<u>-</u>
At December 31	<u>(\$ 1,547,004)</u>	<u>\$ 1,214,098</u>	<u>(\$ 332,906)</u>
	2022		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	(\$ 1,752,320)	\$ 1,138,669	(\$ 613,651)
Current service cost	(27,816)	-	(27,816)
Interest (expense) income	(9,988)	6,490	(3,498)
	<u>(1,790,124)</u>	<u>1,145,159</u>	<u>(644,965)</u>
Remeasurements:			
Return on plan assets			
(excluding amounts included in interest income or expense)	-	87,382	87,382
Change in demographic assumptions	-	-	-
Change in financial assumptions	79,940	-	79,940
Experience adjustments	<u>(28,841)</u>	<u>-</u>	<u>(28,841)</u>
	<u>51,099</u>	<u>87,382</u>	<u>138,481</u>
Pension fund contribution	-	115,424	115,424
Paid pension	<u>121,803</u>	<u>(121,803)</u>	<u>-</u>
At December 31	<u>(\$ 1,617,222)</u>	<u>\$ 1,226,162</u>	<u>(\$ 391,060)</u>

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation 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, 2023 and 2022 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, 2023	Year ended December 31, 2022
Discount rate	1.19%	1.18%
Future salary increase rate	1.75%	1.75%

The assumption of future death rate depends on the Taiwan Standard Ordinary Experience Mortality Table for the years ended December 31, 2023 and 2022.

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

	Discount rate		Future salary increase rate	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
<u>December 31, 2023</u>				
Effect on present value of defined benefit obligation	(\$ 34,354)	\$ 57,901	\$ 57,278	(\$ 34,344)
<u>December 31, 2022</u>				
Effect on present value of defined benefit obligation	(\$ 42,841)	\$ 64,942	\$ 64,235	(\$ 42,824)

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, 2024 amount to \$134,651.

(g) As of December 31, 2023, the weighted average duration of the retirement plan is 6 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 under the defined contribution pension plans of the Company for the years ended December 31, 2023 and 2022 were \$61,142 and \$62,292, respectively.

(15) Capital stock

A. As of December 31, 2023, the Company’s authorised 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 2023 and 2022.

(16) Capital surplus

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

(17) Retained earnings

	2023	2022
At January 1	\$ 9,050,378	\$ 6,005,196
Profit for the year	2,723,072	3,526,415
Appropriation, release and distribution	(1,692,552)	(541,079)
Remeasurement on post employment benefit obligations, net of tax	2,350	60,942
Changes in equity of subsidiaries, associates and joint ventures accounted for using equity method	480	(1,096)
Disposal of investments in equity instruments measured at fair value through other comprehensive income	227,702	-
At December 31	<u>\$ 10,311,430</u>	<u>\$ 9,050,378</u>

- 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 summarised 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 of or reclassified subsequently.

- E. The Company declared the earnings and distribution for 2022 earnings had been resolved after meeting the statutory voting threshold on June 19, 2023 for shareholders' meeting. The appropriation of 2021 earnings had been resolved after meeting the statutory voting threshold on June 14, 2022 for shareholders' meeting. Details are summarized below:

	2022		2021	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 358,626		\$ 114,223	
Cash dividends	<u>1,333,926</u>	\$ 1.25	<u>426,856</u>	\$ 0.40
	<u>\$ 1,692,552</u>		<u>\$ 541,079</u>	

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 2023 at the Board of Directors' meeting on March 12, 2024. The information is summarised below:

	2023	
	Amount	Dividends per share (in dollars)
Legal reserve	\$ 295,360	
Cash dividends	<u>1,173,855</u>	\$ 1.10
	<u>\$ 1,469,215</u>	

The information about the aforementioned earnings distribution in 2023 has not been resolved at the stockholders' meeting up until March 12, 2024.

- G. For information relating to employees' compensation and directors' remuneration, please refer to Note 6(25).

(18) Other equity items

	2023		
	Unrealised gains (losses) on valuation	Currency translation	Total
At January 1	\$ 2,922,363	\$ 151,862	\$ 3,074,225
Revaluation-gross	538,333	-	538,333
Revaluation transferred to retained earnings-gross	(227,702)	-	(227,702)
Revaluation-Subsidiaries	58,316	-	58,316
Revaluation-Subsidiaries-tax	(272)	-	(272)
Revaluation transferred to retained earnings-subsidiaries	(480)	-	(480)
Currency translation:			
- Parent	-	28,946	28,946
- Subsidiaries	-	(6,673)	(6,673)
At December 31	<u>\$ 3,290,558</u>	<u>\$ 174,135</u>	<u>\$ 3,464,693</u>

	2022		
	Unrealised gains (losses) on valuation	Currency translation	Total
At January 1	\$ 5,381,074	(\$ 1,044,564)	\$ 4,336,510
Revaluation-gross	(2,396,652)	-	(2,396,652)
Revaluation-Subsidiaries	(65,205)	-	(65,205)
Revaluation-Subsidiaries-tax	2,050	-	2,050
Revaluation transferred to retained earnings-subsidiaries	1,096	-	1,096
Currency translation:			
- Parent	-	1,143,916	1,143,916
- Subsidiaries	-	52,510	52,510
At December 31	<u>\$ 2,922,363</u>	<u>\$ 151,862</u>	<u>\$ 3,074,225</u>

(19) Operating revenue

	Year ended December 31, 2023	Year ended December 31, 2022
Revenue from contracts with customers	\$ 4,129,301	\$ 4,239,343
Rental income	600,111	651,599
	<u>\$ 4,729,412</u>	<u>\$ 4,890,942</u>

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

Year ended December 31, 2023	Inland Transportation	Container Terminals	International Marine Business	Gasoline Station	Others	Total
Revenue from contracts with customers	\$ 1,695,674	\$ 617,971	\$ 1,380,698	\$430,813	\$ 4,145	\$4,129,301
Rental income	19,224	325,690	199,880	-	55,317	600,111
	<u>\$ 1,714,898</u>	<u>\$ 943,661</u>	<u>\$ 1,580,578</u>	<u>\$430,813</u>	<u>\$59,462</u>	<u>\$4,729,412</u>

Year ended December 31, 2022	Inland Transportation	Container Terminals	International Marine Business	Gasoline Station	Others	Total
Revenue from contracts with customers	\$ 1,624,474	\$ 658,617	\$ 1,473,300	\$482,952	\$ -	\$4,239,343
Rental income	22,071	226,144	348,235	-	55,149	651,599
	<u>\$ 1,646,545</u>	<u>\$ 884,761</u>	<u>\$ 1,821,535</u>	<u>\$482,952</u>	<u>\$55,149</u>	<u>\$4,890,942</u>

B. Contract liabilities

(a) The Company has recognised the following revenue-related contract liabilities:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>January 1, 2022</u>
Contract liabilities –			
Deferred revenue from			
passenger transportation,			
oil sales, and inland			
container transportation	<u>\$ 6,868</u>	<u>\$ 8,640</u>	<u>\$ 8,671</u>

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

	<u>Year ended December 31, 2023</u>	<u>Year ended December 31, 2022</u>
Revenue from passenger transportation, oil		
sales, and inland container transportation	<u>\$ 2,142</u>	<u>\$ 547</u>

(20) Interest income

	<u>Year ended December 31, 2023</u>	<u>Year ended December 31, 2022</u>
Interest income from bank deposits	\$ 17,027	\$ 8,970
Interest income from financial assets at amortised		
cost	2,450	1,723
Imputed rate of interest for deposits	17	11
Interest income from finance lease receivable	503	293
	<u>\$ 19,997</u>	<u>\$ 10,997</u>

(21) Other income

	<u>Year ended December 31, 2023</u>	<u>Year ended December 31, 2022</u>
Dividend income	\$ 760,802	\$ 581,704
Gain from bargain purchase	-	766
Other income - others	27,311	18,945
	<u>\$ 788,113</u>	<u>\$ 601,415</u>

(22) Other gains and losses

	Year ended December 31, 2023	Year ended December 31, 2022
Gains on disposal of property, plant and equipment	\$ 12,699	\$ 4,305
Gains on lease modifications	579	-
Net currency exchange gains	10,589	65,996
Gains on financial assets at fair value through profit or loss	4,391	2,595
Other losses	(13,076)	(1,977)
	<u>\$ 15,182</u>	<u>\$ 70,919</u>

(23) Finance costs

	Year ended December 31, 2023	Year ended December 31, 2022
Interest expense:		
Interest expense on bank borrowings	\$ 61,819	\$ 39,281
Imputed rate of interest for deposits	1,185	523
Interest expense on lease liabilities	17,164	23,250
	<u>80,168</u>	<u>63,054</u>
Less: Capitalized borrowing costs	-	(8,689)
	<u>\$ 80,168</u>	<u>\$ 54,365</u>

(24) Expenses by nature

	Year ended December 31, 2023	Year ended December 31, 2022
Employee benefit expense	\$ 1,241,463	\$ 1,208,172
Depreciation	627,098	502,144
Amortisation	3,153	2,453
Other operating costs and expenses	2,409,219	2,475,126
Operating costs and operating expenses	<u>\$ 4,280,933</u>	<u>\$ 4,187,895</u>

(25) Employee benefit expense

	Year ended December 31, 2023	Year ended December 31, 2022
Wages and salaries	\$ 1,033,604	\$ 1,009,129
Labor and health insurance fees	93,438	88,500
Pension cost	61,142	62,292
Directors' remuneration	15,544	14,000
Other personnel expenses	37,735	34,251
	<u>\$ 1,241,463</u>	<u>\$ 1,208,172</u>

- 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, 2023 and 2022, employees' compensation were accrued at \$34,000 and \$38,000; while directors' remuneration were accrued at \$6,037 and \$6,456.

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 year for the year ended December 31, 2023.

Employees' compensation and directors' remuneration of 2022 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2022 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.

(26) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Year ended December 31, 2023	Year ended December 31, 2022
Current tax:		
Current tax on profits for the year	\$ 180,474	\$ 135,880
Tax on unappropriated earnings	94,686	30,057
Investment tax credits	- (	67,940)
Prior year income tax overestimation	(29,979) (	5,635)
Deferred tax:		
Origination and reversal of temporary differences	358,539	26,213
Income tax expense	<u>\$ 603,720</u>	<u>\$ 118,575</u>

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

	Year ended December 31, 2023	Year ended December 31, 2022
Share of other comprehensive income of associates	(\$ 599)	(\$ 12,609)
Remeasurement of defined benefit obligations	1,878	27,696
	<u>\$ 1,279</u>	<u>\$ 15,087</u>

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

	Year ended December 31, 2023	Year ended December 31, 2022
Changes in equity of subsidiaries, associates and joint ventures accounted for using equity method	<u>\$ 119</u>	<u>\$ 62</u>

B. Reconciliation between income tax expense and accounting profit:

	Year ended December 31, 2023	Year ended December 31, 2022
Tax calculated based on profit before tax and statutory tax rate	\$ 665,358	\$ 728,998
Expense disallowed by tax regulation	44,593	298
Tax exempt income by tax regulation	(418,719)	(401,933)
Temporary differences not recognised as deferred tax liabilities	-	(26,774)
Tax on unappropriated earnings	94,686	30,057
Prior year income tax overestimation	(29,979)	(5,635)
Effect from investment tax credits	-	(206,436)
Change in assessment of realisation of deferred tax liabilities	261,852	-
Change in assessment of realisation of deferred tax assets	(14,071)	-
Income tax expense	<u>\$ 603,720</u>	<u>\$ 118,575</u>

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

2023					
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	December 31
Deferred tax assets:					
Unrealised exchange loss	\$ 2,509	(\$ 955)	\$ -	\$ -	\$ 1,554
Unrealised expense	10,000	3,334	-	-	13,334
Net defined benefit liabilities	77,596	(9,741)	(1,878)	-	65,977
Investment tax credits	138,496	(81,687)	-	-	56,809
Others	262	-	-	-	262
Subtotal	<u>228,863</u>	<u>(89,049)</u>	<u>(1,878)</u>	<u>-</u>	<u>137,936</u>
Deferred tax liabilities:					
Unrealised exchange gain	(51)	51	-	-	-
Unrealised compensation gain	-	(51)	-	-	(51)
Investments income (overseas)	(1,342,836)	(269,490)	599	(119)	(1,611,846)
Reserve for land revaluation increment tax	(1,063,191)	-	-	-	(1,063,191)
Subtotal	<u>(2,406,078)</u>	<u>(269,490)</u>	<u>599</u>	<u>(119)</u>	<u>(2,675,088)</u>
Total	<u>(\$ 2,177,215)</u>	<u>(\$ 358,539)</u>	<u>(\$ 1,279)</u>	<u>(\$ 119)</u>	<u>(\$ 2,537,152)</u>

2022					
		Recognised in		Recognised	
	January 1	in profit or loss	other comprehensive income	in equity	December 31
Deferred tax assets:					
Unrealised exchange loss	\$ 765	\$ 1,744	\$ -	\$ -	\$ 2,509
Unrealised expense	9,708	292	-	-	10,000
Net defined benefit liabilities	122,097	(16,805)	(27,696)	-	77,596
Investment tax credits	-	138,496	-	-	138,496
Others	262	-	-	-	262
Subtotal	<u>132,832</u>	<u>123,727</u>	<u>(27,696)</u>	<u>-</u>	<u>228,863</u>
Deferred tax liabilities:					
Unrealised exchange gain	-	(51)	-	-	(51)
Unrealised compensation gain	(68)	68	-	-	-
Investments income (overseas)	(1,203,666)	(151,717)	12,609	(62)	(1,342,836)
Difference between depreciation for financial reporting and tax purposes	(1,760)	1,760	-	-	-
Reserve for land revaluation increment tax	(1,063,191)	-	-	-	(1,063,191)
Subtotal	<u>(2,268,685)</u>	<u>(149,940)</u>	<u>12,609</u>	<u>(62)</u>	<u>(2,406,078)</u>
Total	<u>(\$ 2,135,853)</u>	<u>(\$ 26,213)</u>	<u>(\$ 15,087)</u>	<u>(\$ 62)</u>	<u>(\$ 2,177,215)</u>

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

Qualifying items	December 31, 2023		
	Unused tax credits	Unrecognised deferred tax assets	Expiry year
Operation equipment			
-Newly established main buildings	<u>\$ 56,809</u>	<u>\$ -</u>	2026

Qualifying items	December 31, 2022		Expiry year
	Unused tax credits	Unrecognised deferred tax assets	
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, 2023 and 2022, the amounts of temporary difference unrecognised as deferred tax liabilities were \$0 and \$1,203,885, respectively.

F. The Company's income tax returns through 2021 have been assessed and approved by the Tax Authority.

(27) Earnings per share

	Year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit for the year	\$ 2,723,072	1,067,141	\$ 2.55
<u>Diluted earnings per share</u>			
Profit for the year	2,723,072	1,067,141	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	1,073	
Profit for the year plus assumed conversion of all dilutive potential ordinary shares	\$ 2,723,072	1,068,214	\$ 2.55

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

(28) Supplemental cash flow information

Investing activities with partial cash payments:

	Year ended December 31, 2023	Year ended December 31, 2022
Acquisition of property, plant and equipment (including prepayments for equipment)	\$ 1,006,435	\$ 1,622,157
Add : Opening balance of payable on equipment	282,348	220,200
Less : Ending balance of payable on equipment	(57,277)	(282,348)
Cash paid during the period	\$ 1,231,506	\$ 1,560,009

(29) Changes in liabilities from financing activities

	2023			
	Long-term borrowings (including current portion)	Lease liabilities	Guarantee deposits received	Liabilities from financing activities- gross
At January 1	\$ 3,097,433	\$ 1,545,031	\$ 85,511	\$ 4,727,975
Changes in cash flow from financing activities	(337,933)	(153,713)	(1,614)	(493,260)
Interest paid	-	(17,164)	-	(17,164)
Changes in other non-cash items	-	39,507	-	39,507
At December 31	\$ 2,759,500	\$ 1,413,661	\$ 83,897	\$ 4,257,058

2022

	Long-term borrowings (including current portion)	Lease liabilities	Guarantee deposits received	Liabilities from financing activities- gross
At January 1	\$ 2,603,964	\$ 1,540,420	\$ 22,564	\$ 4,166,948
Changes in cash flow from financing activities	493,469	(147,270)	62,947	409,146
Interest paid	-	(23,250)	-	(23,250)
Changes in other non-cash items	-	175,131	-	175,131
At December 31	<u>\$ 3,097,433</u>	<u>\$ 1,545,031</u>	<u>\$ 85,511</u>	<u>\$ 4,727,975</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Evergreen Marine Corp. (Taiwan) Ltd.	The entities which have significant influence to the Company
Gaining Enterprise S.A.	Subsidiary
Shun An Enterprise Corp.	Subsidiary
Evergreen Logistics Corp.	Subsidiary
Evergreen Logistics USA Corp.	Indirect Subsidiary
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.,	Indirect subsidiary since October 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)
Ever Reward Logistics Corp.	Associate
Taipei Port Container Terminal Corp.	Associate
United Stevedoring Corp.	Associate
Qingdao Evergreen Container Storage & Transportation Co., Ltd.	Associate

Names of related parties	Relationship with the Company
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
Ningbo Victory Container Co., Ltd.	Other related parties
Kingtrans Intl. Logistics (Tianjin) Co., Ltd.	Other related parties
Ever Shine (Shanghai) Enterprise Management Consulting Co., Ltd.	Other related parties
Ever Shine (Shenzhen) Enterprise Management Consulting Co., Ltd.	Other related parties
Ever Shine (Qingdao) Enterprise Management Consulting Co., Ltd.	Other related parties
Evergreen Shipping Agency (China) Co., Ltd.	Other related parties
Evergreen Information Processing (Shanghai) Co.,	Other related parties
EVA Airways Corp.	Other related parties
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
Everfamily international Foods Corp.	Other related parties
Ever Shine (Shanghai) Enterprise Management Consulting Co., Ltd.	Other related parties
Airport Air Cargo Terminal (Xiamen) Co., Ltd.	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

Names of related parties	Relationship with the Company
Evergreen Marine Corp. (Malaysia) Sdn. Bhd.	Other related parties
Evergreen Shipping Agency (America) Corp.	Other related parties
Evergreen Shipping Agency (Europe) Corp.	Other related parties
Evergreen Shipping Agency (India) Private Ltd.	Other related parties
Evergreen Shipping Agency (Korea) 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
Evergreen Shipping Services (Cambodia)	Other related parties
PT. Evergreen Shipping Agency Indonesia	Other related parties
Everport Terminal Services Inc.	Other related parties
VIP Greenport Joint Stock Corp.	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 International Hotel Property (BANKGKOK) 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 Company

(2) Significant related party transactions and balances

A. Operating revenue

	Year ended December 31, 2023	Year ended December 31, 2022
The entities which have significant influence to the Company		
Evergreen Marine Corp. (Taiwan) Ltd.	\$ 574,416	\$ 839,083
Subsidiary	116,538	61,016
Associates	239,888	257,541
Other related parties		
Evergreen Marine (Asia) Pte. Ltd.	895,382	789,317
Others	696,151	683,648
	<u>\$ 2,522,375</u>	<u>\$ 2,630,605</u>

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, 2023	Year ended December 31, 2022
The entities which have significant influence to the Company		
Evergreen Marine Corp. (Taiwan) Ltd.	\$ 138,553	\$ 74,796
Associates	4,326	3,951
Other related parties	66,151	73,356
	<u>\$ 209,030</u>	<u>\$ 152,103</u>

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, 2023	December 31, 2022
Accounts receivable:		
The entities which have significant influence to the Company		
Evergreen Marine Corp. (Taiwan) Ltd.	\$ 170,194	\$ 164,390
Subsidiary	2,089	64
Associates	18,831	22,122
Other related parties	28,613	22,070
Subtotal	<u>219,727</u>	<u>208,646</u>
Other receivables:		
The entities which have significant influence to the Company		
Evergreen Marine Corp. (Taiwan) Ltd.	2,218	1,978
Subsidiary	203	226
Associates	-	3,220
Other related parties	346	311
Subtotal	<u>2,767</u>	<u>5,735</u>
Total	<u>\$ 222,494</u>	<u>\$ 214,381</u>

D. Payables to related parties

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts payable:		
The entities which have significant influence to the Company	\$ 2	\$ 23,132
Associates	290	339
Other related parties	19	19
Subtotal	<u>311</u>	<u>23,490</u>
Other payables:		
The entities which have significant influence to the Company	4,129	4,804
Subsidiary	68	-
Other related parties		
Ever Accord Construction Corp.	-	230,015
Others	6,333	12,461
Subtotal	<u>10,530</u>	<u>247,280</u>
Total	<u>\$ 10,841</u>	<u>\$ 270,770</u>

E. Property transactions

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

	<u>Year ended December 31, 2023</u>	<u>Year ended December 31, 2022</u>
The entities which have significant influence to the Company	\$ 36,000	\$ -
Other related parties		
Ever Accord Construction Corp.	6,204	677,052
Evergreen International Corp.	763,111	961
Others	-	8,514
	<u>\$ 805,315</u>	<u>\$ 686,527</u>

The Company purchased the land ownership of 35 lots located in No.1121, BaoAn Sec., Xizhi Dist., New Taipei City from other related party, Evergreen International Corp., at a consideration of \$763,111 as resolved by the Board of Directors on December 21, 2022, paid \$534,178 of prepayments for the year ended December 31, 2022 and recorded as other noncurrent assets. The ownership of the land had been transferred on January 10, 2023.

(b) Acquisition of financial assets:

	Accounts	No. of shares	Objects	2023 Consideration
Other related parties	Financial assets at fair value through other comprehensive income-current	282,000	Evergreen Aviation Technologies Corp.	\$ 19,176
	Accounts	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
				\$ 15,923

F. Lease transactions — lessee

(a) The Company leases land and buildings from the entities which have significant influence to the Company, associates and other related parties. Rental contracts are typically made for periods of 3 to 5 years. Rents are paid at the beginning or the end of each month.

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

For the years ended December 31, 2023 and 2022, the Company increased right-of-use assets by \$12,564 and \$0, respectively.

(c) Lease liabilities

(i) Outstanding balance:

	December 31, 2023	December 31, 2022
The entities which have significant influence to the Company	\$ 1,107	\$ -
Associates	7,484	1,245
Other related parties	-	17,470
	<u>\$ 8,591</u>	<u>\$ 18,715</u>

(ii) Interest expense

	Year ended December 31, 2023	Year ended December 31, 2022
The entities which have significant influence to the Company	\$ 24	\$ 32
Associates	54	34
Other related parties	22	270
	<u>\$ 100</u>	<u>\$ 336</u>

G. Due to contributions to society for charity activities, the Company donated \$442 to Chang Yung-Fa Foundation and Chang Yung-Fa Charity Foundation for both the years ended December 31, 2023 and 2022.

(3) Key management compensation

	Year ended December 31, 2023	Year ended December 31, 2022
Short-term employee benefits	\$ 24,725	\$ 20,981
Post-employment benefits	619	186
	<u>\$ 25,344</u>	<u>\$ 21,167</u>

8. PLEDGED ASSETS

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

Pledged assets	Book value		Purpose
	December 31, 2023	December 31, 2022	
Financial assets at amortised cost - non-current	\$ 137,563	\$ 122,931	To purchase supplies and materials and execute contracts etc.
Investment property			
- Land and buildings	2,563,502	2,613,590	Long-term borrowings
	<u>\$ 2,701,065</u>	<u>\$ 2,736,521</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

The National Property Administration had appointed a lawyer to send a letter on February 13, 2023 noticing and requesting the Company to pay the compensation for unjust enrichment of utilising the national land which it determined that the Company had no right to occupy. However, the Company will resolve the dispute through judicial route as it believes that there are legal issues indeed due to the determination of facts of individual case and the period of recovery. The Company had accrued \$12,094 (recorded as other gains and losses) in the third quarter of 2023 according to the 5-year period of prescription for the claim of unjust enrichment. The Company had claimed an objection. As of December 31, 2023, the case had no significant update and the final result is yet to be determined by the court.

(2) Commitments

- (a) As of December 31, 2023 and December 31, 2022, the Company has guarantees provided by financial institutions amounting to \$16,549 and \$234,933, respectively, for the operational needs.
- (b) To meet operational needs, the Company signed the loading/ unloading equipment and installment contracts with the manufacturers on August 23, 2022 and January 3, 2023, for a total contract price of \$147,540 thousand. Capital expenditure contracted for as of December 31, 2023 but not yet incurred amounted to \$25,720 thousand.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

The Company declared the earnings distribution for 2023 at the Board of Directors' meeting on March 12, 2024. The details of earnings distribution is referred to in Note 6 (17).

12. OTHERS

(1) Capital management

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

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	<u>\$ 556,400</u>	<u>\$ 350,422</u>
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	<u>\$ 4,799,996</u>	<u>\$ 4,572,452</u>
Financial assets at amortised cost		
Cash and cash equivalents	\$ 1,062,492	\$ 812,161
Financial assets at amortised cost	169,563	154,931
Notes receivable	20,765	22,252
Accounts receivable	449,009	418,865
Finance lease receivable	37,470	40,072
Other receivables	7,867	18,725
Refundable deposits	<u>1,504</u>	<u>1,391</u>
	<u>\$ 1,748,670</u>	<u>\$ 1,468,397</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Contract liabilities	\$ 6,868	\$ 8,640
Note payable	2,717	9,237
Accounts payable	245,197	261,185
Other payables	336,838	543,836
Long-term borrowings (including current portion)	2,759,500	3,097,433
Guarantee deposits received	<u>83,897</u>	<u>85,511</u>
	<u>\$ 3,435,017</u>	<u>\$ 4,005,842</u>
Lease liabilities	<u>\$ 1,413,661</u>	<u>\$ 1,545,031</u>

B. Financial risk management policies

- (a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.
- (b) Risk management is carried out by the Company under policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Company operates internationally and is exposed to exchange rate risk arising from the transactions of the Company 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 each unit to manage their foreign exchange risk against their functional currency.
- iii. The Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

December 31, 2023			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 5,108	30.6500	\$ 156,546
<u>Financial liabilities</u>			
None			
December 31, 2022			
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 11,731	30.5950	\$ 358,907
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 680	30.5950	\$ 20,791

- iv. Total exchange gain or loss including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2023 and 2022, amounted to \$10,589 and \$65,996, respectively.
- v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	Year ended December 31, 2023		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 1,565	\$ -
<u>Financial liabilities</u>			
None			

	Year ended December 31, 2022			
	Sensitivity analysis			
	Degree of variation	Effect on profit or loss		Effect on other comprehensive income
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$	3,589	\$ -
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$	208	\$ -

Price risk

- i. The Company'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 Company diversifies its investment portfolio.

- ii. The Company 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, 2023 and 2022 would have increased/decreased by \$55,640 and \$35,042, 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 \$480,000 and \$457,245, 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 Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. For the years ended December 31, 2023 and 2022, the Company's borrowings at variable rates were denominated in NTD.
- ii. The Company's borrowings are measured at amortised cost. The interest rates on the borrowings are periodically adjusted, which expose the Company 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, 2023 and 2022 would have increased/decreased by \$22,076 and \$24,779, 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 Company 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 Company manages its credit risk from a parent company only 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 Company.
- iv. The Company adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.

- v. 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 reorganization 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.
- vi. 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.
- vii. The Company wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Company will continue executing the recourse procedures to secure their rights. As of December 31, 2023 and 2022, the Company has no written-off financial assets that are still under recourse procedures.
- viii. The Company used the forecastability of overall economic information to adjust historical and timely information to assess the default possibility of accounts receivable. As of December 31, 2023 and 2022, the provision matrix is as follows:

	<u>Without past due</u>	<u>Up to 3 months past due</u>	<u>Over 3 months past due</u>	<u>Total</u>
<u>At December 31, 2023</u>				
Expected loss rate	0.03%~0.13%	0.03%~51.54%	100%	
Total book value	\$ 384,501	\$ 66,544	\$ -	\$ 451,045
Loss allowance	\$ 329	\$ 1,707	\$ -	\$ 2,036
	<u>Without past due</u>	<u>Up to 3 months past due</u>	<u>Over 3 months past due</u>	<u>Total</u>
<u>At December 31, 2022</u>				
Expected loss rate	0.03%~0.09%	0.03%~27.23%	100%	
Total book value	\$ 365,543	\$ 54,107	\$ -	\$ 419,650
Loss allowance	\$ 221	\$ 564	\$ -	\$ 785

- ix. Movements in relation to the Company applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	2023
	<u>Accounts receivable</u>
At January 1	(\$ 785)
Provision for impairment loss	(1,540)
Reversal of impairment loss	289
Write-offs	<u>-</u>
At December 31	<u>(\$ 2,036)</u>

	2022
	<u>Accounts receivable</u>
At January 1	(\$ 708)
Provision for impairment loss	(1,292)
Reversal of impairment loss	741
Write-offs	<u>474</u>
At December 31	<u>(\$ 785)</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Company and aggregated by the Company's treasury department. The Company's treasury department monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- ii. The Company 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 Company has no significant liquidity risk because the Company's holding capital at the balance sheet date is higher than accrued liability for the coming year.
- iii. The Company has the following undrawn borrowing facilities:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Floating rate:	\$ -	\$ 57,900

- iv. The table below analyses the Company'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, 2023 and 2022, accounts payable and other payables would expire within one year. As of December 31, 2023 and 2022, 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 :

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
December 31, 2023					
Lease liabilities	\$ 170,046	\$ 169,202	\$ 495,869	\$ 651,961	\$ 1,487,078
Long-term borrowings (including current portion)	\$ 319,570	\$ 202,191	\$ 1,004,857	\$ 1,670,724	\$ 3,197,342

Non-derivative financial liabilities :

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
December 31, 2022					
Lease liabilities	\$ 165,989	\$ 165,006	\$ 493,229	\$ 819,811	\$ 1,644,035
Long-term borrowings (including current portion)	\$ 290,197	\$ 481,955	\$ 1,256,418	\$ 1,387,921	\$ 3,416,491

(3) Fair value information

A. Details of the fair value of the Company'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 Company'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 Company's investment in equity investment without active market is included in Level 3.

C. The carrying amounts of the Company's financial instruments not measured at fair value (including cash and cash equivalents, financial assets at amortised cost, notes receivable, accounts receivable, finance lease receivable, other receivables, refundable deposits, 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, 2023	Level 1	Level 2	Level 3	Total
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets measured at fair value through profit or loss				
Beneficiary certificates	\$ 556,400	\$ -	\$ -	\$ 556,400
Financial asset measured at fair value through other comprehensive income				
Equity securities	4,147,528	-	652,468	4,799,996
	<u>\$ 4,703,928</u>	<u>\$ -</u>	<u>\$ 652,468</u>	<u>\$ 5,356,396</u>
December 31, 2022	Level 1	Level 2	Level 3	Total
Assets:				
<u>Recurring fair value measurements</u>				
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	4,009,303	-	563,149	4,572,452
	<u>\$ 4,359,725</u>	<u>\$ -</u>	<u>\$ 563,149</u>	<u>\$ 4,922,874</u>

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

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

	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 Company 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 Company's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Company's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the parent company only balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

iv. The Company takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Company's credit quality.

E. For the years ended December 31, 2023 and 2022, 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, 2023 and 2022:

	Equity securities	
	Year ended December 31, 2023	Year ended December 31, 2022
Opening net book amount	\$ 563,149	\$ 490,315
Acquired in the period	-	15,923
Gains and losses recognised in other comprehensive income	89,319	56,911
Closing net book amount	<u>\$ 652,468</u>	<u>\$ 563,149</u>

G. For the years ended December 31, 2023 and 2022, 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 valued regularly by the Company'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, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non - derivative equity instrument:					
Unlisted shares	\$ 652,468	Market comparable companies	Price to earnings ratio multiple	11.36	The higher the multiple, the higher the fair value.
			Price to book ratio multiple	1.53~4.45	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.

	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	\$ 563,149	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%~30%	The higher the discount for lack of marketability, the lower the fair value.

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

		December 31, 2023				
		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%	\$ -	\$ -	\$ 6,525	\$ 6,525

		December 31, 2022				
		Recognised in profit or loss		Recognised in other comprehensive income		
		Favourable change	Unfavourable change	Favourable change	Unfavourable change	
	Input	Change				
Financial assets						
Equity instrument	Price to earnings ratio multiple, price to book ratio multiple, discount for lack of marketability	±1%	\$ -	\$ -	\$ 5,631	\$ 5,631

(4) The Company originally recognised restricted deposits as "financial assets at amortised cost - current". Since the restricted deposit is applied in the unused balance in the special fund account remitted under the "The Management, Utilization, and Taxation of Repatriated Offshore Funds Act". The unused balance in the abovementioned special fund account is reclassified as " cash and cash equivalents " and reclassified the prior period accounts together for comparison purposes in accordance with the provisions of the IFRSs Q&A as amended by the competent authority on January 5, 2024. This reclassification had no effect on the earnings per share for the year ended December 31, 2022, nor did it have any effect on the total assets and total liabilities as of December 31, 2022.

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: Please refer to table 4.
- 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 5.

H. Receivables from related parties reaching \$100 million or 20% of the Company's paid-in capital or more: Please refer to table 6.

I. Derivative financial instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 8.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 9.

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 10.

14. SEGMENT INFORMATION

None.

EVERGREEN INTERNATIONAL STORAGE & TRANSPORT CORPORATION
STATEMENT OF FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - CURRENT
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Name of financial instrument	Description	Shares	Face value	Total amount	Interest rate	Cost	Fair value		Footnote
							Unit price	Total amount	
Equity securities									
Evergreen Steel Corp.(Taiwan) Ltd.		2,492,000	\$ 10	\$ 24,920	-	\$ 154,352	\$ 104.00	\$ 259,168	
Evergreen Marine Corp.(Taiwan) Ltd.		10,101,644	10	101,016	-	267,480	143.50	1,449,586	
EVA Airways Corp.		40,640,013	10	406,400	-	<u>405,848</u>	31.45	<u>1,278,128</u>	
						827,680		<u>\$ 2,986,882</u>	
Valuation adjustment						<u>2,159,202</u>			
Net						\$ 2,986,882			

EVERGREEN INTERNATIONAL STORAGE & TRANSPORT CORPORATION
STATEMENT OF TRADE RECEIVABLES
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Client Name	Description	Amount	Footnote
Non-related parties			
			The amount of individual item included in others does not exceed 5% of the account balance.
Others		\$ 229,282	
Related parties			
Evergreen Marine Corporation (Taiwan) Ltd		170,194	The amount of individual item included in others does not exceed 5% of the account balance.
Others		49,533	
		219,727	
		\$ 449,009	

EVERGREEN INTERNATIONAL STORAGE & TRANSPORT CORPORATION
STATEMENT OF INVENTORIES
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount		Footnote
		Cost	Net Realizable Value	
Material		\$ 1,247	\$ 1,247	
Supplies				
Container supplies		38,847	38,847	
Fuels		5,811	6,249	
Tires and wheel rims		1,472	1,472	
Spare parts		8,600	8,600	
By-products		24	27	
		54,754	55,195	
		<u>\$ 56,001</u>	<u>\$ 56,442</u>	

EVERGREEN INTERNATIONAL STORAGE & TRANSPORT CORPORATION
STATEMENT OF FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Name of financial instrument	As of January 1, 2023		Addition		Decrease		As of December 31, 2023		Collateral	Footnote
	Shares	Fair value	Shares	Amount	Shares	Amount	Shares	Fair value		
Equity securities										
Central Reinsurance Corp.	50,353,414	\$ 856,008	-	\$ 304,638	-	\$ -	50,353,414	\$ 1,160,646	None	Note 1
Taiwan Terminal Service Co, Ltd.	1,200,000	13,207	-	24,876	-	-	1,200,000	38,083	"	Note 1
Universal Venture Fund Inc.	348,909	2,850	-	137	-	-	348,909	2,987	"	Note 1
UNI Airways Corp.	15,693,273	406,098	-	-	-	36,698	15,693,273	369,400	"	Note 2
Ever Accord Construction Corp.	9,163,277	104,759	916,327	76,073	-	-	10,079,604	180,832	"	Note 3
Evergreen Security Corp.	50,000	1,510	-	163	-	-	50,000	1,673	"	Note 1
EverFun Travel Services Corp.	1,439,509	34,725	-	24,768	-	-	1,439,509	59,493	"	Note 1
		<u>\$ 1,419,157</u>		<u>\$ 430,655</u>		<u>\$ 36,698</u>		<u>\$ 1,813,114</u>		

Note 1: The addition of the amount was arising from the valuation adjustment.

Note 2: The decrease of the amount was arising from the valuation adjustment.

Note 3: The addition of the shares was receive stock dividends; The addition of the amount was arising from the valuation adjustment.

EVERGREEN INTERNATIONAL STORAGE & TRANSPORT CORPORATION
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Name	As of January 1, 2023		Addition		Decrease		As of December 31, 2023			Market value or net assets value		Collateral	Footnote
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Percentage of ownership	Amount	Unit price	Total amount		
Gaining Enterprise S. A.	1,570,000	\$ 12,571,548	-	\$ 1,061,047	100,000	\$ 1,037,235	1,470,000	100.00	\$ 12,595,360	-	\$ 12,595,360	None	
Shun An Enterprise Corp.	2,500,000	62,186	-	11,139	-	347	2,500,000	100.00	72,978	-	72,978	"	
Evergreen Logistics Corporation	54,723,440	2,172,810	71,140,590	1,087,756	-	499,059	125,864,030	91.21	2,761,507	-	2,761,507	"	
Ever Reward Logistics Corp.	740,000	16,635	-	2,379	-	2,279	740,000	30.00	16,735	-	16,735	"	
Taipei Port Container Terminal Corp.	86,183,263	1,071,397	-	59,070	-	-	86,183,263	16.57	1,130,467	-	1,130,467	"	
		<u>\$ 15,894,576</u>		<u>\$ 2,221,391</u>		<u>\$ 1,538,920</u>			<u>\$ 16,577,047</u>		<u>\$ 16,577,047</u>		

EVERGREEN INTERNATIONAL STORAGE & TRANSPORT CORPORATION
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	As of January 1, 2023	Addition	Decrease	As of December 31, 2023	Footnote
Cost					
Land	\$ 1,654,210	\$ 10,258	\$ 1,278,943	\$ 385,525	
Buildings	328,549	1,300,059	5,311	1,623,297	
Other equipment	23,439	-	23,439	-	
	<u>2,006,198</u>			<u>2,008,822</u>	
Accumulated depreciation					
Land	451,215	32,386	355,760	\$ 127,841	
Buildings	91,062	466,386	2,009	555,439	
Other equipment	6,584	-	6,584	-	
	<u>548,861</u>			<u>683,280</u>	
	<u>\$ 1,457,337</u>			<u>\$ 1,325,542</u>	

EVERGREEN INTERNATIONAL STORAGE & TRANSPORT CORPORATION
STATEMENT OF OTHER NON-CURRENT ASSETS
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount	Footnote
Prepayment for equipment		\$ 41,783	The amount of individual item included in others does not exceed 5% of the account
Refundable deposits		1,504	
		<u>\$ 43,287</u>	

EVERGREEN INTERNATIONAL STORAGE & TRANSPORT CORPORATION
STATEMENT OF TRADE PAYABLES
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Client Name	Description	Amount	Note
Non-related parties			
CPC Corporation, Taiwan		\$ 21,123	
Formosa Petrochemical Corporation		13,140	
			The amount of individual item included in others does not exceed 5%
Others		210,623	
		244,886	
Related parties			
			The amount of individual item included in others does not exceed 5%
Others		311	
		\$ 245,197	

EVERGREEN INTERNATIONAL STORAGE & TRANSPORT CORPORATION
STATEMENT OF LEASE LIABILITIES
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Periods	Description rate	Amount	Footnote
Land	2013.01~2032.12	1.0677%~1.3240%	\$ 305,789	
Buildings	2013.01~2032.12	1.0677%~1.3240%	1,107,872	
			<u>\$ 1,413,661</u>	

Note: Lease liabilities, current portion were transferred to current liabilities.

EVERGREEN INTERNATIONAL STORAGE & TRANSPORT CORPORATION
STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

<u>Creditor</u>	<u>Description</u>	<u>Amount</u>	<u>Contract Period</u>	<u>Interest Rate</u>	<u>Collateral</u>	<u>Footnote</u>
Chang Hwa Commercial Bank	Unsecured bank loan	\$ 187,500	2019.12.30~2024.12.30	1.99378%	None	
Bank Of Taiwan	Mortgage bank loan and loan Secured bank loan	772,000	2020.05.25~2027.05.25	2.13296%	Land and Buildings	
Bank Of Taiwan	„	<u>1,800,000</u>	2020.05.25~2037.05.25	2.13296%	„	
		2,759,500				
Less:current portion		(<u>262,500</u>)				
		<u>\$ 2,497,000</u>				

EVERGREEN INTERNATIONAL STORAGE & TRANSPORT CORPORATION
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY FUNCTION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Year ended December 31, 2023			Year ended December 31, 2022		
	Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense (Note)						
Wages and salaries	\$ 895,622	\$ 137,982	\$ 1,033,604	\$ 879,706	\$ 129,423	\$ 1,009,129
Labor and health insurance fees	81,704	11,734	93,438	77,903	10,597	88,500
Pension costs	53,766	7,376	61,142	54,928	7,364	62,292
Directors' remuneration	-	15,544	15,544	-	14,000	14,000
Other personnel expenses	32,557	5,178	37,735	30,519	3,732	34,251
Total	<u>\$ 1,063,649</u>	<u>\$ 177,814</u>	<u>\$ 1,241,463</u>	<u>\$ 1,043,056</u>	<u>\$ 165,116</u>	<u>\$ 1,208,172</u>
Depreciation	<u>\$ 621,502</u>	<u>\$ 5,596</u>	<u>\$ 627,098</u>	<u>\$ 496,408</u>	<u>\$ 5,736</u>	<u>\$ 502,144</u>
Amortisation	<u>\$ 233</u>	<u>\$ 2,920</u>	<u>\$ 3,153</u>	<u>\$ 60</u>	<u>\$ 2,393</u>	<u>\$ 2,453</u>

Note:

1. As at December 31, 2023 and 2022, the Company had 1,043 and 1,034 employees, both including 8 non-employee directors.
2. Average employee benefit expense in current year was \$1,184 ((Total employee benefit expense in current year – Total directors' remuneration in current year) / (Number of employees in current year – Number of non-employee directors in current year)).
Average employee benefit expense in previous year was \$1,164 ((Total employee benefit expense in previous year – Total directors' remuneration in previous year) / (Number of employees in previous year – Number of non-employee directors in previous year)).
3. Average employees salaries in current year was \$999 (Total employee salaries in current year / (Number of employees in current year – Number of non-employee directors in current year)).
Average employees salaries in previous year was \$984 (Total employee salaries in previous year / (Number of employees in previous year – Number of non-employee directors in previous year)).

EVERGREEN INTERNATIONAL STORAGE & TRANSPORT CORPORATION
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY FUNCTION (Cont.)
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

4. Adjustments of average employees salaries 1.52% ((Average employee salaries in current year – Average employee salaries in previous year) / Average employee salaries in previous year).
5. The Company established an audit committee and thus it has no supervisors' remuneration.
6. The compensation policy of the Company:
- (1) Directors' remuneration: In accordance with the Articles of Incorporation and the remuneration payment regulations for directors, the current year's earnings, if any, shall set the ratio for directors' remuneration not higher than 2%; and in the total amount of directors' remuneration, individual directors' remuneration shall be allocated according to the degree of directors' participation in the operation of the Company and the value of their contributions, as well as take into account the general pay levels of the industry. The aforementioned participation and contribution of each director shall be determined by the directors' personal performance and performance assessment results (including the directors' attendance and further education, the degree of participation and the interaction with the management team, etc.)
- (2) Managerial officers' remuneration: In accordance with the remuneration payment regulations for managerial officers, their annual remuneration was adjusted according to the results of the annual assessment results and based on the Company's overall operating situation every year. The aspects of its considerations include operation management ability (character, leadership and ability to plan, innovate and improve), performance indicators of financial and business management (concrete results of completed works, the execution with control of the costs within budgets), and the Company shall measure other special contribution in order to offer reasonable remuneration.
- (3) Employees' compensation: A. Set the salary standard according to the salary market situation, the Company's operating situation and organisational structure, and make necessary adjustments in time according to the salary dynamics in the market, the Company's overall operating situation and the mandatory regulations of the government. B. Employees' compensation shall be determined based on their education background, professional knowledge and skills, professional years of experience and personal performance assessment results and do not vary according to their age, gender, race, religion, political stance and marital status, etc. C. Bonus shall be distributed according to the overall operating performance of the Company and the individual performance of the employees.

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION

Provision of endorsements and guarantees to others

Year ended December 31, 2023

(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, 2023	Outstanding endorsement/ guarantee amount at December 31, 2023	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 / guarantees 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	\$ 47,353,509	\$ 1,693,413	\$ 337,150	\$ -	\$ -	1.07	\$ 47,353,509	Y	N	N	
1	Evergreen Logistics Corporation	Evergreen International Logistics (HK) Ltd.	4	4,292,316	245,200	245,200	-	-	8.57	4,292,316	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 31,569,006 thousand dollars $\times$ 150% = 44,324,509 thousand dollars

The net assets based on latest financial report 31,569,006 thousand dollars $\times$ 30% = 9,470,702 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 calculation is shown below:

The net assets based on latest financial report 2,861,544 thousand dollars $\times$ 150% = 4,292,316 thousand dollars

The net assets based on latest financial report 2,861,544 thousand dollars $\times$ 30% = 858,463 thousand dollars

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION

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

December 31, 2023

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

Table 2, Page 1

Securities held by	Type and name of marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2023				Footnote
				Number of shares or units	Book value	Ownership (%)	Fair value	
Evergreen International Storage and Transport Corporation	Beneficiary certificate							
	FSITC Taiwan Money Market Fund.	None	Financial assets at fair value through profit or loss - current	13,078,744.20	\$ 205,840	-	\$ 205,840	
	Capital Money Market Fund.	None	Financial assets at fair value through profit or loss - current	5,732,816.60	95,090	-	95,090	
	Mega Diamond Money Market Fund.	None	Financial assets at fair value through profit or loss - current	10,105,837.43	130,360	-	130,360	
	Jih Sun Money Market Fund.	None	Financial assets at fair value through profit or loss - current	8,201,502.11	125,110	-	125,110	
	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	259,168	0.60	259,168	
	Evergreen Marine Corp. (Taiwan) Ltd.	Major institutional stockholder of the Company	Financial assets at fair value through other comprehensive income - current	10,101,644	1,449,586	0.48	1,449,586	
	EVA Airways Corp.	Investee of the Company's major institutional stockholder	Financial assets at fair value through other comprehensive income - current	40,640,013	1,278,128	0.75	1,278,128	
	Central Reinsurance Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	50,353,414	1,160,646	6.29	1,160,646	
	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	38,083	12.00	38,083	
	Universal Venture Fund Inc.	None	Financial assets at fair value through other comprehensive income - non-current	348,909	2,987	2.98	2,987	
	UNI Airways Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	15,693,273	369,400	4.17	369,400	
	Ever Accord Construction Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	10,079,604	180,832	15.27	180,832	

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION

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

December 31, 2023

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

Table 2, Page 2

Securities held by	Type and name of marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2023				Footnote
				Number of shares or units	Book value	Ownership (%)	Fair value	
Evergreen International Storage and Transport Corporation	Evergreen Security Corp.	Subsidiary of the Company's major institutional stockholder	Financial assets at fair value through other comprehensive income - non-current	50,000	\$ 1,673	0.25	\$ 1,673	
	EverFun Travel Services Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	1,439,509	59,493	8.82	59,493	
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	100,207	14,380	-	14,380	
	Formosa Advanced Technologies Co., Ltd.	None	Financial assets at fair value through other comprehensive income - current	50,000	1,950	0.01	1,950	
	Evergreen Aviation Technologies Corp	Other related parties	Financial assets at fair value through other comprehensive income - non-current	50,000	5,425	0.01	5,425	
Gaining Enterprise S.A.	Greenpen Properties Sdn. Bhd.	None	Financial assets at fair value through other comprehensive income - non-current	950,000	19,692	19.00	19,692	
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	129,896	0.30	129,896	
	Evergreen Marine Corp. (Taiwan) Ltd.	Major institutional stockholder of the Company	Financial assets at fair value through other comprehensive income - non-current	100,000	14,350	-	14,350	
	EVA Airways Corp.	Investee of the Company's major institutional stockholder	Financial assets at fair value through other comprehensive income - non-current	100,000	3,145	-	3,145	
	UNI Airways Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	206,000	4,843	0.05	4,843	
	Evergreen Air Cargo Services Corp.	Other related parties	Financial assets at fair value through other comprehensive income - non-current	2,400,000	57,179	2.00	57,179	

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION

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, 2023

(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, 2023 (Note 4)		Addition (Note 3)		Disposal (Note 3)				Balance as at December 31,2023 (Note 4)	
					Number of shares or units	Amount	Number of shares or units	Amount	Number of shares or units	Selling price	Book value	Gain on disposal	Number of shares or units	Amount
Evergreen International Storage and Transport Corporation	Beneficiary certificate													
	FSITC Money Market	Financial assets at fair value through profit or loss - current			-	\$ -	2,743,947.95	\$ 500,000	2,743,947.95	\$ 500,175	\$ 500,000	\$ 175	-	\$ -
	FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss - current			-	-	26,174,605.90	410,000	13,095,861.70	205,725	205,000	725	13,078,744.20	205,000
	Yuanta Wan Tai Money Market Fund	Financial assets at fair value through profit or loss - current			1,959,730.70	30,000	26,207,308.50	405,000	28,167,039.20	435,762	435,000	762	-	-

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

Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more

Year ended December 31, 2023

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

Table 4

Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below:				Basis or reference used in setting the price	Reason for acquisition of real state and status of the real estate	Other commitments
							Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the riginal transaction	Amount			
Evergreen International Storage and Transport Corporation	Land ownership of 35 parcels of land located in No.1121, Baoan Sec., Xizhi Dist., New Taipei City	December 21, 2022 Date of title transfer January 10, 2023	\$ 763,111	Full payment	Evergreen International Corp	Other related party	The Company	The Company	November 16, 1998	\$ 422,250	Property valuation report	Considering that the integrity of the land rights is beneficial to the Company's longterm operation planning	None
							National Property Administration	Non-related party	November 27, 2003	2,440			

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION

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, 2023

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

Table 5, Page1

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 Logistics Corporation	Subsidiary of the Company	Operating revenues	\$ 116,538	2.46	10~60 days	-	-	Accounts Receivable \$2,089	0.44	
	United Stevedoring Corp	Investee of the Company's subsidiary	Operating revenues	238,002	5.03	15~60 days	-	-	Accounts Receivable \$18,537	3.95	
	Evergreen Marine Corp. (Taiwan) Ltd.	Major institutional stockholder of the Company	Operating revenues	574,416	12.15	20~60 days	-	-	Accounts Receivable \$170,194	36.23	
	EVA Airways Corp.	Investee of the Company's major institutional stockholder	Operating revenues	185,114	3.91	20~60 days	-	-	Accounts Receivable \$17,729	3.77	
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of company's major institutional stockholder	Operating revenues	895,382	18.93	30~60 days	-	-	-	-	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of company's major institutional stockholder	Operating revenues	201,590	4.26	30~60 days	-	-	-	-	
	Evergreen Marine (Singapore) Pte. Ltd.	Indirect subsidiary of Company's major institutional stockholder	Operating revenues	134,818	2.85	30~60 days	-	-	-	-	
	Evergreen Marine Corp. (Taiwan) Ltd.	Major institutional stockholder of the Company	Operating costs	138,553	3.24	20~60 days	-	-	Accounts Payable \$2	-	
Gaining Enterprise S.A.	Evergreen International S.A.	The main stockholder of the major institutional stockholder of the Company	Operating revenues	1,169,300	71.20	120 days	-	-	Accounts Receivable \$1,256,925	100.00	Note
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of company's major institutional stockholder	Operating revenues	175,975	10.72	30 days	-	-	-	-	
	Italia Marittima S.p.A.	Indirect sbusidiary of Company's major institutional stockholder	Operating revenues	291,523	17.75	30 days	-	-	-	-	

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION

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, 2023

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

Table 5, Page2

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 USA Corp.	Indirect subsidiary of the Company	Operating revenues	\$ 223,190	5.38	30 days	-	-	Accounts Receivable \$19,244	3.10	
	Evergreen Marine Corp. (Taiwan) Ltd.	Major institutional stockholder of the Company	Operating revenues	146,916	3.54	67~150 days	-	-	Accounts Receivable \$43,737	7.04	
	Evergreen Logistics (Shanghai) Ltd.	Other related parties	Operating revenues	131,540	3.17	30 days	-	-	-	-	
	Round The World S.A.	Other related parties	Operating revenues	801,518	19.32	30 days	-	-	Accounts Receivable \$116,923	18.82	
	Evergreen International Storage and Transport Corporation	The Company	Operating costs	116,538	4.02	15~30 days	-	-	Accounts Payable \$2,089	1.22	
	Evergreen Logistics USA Corp.	Indirect subsidiary of the Company	Operating costs	181,711	6.28	30 days	-	-	Accounts Payable \$15,669	9.14	
	EVA Airways Corp.	Investee of the Company's major institutional stockholder	Operating costs	274,481	9.48	15~30 days	-	-	Accounts Payable \$15,118	8.82	
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of company's major institutional stockholder	Operating costs	289,356	9.99	5~20 days	-	-	-	-	
Evergreen Logistics USA Corp.	Evergreen Logistics Corporation	Subsidiary of the Company	Operating revenues	181,711	11.44	30 days	-	-	Accounts Receivable \$15,669	6.13	
	Evergreen Logistics Corporation	Subsidiary of the Company	Operating costs	223,190	13.83	30 days	-	-	Accounts Payable \$19,244	19.15	
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of company's major institutional stockholder	Operating costs	225,822	13.99	5~20 days	-	-	-	-	

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION

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, 2023

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

Table 5, Page3

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 Logistics (Shanghai) Co., Ltd.	Evergreen Marine Corp. (Taiwan) Ltd.	Major institutional stockholder of the Company	Operating costs	\$ 304,199	7.62	5~20 days	-	-	Accounts Payable \$1,066	0.09	
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of company's major institutional stockholder	Operating costs	1,303,033	32.64	5~20 days	-	-	-	-	
	Evergreen Marine (Singapore) Pte. Ltd.	Indirect sbusidiary of Company's major institutional stockholder	Operating costs	137,786	3.45	5~20 days	-	-	-	-	

Note:Receivables excluding part of lease payment receivable amounting to \$3,675,815.

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION

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

December 31, 2023

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

Table 6

Creditor	Counterparty	Relationship with the Company	Balance as at December 31, 2023	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	\$ 170,194	3.43	\$ -	-	\$ 162,425	\$ 1,081
Gaining Enterprise S.A.	Evergreen International S.A.	The main stockholder of the major institutional stockholder of the Company	4,932,740	1.00	-	-	349,118	1,604
Evergreen Logistics Corporation	Round The World S.A.	Other related parties	116,923	10.88	-	-	116,923	-

Note : To determine the turnover rate of Gaining Enterprise S.A., receivables excludes part of lease payment receivable amounting to \$3,675,815.

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION
Significant inter-company transactions during the reporting periods
Year ended December 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Table 7

Number (Note 1)	Company name	Counterparty	Relationship with the Company (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	total operating revenues or total assets (Note 3)
0	Evergreen International Storage and Transport Corporation	Evergreen Logistics Corporation	1	Operating revenues	\$ 116,538	Note 4	0.71
1	Evergreen Logistics Corporation	Evergreen Logistics USA Corp.	3	Operating revenues	223,190	Note 4	1.36
1	Evergreen Logistics Corporation	Evergreen Logistics USA Corp.	3	Operating costs	181,711	Note 4	1.11

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

Information on investees (not including investees in Mainland China)

Year ended December 31, 2023

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

Table 8, Page1

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, 2023	Investment income (loss) recognised by the Company during the year ended December 31, 2023	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	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	\$ 4,660,401	\$ 4,977,435	1,470,000	100.00	\$ 12,595,360	\$ 1,033,904	\$ 1,033,904	Subsidiary of the Company
	Shun An Enterprise Corp.	Taiwan	Management consulting and employment agency	30,000	30,000	2,500,000	100.00	72,978	10,658	10,658	Subsidiary of the Company
	Evergreen Logistics Corp.	Taiwan	Marine and air freight forwarding and other related business	604,723	604,722	125,864,030	91.21	2,761,507	1,127,482	1,029,178	Subsidiary of the Company
	Ever Reward Logistics Corp.	Taiwan	International trading, packing, marine freight forwarding, storage and warehousing, information administration	22,777	22,777	740,000	30.00	16,735	7,928	2,378	Subsidiary of the Company
	Taipei Port Container Terminal Corp.	Taiwan	Container distribution and cargo stevedoring	859,742	859,742	86,183,263	16.57	1,130,467	356,410	59,070	Investee of the Company accounted for using equity method
Evergreen Logistics Corporation	Evergreen Logistics USA Corp.	America	Marine and air freight forwarding and other related business	415,650	415,650	5,200	100.00	584,430	2,950	(1,305)	Indirect subsidiary of the Company
	Evergreen Logistics (Thailand) Co., Ltd.	Thailand	Marine and air freight forwarding and other related business	19,028	19,028	98,000	49.00	24,514	15,524	7,607	Indirect subsidiary of the Company
	Evergreen Logistics Malaysia Sdn. Bhd.	Malaysia	Marine and air freight forwarding and other related business	8,847	8,847	1,400,000	100.00	6,359	(1,923)	(1,923)	Indirect subsidiary of the Company

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION

Information on investees (not including investees in Mainland China)

Year ended December 31, 2023

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

Table 8, Page2

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, 2023	Investment income (loss) recognised by the Company during the year ended December 31, 2023	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value			
Evergreen Logistics Corporation	Evergreen International Logistics (HK) Ltd.	Hongkong	Marine and air freight forwarding and other related business	\$ 73,788	\$ 73,788	2,500,000	100.00	\$ 158,371	\$ 87,452	\$ 87,452	Indirect subsidiary of the Company
	Evergreen Logistics Vietnam Co., Ltd.	Vietnam	Marine and air freight forwarding and other related business	59,285	59,285	-	100.00	131,424	13,609	13,394	Indirect subsidiary of the Company
	Evergreen Logistics (India) Private Ltd.	India	Marine and air freight forwarding and other related business	2,302	2,302	1,399,999	99.99	2,565	(621)	(621)	Indirect subsidiary of the Company
	Evergreen Logistics (Cambodia) Co., Ltd.	Cambodia	Marine and air freight forwarding and other related business	6,446	6,446	200,000	100.00	6,137	1,132	1,132	Indirect subsidiary of the Company
	Evergreen International Logistics (Korea) Co., Ltd.	Korea	Marine and air freight forwarding and other related business	22,035	9,401	920,000	100.00	13,717	(6,648)	(6,648)	Indirect subsidiary of the Company
	Evergreen Logistics Philippines Corp.	Philippines	Marine and air freight forwarding and other related business	32,183	32,183	1,100,000	100.00	28,371	13,206	13,206	Indirect subsidiary of the Company
	Round The World Logistics Corp. (M) Sdn. Bhd.	Malaysia	Marine and air freight forwarding and other related business	53,478	53,478	245,000	49.00	58,200	34,306	16,810	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	20,539	7,928	2,379	Subsidiary of the Company
Shun An Enterprise Corp.	United Stevedoring Corp.	Taiwan	Cargo and labor service stevedoring	25,000	25,000	2,500,000	50.00	33,694	7,365	3,683	Investee of the Company's subsidiary accounted for using equity method

EVERGREEN INTERNATIONAL STORAGE AND TRANSPORT CORPORATION

Information on investments in Mainland China- basic information

Year ended December 31, 2023

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

Table 9

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, 2023	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan during the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income (loss) of the investee during the year ended December 31, 2023	Ownership held by the Company (direct or indirect) (%)	Investment income (loss) recognised by the Company during the year ended December 31, 2023 (Note 2)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	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.	\$ 183,243	2	\$ -	\$ -	\$ -	\$ -	\$ 254,621	15.00	\$ 38,193	\$ 70,236	\$ -	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.	61,564	2	61,300	-	-	61,300	89,250	91.21	81,401	146,572	-	Investment Income (loss) Note 2 (2) B

Name of the company	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Evergreen International Storage and Transport Corporation	\$ 61,300	\$ 168,575	\$ 19,120,500

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, 2023 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

Major shareholders information

December 31, 2023

Table 10

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

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.



長榮國際儲運股份有限公司
EVERGREEN INTERNATIONAL STORAGE & TRANSPORT CORP.



Designed and Printed by Cultural Development Division
Evergreen International Corporation Tel: 886-2-2500-1256