

YANG MING

YANG MING MARINE TRANSPORT CORP.
2023 ANNUAL REPORT

Stock Code
2609



Websites for search | <https://mops.twse.com.tw>
<https://www.yangming.com>

The date of publication | March 26, 2024





Spokesperson

Name | Shu-Chin Tu
Title | President
Tel | (886) 2 2455-9988
E-mail | pr@yangming.com



Deputy Spokesperson

Name | Yu-Wen Su
Title | Chief Financial Officer & Senior V. P.
Tel | (886) 2 2455-9988
E-mail | pr@yangming.com

Name | Li-Wen Liu
Title | V. P.
Tel | (886) 2 2455-9988
E-mail | pr@yangming.com



The Stock Transfer Agency

Company Title | KGI Securities Co., Ltd.
Address | 5F., No. 2, Sec. 1, Chongqing S. Rd., Jhongjheng Dist., Taipei City 100, Taiwan (R.O.C.)
Tel | (886) 2 2389-2999
Website | <https://www.kgi.com.tw/zh-tw/institutional-services/stock-agent>



Certified Public Accountants (CPA) for the latest financial report

Name of CPA | Chen-Hsiu Yang, Yu-Mei Hung
Firm Title | Deloitte Touche Tohmatsu Limited (DTTL)
Address | 20F, No. 100, Songren Rd., Xinyi Dist., Taipei City 110016, Taiwan (R.O.C.)
Tel | (02)2725-9988
Website | <https://www2.deloitte.com/tw/tc.html>



Exchange Houses where Overseas Securities are Listed

None.



Company Website

<http://www.yangming.com>



Company ESG Website

<https://esg.yangming.com/en/>



Contact Information of the Headquarters and Branch offices

Headquarters | No. 271, Ming De 1st Road, Cidu District, Keelung 206006, Taiwan (R.O.C.)

Tel | (886) 2 2455-9988

Keelung Branch | 8F, No. 150, Sin 1st Road, Sinyi District, Keelung 201015, Taiwan (R.O.C.)

Tel | (886) 2 2423-0149

Taichung Branch | Rm. 1, 20F, No. 241, Sec. 3, Wenxin Road, Xitun District, Taichung 407330, Taiwan (R.O.C.)

Tel | (886) 4 2295-9188

Kaohsiung Branch | No. 999, Sinsheng Road, Siaogang District, Kaohsiung 812002, Taiwan (R.O.C.)

Tel | (886) 7 812-9200

2023 ANNUAL REPORT CONTENTS

I. Letter to Shareholders	01
II. Company Profile	07
III. Corporate Governance Report	15
3.1 Organizational Structure	15
3.2 Information on the Company's Directors, Supervisors, President, Vice President, Assistant Vice President, and all the Supervisors of the Company's divisions and department heads	18
3.3 Remuneration Paid during the Most Recent Fiscal Year to Directors, Supervisors, President and Vice President	40
3.4 Corporate Governance Status	52
3.5 Information on CPA Professional Fees	110
3.6 Alternation of CPA	111
3.7 The Director, President, and financial or accounting manager of the Company who had worked for the independent auditor or the related party in the most recent years	111
3.8 The evaluation on the independence of the CPA	111
3.9 Information on the change or transfer of equity interests and/or pledge of or change in equity interests by the Directors, Supervisors, managers or shareholders with a share of more than 10% during the most recent or the current fiscal year up to the date of publication of the Annual Report	114
3.10 The relationship among the top ten shareholders	116
3.11 The total number of shares and total equity stake held in any single enterprise by the Company, the Company's Directors, Supervisors, Managers, and any companies controlled by the Company either directly or indirectly	117
IV. Capital and Shares Overview	119
4.1 Capital and Shares	119
4.2 Corporate Bonds (including Overseas Corporate Bonds)	124
4.3 Preferred Shares	125
4.4 Global Depository Receipts (GDRs) Issuance	125
4.5 Employees Shares Option Certificates and Limit on Employee New Bonus Share	125
4.6 Merger and Acquisitions or Stock Shares Transferred with New Stock Share Issued	125
4.7 Capital Implementation Plan and Allocation Status	125
V. Overview of Business Operation	127
5.1 Business Activities	127
5.2 Analysis of Existing Markets and Service Lines/Routes	133
5.3 Employee Status from the Two Most Recent Fiscal Years up to the Date of Publication of this Annual Report	141

5.4 Expenditure on Environmental Protection	141
5.5 Employee and Employer Relations	143
5.6 Information and Cyber Security Management	145
5.7 Important Agreements	148

VI. Overview of the Company's Financial Status **151**

6.1 The Consolidated Financial Statement and Information for the Recent Five Fiscal Years	151
6.2 Financial Analysis for the Recent Five Fiscal Years	155
6.3 Audit Committee's Review Report	158
6.4 Consolidated Financial Statements 2023 Please refer to Attachment 1	159
6.5 Parent Company Only Financial Statements 2023 Please refer to Attachment 2	159
6.6 If the Company and its Affiliates encountered any financial difficulties in the past year and as of the date of publication of the Annual Report, the Impact on the Company's financial status should be listed	159

VII. Review of Financial Position, Financial Performance and Risk Management **161**

7.1 Analysis of Financial Statements	161
7.2 Analysis of the Company's Financial Performance	161
7.3 Analysis of Cash Flows	162
7.4 Impact of Major Capital Expenditure on Finance and Business	162
7.5 Re-investment Policy in the Past Year, Major Causes of Profit and Loss, Improvement Plans, and Investment Plans for the Coming Year	162
7.6 Risk Management	163
7.7 Other Important Matters	168

VIII. Special Disclosures **169**

8.1 Information Related to the Company's Affiliates	169
8.2 Private Securities in the past year and as of the Date of Publication of the Annual Report	184
8.3 Holding or Disposal of the Company's Shares by Affiliates in the past year and as of the Date of Publication of the Annual Report	184
8.4 Other Necessary Supplementary Notes	184
8.5 Matters in the past year and as of the Date of Publication of the Annual Report which have a substantial impact on Owners' Equity as stipulated in Item 2, Paragraph 3 of Article 36 of the Securities and Exchange Act	184

Attachment 1_Consolidated Financial Statements 2023

Attachment 2_Parent Company Only Financial Statements 2023

SINCE 1972

YANG MING DELIVERS GOOD FOR LIFE

Yang Ming's far-reaching sailing routes and innovative digital services offer sophisticated networks to connect the infinite possibilities of transportation across the world.

 **YANG MING**



I Letter to Shareholders

Following an extraordinary period of financial boom between 2021 and 2022, the container shipping globally in 2023 suffered a significant contraction in demand and yet it was also confronted with a rapid growth of capacity in the supply chain. In the Shanghai Containerized Freight Index (SCFI), the abovementioned fluctuations were duly reflected. Accordingly, the lowest composite index in 2023 decreased by a substantial 83% from the 2022 peak in 2022. Despite the many challenges ahead, Yang Ming will continue to navigate with professionalism and offer customers with quality services. Upholding the principle of “teamwork, innovation, integrity, and pragmatism”, Yang Ming will strive to improve operating efficiency and maintain sustainable management and social responsibility, to meet the support and expectations of all shareholders and the community.

1.1 The 2023 annual business report:

1.1.1 Operational Profile-Changes in the external environment

1. Overall Economic Prosperity

Given geopolitical tensions, inflation and interest rate hikes, slow market, and China’s sluggish economic recovery, the growth rate of global GDP in 2023 was 3.1% down from 3.3% in 2022 according to the Organization for Economic Cooperation and Development (OECD); and global GDP growth in 2023 was 3.1% lower than 3.5% in 2022, according to the International Monetary Fund (IMF) forecast. In terms of the growth in global trade volume, the OECD and the IMF respectively reported a 1.1% and a 0.4% growth, a slump from the 5.2% in the previous year. Economically, the growing tension between the United States and China is fragmenting the global supply chain model and fueling uncertainty in the economic outlook. The international crude oil prices seemed somewhat settled in a choppy market. This was the result of the ongoing sanctions against Russian oil, the oil production cut imposed by OPEC, a slowing global economy, and growing tensions in the Middle East. The average oil price stood at US\$78-82 per barrel in 2023.

2. Industry Supply and Demand

According to Alphaliner, a professional shipping consultancy, container shipping demand in 2023 contracted by 0.3%, which was 0.6 percentage points lower than the 0.3% in 2022. In terms of capacity supply, the 2023 growth rate was 8.2%, up by 4.1 percentage points from 4.1% in 2022. The above figures all pointed to the supply far exceeding the demand in the shipping market. Given ongoing dip in freight rates, many shipping companies suffered losses in overall operation as recorded in their Q4 financial reports. As high inflation continues to impact demand, carriers are proactively performing the corresponding measures such as service layout optimization and schedule recovery plan to satisfy the demand. In the dry bulk market, the average BDI in 2023 was 1,378 points, down 29% from 2022. Overall, the shipping industry experienced the downward pressure.

1.1.2 Results of Implementing Business Plans

Due to the fluctuating supply and demand in the shipping market, ocean freight rates came much lower than in 2022. Against this backdrop, the Company carried out many business strategies to successful outcomes. The net profit after tax was NT\$4.77 billion and the earning per share was NT\$1.37.

1.1.3 Implementation of Operating Income and Expenses

The consolidated operating income for 2023 was NT\$140.6 billion, a decrease of NT\$235.3 billion or 63% from NT\$375.9 billion in 2022.

The consolidated operating cost for 2023 was NT\$134.4 billion, a decrease of NT\$ 11.3 billion or 8% from NT\$145.7 billion in 2022.

1.1.4 Profitability Analysis

ROA : 1.57%

ROE : 1.63%

Net Profit Margin : 3.61%

EPS : NT\$ 1.37 Per Share

1.1.5 Research and Development

1. Digitalization Strategy

(1) Establishment of DCSA digital standards and processes

Continue participation in the Digital Container Shipping Association (DCSA) and establish standards for paperless digital trade in the shipping industry. In addition to the fully-online cargo tracking, the electronic Bill of Lading (eBL) has also been launched and is scheduled for general adoption by 2030. In terminal operations, the DCSA-compliant IoT field for reefer containers is to be launched this year, a significant breakthrough in Taiwan's digital transformation for terminals.

(2) Fulfillment of the ESG objectives by promoting energy conservation and carbon reduction and strengthening information security

Plans have been made for building a green energy data center and a carbon footprint cloud system, upgrading high-end server and storage devices and introducing cybersecurity services (Cloud VPN, ZTA) to bolster the Group's cybersecurity measures.

(3) Application of Robotic Process Automation (RPA) in workflow and AI-driven R&D

Promote the application of Robotic Process Automation (RPA) to streamline workflows and enhance efficiency; utilize AI technology to develop applications such as data parsing and intelligent image recognition to improve customer experience; dedicate to new research on AI Maritime Knowledge Base; and introduce innovative services such as smart customer service and rapid online import pick-up track.

2. Environmentally-friendly Fleet

(1) Environmentally-friendly fleet expansion plan

Ordered the construction of five new 15,500TEU LNG dual-fuel containerships in 2023 to meet the latest energy efficiency (EEDI) standards of the International Maritime Organization (IMO) and reduce operating costs gradually.

(2) Systematic Phase: Yang Ming is committed to strengthening ship safety (ISM) and environmental management system (ISO14001). It is our mission to safeguard our ships, crews, cargoes, and the environment.

- (3) Operational Phase: The Company promoted continuously the implementation of the Ship Energy Efficiency Management Plan (SEEMP) and the Carbon Intensity Indicator (CII) on operating fleet. We adopted the “best trim” green operation measures through inter-departmental cooperation by using the optimal sailing attitude, adjusting water ballast and draft of the ships in order to achieve energy-saving navigation. Meanwhile, monitoring on ship energy efficiency for the large vessels enables us to make timely improvements. In addition, we partnered with WNI Company to develop a fuel efficiency management system and establish a scheduled monitoring module to reduce greenhouse gas emissions and waste.
- (4) Delivery of Green Promises: Yang Ming began building an eco-friendly fleet in 2009, enhancing vessel energy efficiency and reducing greenhouse gas emissions. As of 2023, Yang Ming’s fleet’s carbon emissions* have reduced from 5.479 million tons to 4.074 million tons, a 25.6% reduction from the base year (2018) level, achieving the greenhouse gas emissions reduction goal. Yang Ming is making environmental efforts by continuously optimizing vessel design.

Note : The fleet’s carbon emissions are self-assessed and must undergo third-party verification before being published in the sustainability report.

3. Awards & Performance

Focusing on marine transport and quality customer service, Yang Ming is dedicated to optimizing its service network and streamlining services through digital transformation. The key issues are addressed in short, medium, and long-term strategies for sustainable operations, including customer service, environmental sustainability, employee well-being, and social commitments. In all, we value the shareholders’ feedback and will spare no effort to carry out our sustainability strategies.

- (1) Conferred the Sapphire Award of Protecting Blue Whales & Blue Skies program from the National Oceanic and Atmospheric Administration

Yang Ming is an active participant in the “Protecting Blue Whales & Blue Skies” program supervised by the National Oceanic and Atmospheric Administration (NOAA). The Company garnered the highest honor with the Sapphire award by decelerating, which saves blue whales and protects the environment.

- (2) Selected as the Best Shipping Line-Trans-Pacific by the Asia Cargo News, a well-known shipping media company

Selected as the Best Shipping Line–Trans-Pacific from Asia Cargo News in Asian Freight, Logistics & Supply Chain Awards, AFLAS of 2023 by the readers of Asia Cargo News.

- (3) Conferred the Blue Circle Award

Since 2014, Yang Ming has been an active participant in the EcoAction Program, which was initiated by the Vancouver Fraser Port Authority. Recognized for implementing voluntary measures, the Company received Blue Circle award for installing AMP (Alternative Maritime Power) on the operating fleet to using onshore power grid to reduce air pollution.

- (4) Conferred a Bronze Medal in 2023 Sports Promoter Award

Yang Ming sponsors up-and-coming local athletes with a fixed amount of monetary support on a long-term basis. Given such efforts, the Company was awarded a Bronze Medal in 2023 Sports Promoter Award from the Sports Administration of the Ministry of Education.

- (5) Conferred the Top 100 Sustainable Taiwanese Companies Award and Corporate Sustainability Reports Award: Transportation Sector-Platinum

As a contender in Taiwan Corporate Sustainability Awards for three consecutive years, the Company in 2023 was honored with the Top 100 Sustainable Taiwanese Companies Award and Corporate Sustainability Reports Award-Transportation Sector- Platinum from the 16th Taiwan Corporate Sustainability Awards.

- (6) Conferred the Bronze Award of the National Enterprise Environmental Protection Awards

Yang Ming won the Bronze Award of the National Enterprise Environmental Protection Awards for actively promoting environmental policies and implementing energy-saving and carbon-reduction measures.

- (7) Conferred the Golden Award and Cultural Sustainability Award from the 16th Arts & Business Awards

Yang Ming promotes a sustainable ocean culture through events held at the YM Oceanic Culture & Art Museum. For these efforts, the Company won the Golden Award and Cultural Sustainability Award at the 16th Arts & Business Awards.

- (8) Conferred the Best IT Employer Award - Transportation, Logistics, and Warehousing Category of the IT Matters Awards

Yang Ming regards talents as the foundation for business operation. The Company won the Best IT Employer Award - Transportation, Logistics, and Warehousing Category for cultivating digitalization talents and using smart tools for workflow reengineering and optimization, data analysis, and strategic recommendations.

- (9) Awarded the second prize in the 3rd Maritime and Port Big Data Creative Application Competition

Team Yang Ming was awarded the second prize for their project “Integrating Long Short-Term Memory Neural Networks and Monte Carlo Models to Construct a Ship and Air Pollution Diagnosis Prediction Platform - A Case Study of Kaohsiung Port” in the 3rd Maritime and Port Big Data Creative Application Competition.

- (10) Granted an invention patent from Taiwan Intellectual Property Office of the Ministry of Economic Affairs

Yang Ming was granted an invention patent for its “Information system for processing delivery order and method and servicing method thereof.”

1.2 2024 Annual Business Plans

1. Overall economic environment

According to the latest forecast from the OECD and IMF, the global economy will grow at a slow pace of 2.9% and 3.1% respectively, well below the historical average (2000–19). Similarly, the global trade is expected to grow by 2.7% and 3.3%, respectively. This sluggishness is coming from an uncertain world economy caused by persistent geopolitical conflict and tight monetary policy against inflation imposed by central banks around the world. All of the above may keep the world’s economy from recovery.

2. Industry environment

According to Alphaliner's latest forecast, the demand for container shipping is expected to grow by 3.0% in 2024 and a 9.7% growth is projected in the supply. Given the normalization of deployed capacity and the delivery of numerous new-build containerships, the gap between supply and demand will be wider. At the same time, blockage in the critical waterway caused by the Red Sea crisis and the low water levels in the Panama Canal transits will also create more uncertainties in the global shipping. A moderate growth in the dry bulk market is projected whereas the oversupply may still persist on account of the extent of economic recovery and China's uncertain demand for dry bulk. The Company will remain attentive to the changes in the shipping industry while improving business capability and service quality. With financial stability and sustainability as the goal, the Company is committed to strengthening cost control and providing better and long-term services to customers.

As environmental issues are getting more attention in the shipping industry, the Company has established the YM Group's emissions reduction targets and phased implementation policies to fulfill its corporate social responsibilities, comply with environmental regulations, and ultimately achieve net zero or near-zero emissions by 2050. As major governments such as the U.S. Federal Maritime Commission and the EU impose stricter regulations, the shipping industry is still riddled with challenges.

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

(1) Stable and conservative principle for service planning to provide steady capacity and meet business demand as well as to develop the medium to long-term vessel deployment planning aims to be flexible and compatible with both joint operation and self-operation.

(2) Business development strategy

1. Increase revenue by developing agile service configuration, maximizing loading factor and balancing the container flow.

2. Enhance cost control by improving the operating efficiency and containers turnaround.

(3) Digitalization development strategy

1. Achieve ESG objectives by promoting energy conservation and carbon reduction as well as enhance information security and system reliability.

2. Optimize the workflow by introducing DCSA digital standards and pushing for the application of Robotic Process Automation (RPA) and AI technologies.

(4) Investment strategy

1. Study industry-related investment opportunities such as terminals and depots for diversification.

2. Seek other cooperation opportunities with logistics-related firms.

(5) Greenhouse Gas Emissions Reduction Targets

Adopting the 2018 greenhouse gas emissions as the baseline for the fleet's emissions reduction goals, the Company is aiming for 20% reduction by 2030, 70% by 2040, and net-zero or near-zero emissions by 2050.

Looking back at 2023, the container shipping industry was faced with a widening supply-demand imbalance, the increasingly competitive market, the ongoing uncertainties in the world's political and economic scenes. Against this somewhat gloomy backdrop, our colleagues will remain dedicated and work together to enhance the Company's competitiveness in sustainable operations. Looking forward, with stricter environmental regulations and an urgent need for low-carbon transformation, Yang Ming will spare no effort to achieve greater success and financial sustainability, which is our unwavering commitment to the shareholders.

Yours truly,

Cheng-Mount Cheng

Chairman



Company Profile

2.1 Date of Incorporation: December 29, 1972

2.2 Major Events:

1972 ~ 1981

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

1982 ~ 1991

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

1992 ~ 2001

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

2002 ~ 2011

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

- Completed the construction and put in service two 6,500 TEU full-container vessels, three 6,600 TEU full-container vessels, four 1,500 TEU full-container vessels, five 4,250 TEU full-container vessels, nine 8,200 TEU full-container vessels and thirteen 1,805 TEU full-container vessels.
- Certified by the U.S. Customs as a member of the Customs-Trade Partnership Against Terrorism (C-TPAT).
- Acquired the Certification of the OHSAS 18001 (Occupational Health and Safety Assessment Serial), ISO 14001:2004 Environmental Management System and ISO 9001:2008, and ISPS Code Certificate for all self-owned vessels, placing Yang Ming among the top domestic and foreign competitors.
- Obtained ISO27001 Certificate for Information Security Management System.
- Received the 7th–10th Art & Business Award from the Council for Cultural Affairs.
- Received the governance model in the emerging market, cited by the EURO Money magazine, obtained the 2007 Quest for Quality Award from *Logistics Management* magazine and ranked 2nd in *World Trade Magazine's* Liner Service evaluation and as one of the 50 Outstanding Businesses by *Global View* magazine (2008).
- Credited as one of the most reputable enterprises in the marine industry and one of the best corporate citizens—Yang Ming being the only domestic maritime transport company to receive the honor (2006); ranked 15th in the Corporate Social Responsibility Evaluation in 2007 and placed 15th in the Corporate Citizen in 2009, again the only domestic shipping company to receive the honor from the *Common Wealth* magazine.

2012

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

2013

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

- Received the 11th Arts & Business Award from the Ministry of Culture.

2014

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

2015

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

2016

- Launched the South East Asia feeder network loop 7.
- Established Yang Ming (Russia) LLC and Yang Ming (Spain), S.L.
- Signed a letter of intent with Regional Container Lines.
- Formed a new partnership, THE Alliance, with Hapag-Lloyd, Hanjin, “K”Line, Mitsui O.S.K. Lines, and Nippon Yusen Kaisha.
- Signed a letter of cooperation with National Tung Kang Maritime & Fishery Vocational High School to cultivate maritime professionals.

- Received the Best Shipping Line Intra-Asia Award of the Asian Freight, Logistics & Supply Chain Awards (AFLAS).
- Implemented the financial recovery plan.

2017

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

2018

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

- THE Alliance announced further network enhancements for 2019.

2019

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

2020

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

maintenance and repair services.

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

2021

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

2022

- THE Alliance announced service network adjustments for 2022.
- Continued strengthening the service network by launching the China-Australia-2 Service (CA2) and Far East - West Coast of Latin America Service (SA8).
- Five 11,000 TEU newbuildings (YM Trophy, YM Tranquility, YM Tutorial, YM Throne and YM Trillion) were delivered to increase loading capacity and efficiency.

- Conducted the training of rating for deck department with National Kaohsiung University of Science and Technology.
- Approved by the board meeting, the five newbuildings of 15,000 TEU vessels would be equipped with dual-fuel LNG marine engine.
- Continued sponsorship of up-and-coming athletes.
- Joined the Silk Alliance and worked with associated partners to move towards maritime decarbonization.
- Partnered with the Azure Alliance in the ocean clean-up programs.
- Became the first marine carrier participating in the sustainable development by joining the Green Deposits program of the DBS Bank.
- Set up the workplace cooperative educare service center to create a friendly environment for child care.
- Signed a cooperation agreement with National Suao Marine & Fisheries Vocational High School, and a Memorandum of Understanding on training for retired servicemen with the Veteran Affairs Council.
- Received the following awards: The 19th National Brand Yu Shan Award for the Outstanding Enterprise; Taiwan Top 100 Sustainability Exemplary Awards and Corporate Sustainability Report Award: Transportation Sector- Gold from the 15th Taiwan Corporate Sustainability Awards; 2022 National Sustainable Development Awards from the National Councils for Sustainable Development; Ship of the Year 2022 from Taiwan Society of Naval Architects Marine Engineers; and the Best Shipping Line - Intra Asia from Asia Cargo News. Received the Certificate of Merit from American Institute in Taiwan Kaohsiung and Gold award of Blue Whales and Blue Skies program from the National Oceanic and Atmospheric Administration.
- Celebrated the 50th anniversary at the Grand Hotel to witness the Company's half a century of accomplishments.

2023

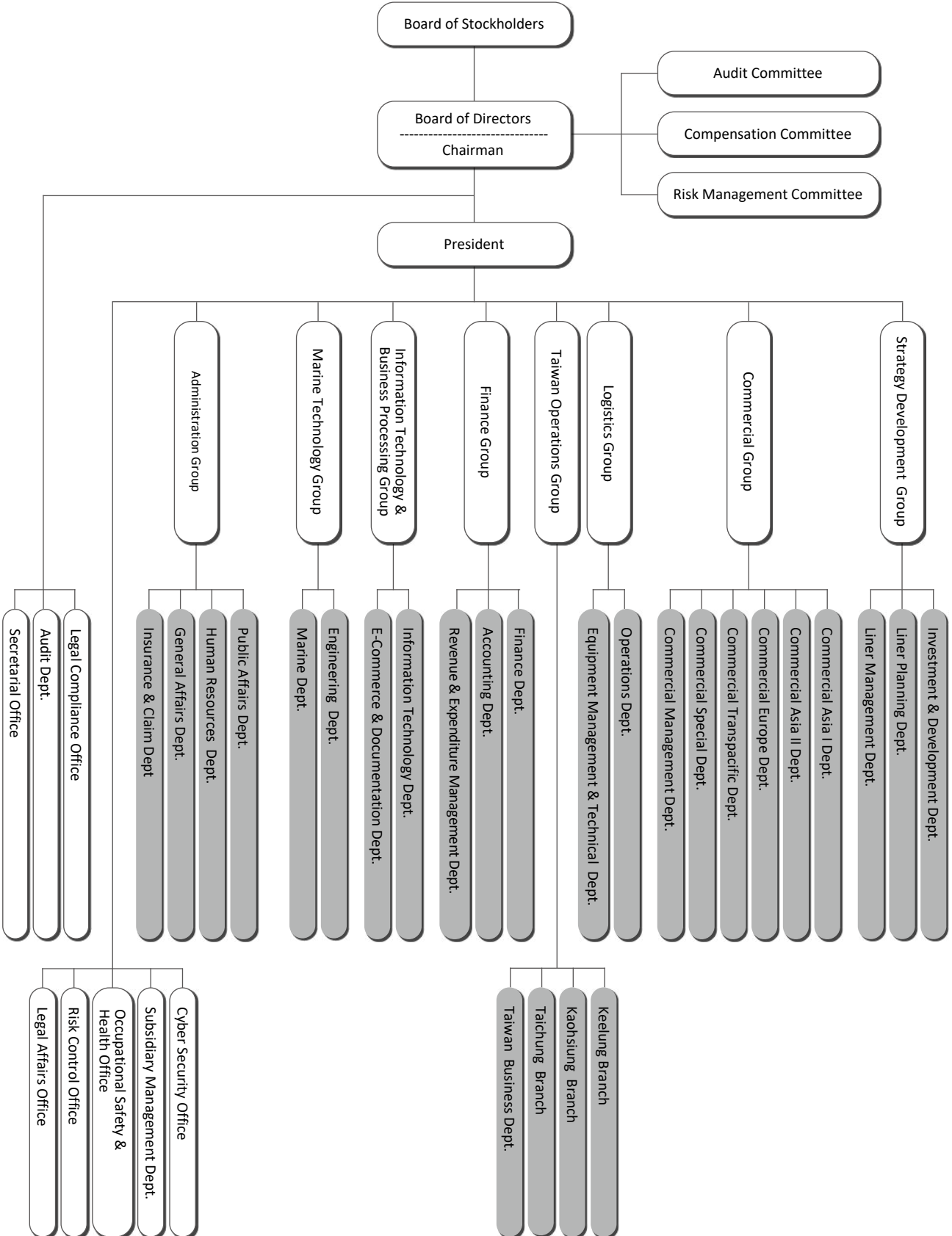
- THE Alliance announced its service network upgrade plan for 2023.
- Joined the Maritime Anti-Corruption Network.
- New rubber-tyre gantry cranes and a revamped container yard were added to Keelung Container Terminal.
- Signed contract for five new 15,500 TEU LNG dual fuel container ships with HD Hyundai Heavy Industries
- Commissioned all-new gantry cranes at No. 70 container terminal at Kaohsiung port.
- Collaborated with Taiwan International Ports Corporation, Ltd. and Trade-Van Information Services Co. and implemented blockchain technology at Hong Ming Terminal & Stevedoring Corp. to promote paperless container pickup process for export, transit, and transshipment shipments.
- Purchased five 14,000 TEU full container ships after the termination of charter period.
- Partnered with National Taiwan Ocean University, National Kaohsiung University of Science and Technology, and Taipei University of Marine Technology to offer postgraduate programs for maritime professionals.
- Install an eco-roof at self-owned Taipei office building to facilitate green economy and environmental sustainability.
- Launched the YM Chatbot to assist customers in querying vessel and cargo information using audio or text input.
- Received the following awards: Top 100 Sustainable Taiwanese Companies Award and Corporate Sustainability Reports Award: Transportation Sector- Platinum from the 16th Taiwan Corporate Sustainability Awards; Golden Award and Cultural Sustainability Award from the 16th Arts & Business Awards; Bronze Award from National Enterprise Environmental Protection Awards; 2023 Award for Issuing Electronic Uniform Invoice (Keelung office); Sponsorship Award Bronze Class from 2023 Sports Activist Awards; the Sapphire award of Blue Whales and Blue Skies program from the National Oceanic and Atmospheric Administration; Blue Circle Award from the Vancouver Fraser Port Authority; the Best Shipping Line–Trans-Pacific from *Asia Cargo News* .

 Corporate Governance Report

3.1 Organization

3.1.1 Organization

Organization Chart of Yang Ming Marine Transport Corp.



3.1.2 Departments

Department		Areas of responsibility
Legal Compliance Office		<ul style="list-style-type: none"> · Develops, manages, and implements compliance policies related to competition laws. · Reviews the Group’s existing regulations and procedures to ensure compliance, and provides compliance consultation services
Audit Dept.		<ul style="list-style-type: none"> · Performs internal audit of departments’ implementation · Performs quality audits · Performs audits of subsidiaries and agencies
Secretarial Office		<ul style="list-style-type: none"> · Prepares agenda for board meetings and shareholders’ meetings · Prepares proceedings · Publishes meeting resolutions
Legal Affairs Office		<ul style="list-style-type: none"> · Handles the Group’s legal affairs · Reviews internal regulations and protocols, and the contractual terms and conditions · Collects and analyzes the Group’s legal cases
Occupational Safety & Health Office		<ul style="list-style-type: none"> · Establishes and maintains occupational safety & health mechanism
Risk Control Office		<ul style="list-style-type: none"> · Establishes risk management mechanisms and policy development · Assesses and manages potential risks
Cyber Security Office		<ul style="list-style-type: none"> · Assesses information security risk and implements control measures
Subsidiary Management Dept.		<ul style="list-style-type: none"> · Assess business performance of the Group’s reinvestment company · Establishes, manages, and assesses subsidiaries
Strategy Development Group	Investment & Development Dept.	<ul style="list-style-type: none"> · Invests, plans, promotes, and establishes real estate for the Group’s reinvestment business
	Liner Planning Dept.	<ul style="list-style-type: none"> · Negotiates with strategic alliances · Designs and plans service routes · Conducts leasing and replacement of vessels
	Liner Management Dept.	<ul style="list-style-type: none"> · Formulates and regularly amends operational rules and procedures · Promotes the Group’s vision, departmental assessment, and digitalization of services
Commercial Group	Commercial Asia I Dept.	Service routes: North-East Asia, South-East Asia, China, Hong Kong, and Taiwan <ul style="list-style-type: none"> · Formulates and implements marketing plan · Develops potential markets · Provides customer service
	Commercial Asia II Dept.	Service routes: Indian Ocean, Oceania, Central and South America, Middle East, and Red Sea Market <ul style="list-style-type: none"> · Formulates and implements marketing plan · Develops potential markets · Provides customer service
	Commercial Europe Dept.	Service routes: Europe and Atlantic <ul style="list-style-type: none"> · Formulates and implements marketing plan · Develops potential markets · Provides customer service
	Commercial Transpacific Dept.	Service routes: North America <ul style="list-style-type: none"> · Formulates and implements marketing plan · Develops potential markets · Provides customer service
	Commercial Special Dept.	Performs special sales <ul style="list-style-type: none"> · Formulates and implements marketing plan · Develops potential markets · Provides customer service
	Commercial Management Dept.	<ul style="list-style-type: none"> · Manages space control · Assess cargo contribution margin · Handles commercial affairs

Logistics Group	Operations Dept.	<ul style="list-style-type: none"> · Arranges and manages shipment, cargo stowage, dock terminal, and domestic distribution
	Equipment Management & Technical Dept.	<ul style="list-style-type: none"> · Handles dispatch, maintainance, and construction of container and chassis · Manages dynamic data
Taiwan Operations Group	Taiwan Business Dept.	<ul style="list-style-type: none"> · Develops customer base and performs cargo canvassing across Taiwan
	Keelung Branch	<ul style="list-style-type: none"> · Handles the arrivals and departures of ships · Performs shipment clearance for import and export · Performs transshipment
	Taichung Branch	<ul style="list-style-type: none"> · Handles the arrivals and departures of ships · Performs shipment clearance for import and export · Performs transshipment
	Kaohsiung Branch	<ul style="list-style-type: none"> · Handles the arrivals and departures of ships · Performs shipment clearance for import and export · Performs transshipment
Finance Group	Finance Dept.	<ul style="list-style-type: none"> · Handles fund dispatch · Handles financial investment and management
	Accounting Dept.	<ul style="list-style-type: none"> · Handles accounting affairs · Handles budget planning, settlement, and financial statement
	Revenue & Expenditure Management Dept.	<ul style="list-style-type: none"> · Manages lines freight · Performs audit of invoices · Handles and assures freight receivable and fees payable
Information Technology & Business Processing Group	Information Technology Dept.	<ul style="list-style-type: none"> · Arranges, organizes, and propagates computer software, hardware, and network
	E-Commerce & Documentation Dept.	<ul style="list-style-type: none"> · Operates and promotes e-commerce · Documents and transmits shipping files
Marine Technology Group	Engineering Dept.	<ul style="list-style-type: none"> · Constructs and repairs vessels
	Marine Dept.	<ul style="list-style-type: none"> · Performs manipulation guidance of vessels · Manages marine stores and seafarers
Administration Group	Public Affairs Dept.	<ul style="list-style-type: none"> · Promotes corporate social responsibility · Implements CIS, QMS and, EMS · Organizes the Group's management meetings · Manages public relations · Facilitates internal and external communication
	Human Resources Dept.	<ul style="list-style-type: none"> · Manages organizational development · Manages recruitment, employment, training, compensation, and welfare
	General Affairs Dept.	<ul style="list-style-type: none"> · Manages papperwork, purchase, administrative affairs, and office affairs
	Insurance & Claim Dept.	<ul style="list-style-type: none"> · Manages insurance and claim for vessels, containers, chassis, and terminal station affairs

3.2 The Company’s Directors, Supervisors, President, Vice President, Assistant Vice President, Division Supervisors, and Department Heads

3.2.1 Directors (including independent directors)

Title	Nationality or place of registration	Name	Gender /age	Date elected	Term	Date first elected	Shares held when elected		Shares currently held	
							Shares	%	Shares	%
Chairman (Corporate Representative of the MOTC)	R.O.C.	Cheng-Mount Cheng	Male/ Age:51~60	05.14.2021	May be eligible for re-election and consecutive appointment within 3 years.	08.17.2018, and as the Chairman of Yang Ming since 10.01.2020	Directors herein as the corporate representatives of the MOTC, holding a total of 467,682,372 shares	14.04% of the Company's shares	Directors herein as the corporate representatives of the MOTC, holding a total of 467,682,372 shares	13.39% of the Company's shares
Director (Corporate Representative of the MOTC)	R.O.C.	Jiang-Ren Chang	Male/ Age:61~70	05.14.2021		05.14.2021				
Director (Corporate Representative of the MOTC)	R.O.C.	An-Chung Ku	Male/ Age: 51~60	05.14.2021		05.14.2021				

03.26.2024

	Shares currently held by spouse & minors		Shares held in the name of others		Selected Education, past and current positions	Other concurrent positions in the Company or other companies	Managers, directors or supervisors who are spouses or relatives within the second degree of kinship			Remarks
	Shares	%	Shares	%			Position	Name	Relation	
	0	0	0	0	<p>Current Position:</p> <ul style="list-style-type: none"> · Chairman, Yang Ming · Chairman, Taiwan Strait Shipping Association · Chairman, Taipei Shipowners' Association <p>Past Positions:</p> <ul style="list-style-type: none"> · Deputy Minister, National Development Council · Vice Chairman, Financial Supervisory Commission R.O.C. · General Manager, Agriculture Bank of Taiwan · President, Taiwan Academy of Banking and Finance · Adjunct Associate Professor, Department of Finance, National Chengchi University · Chief Economist, CITIBANK Taiwan · Assistant Researcher, Taiwan Institute of Economy Research <p>Education:</p> <ul style="list-style-type: none"> · Master's Degree in Economics, University of Wisconsin-Madison · Bachelor's Degree in Economics, National Taiwan University 	<p>Director, Young-Carrier Company Ltd., Yang Ming Line Holding Co., Yang Ming Line (Singapore) Pte. Ltd., Yang Ming Line (B.V.I.) Holding Co., Ltd., Yang Ming Line B.V.</p> <p>Chairman, Kao Ming Container Terminal Corp.</p>	-	-	-	
	0	0	0	0	<p>Current Position:</p> <ul style="list-style-type: none"> · Professor, Department of Systems Engineering and Naval Architecture, National Taiwan Ocean University <p>Past Positions:</p> <ul style="list-style-type: none"> · Chairman, Department of Systems Engineering and Naval Architecture, National Taiwan Ocean University · Visiting Professor, University of Texas at Arlington · Special Assistant to the Principal, National Taiwan Ocean University · Group leader, Office of Research and Development, National Taiwan Ocean University · Associate Professor, Department of Systems Engineering and Naval Architecture, National Taiwan Ocean University · Lecturer, Department of Systems Engineering and Naval Architecture, National Taiwan Ocean University · Teaching Assistant, Department of Naval Architecture, National Taiwan Ocean University <p>Selected Education:</p> <ul style="list-style-type: none"> · Ph.D. in Harbor and River Engineering, National Taiwan Ocean University · Master's Degree in Harbor and River Engineering, National Taiwan Ocean University · Bachelor's Degree in Naval Architecture, National Taiwan Ocean University 	-	-	-	-	
	0	0	0	0	<p>Current Position:</p> <ul style="list-style-type: none"> · Vice President, Yang Ming <p>Past Positions:</p> <ul style="list-style-type: none"> · Vice President, Yang Ming <p>Education:</p> <ul style="list-style-type: none"> · Bachelor's Degree in Economics, Chinese Culture University 	<p>Yang Ming Shipping (B.V.I.) Inc., Yang Ming (Japan) Co., Ltd., Yang Ming Shipping (Vietnam) Co., Ltd., Yang Ming Shipping Philippines, Inc., Yang Ming (Korea) Co., Ltd.</p>	-	-	-	

Title	Nationality or place of registration	Name	Gender /age	Date elected	Term	Date first elected	Shares held when elected		Shares currently held	
							Shares	%	Shares	%
Director (Corporate Representative of the NDF)	R.O.C.	Keh-Her Shih	Male/ Age:51~60	05.14.2021	May be eligible for re-election and consecutive appointment within 3 years.	12.21.2020	Directors herein as the corporate representatives of the NDF, holding a total of 460,000,000 shares	13.81% of the Company's shares	Directors herein as the corporate representatives of the NDF, holding a total of 460,000,000 shares	13.17% of the Company's shares
Director (Corporate Representative of the NDF)	R.O.C.	Chien-Yi Chang	Male/ Age:51~60	05.14.2021		06.22.2018	Directors herein as the corporate representatives of the NDF, holding a total of 460,000,000 shares		Directors herein as the corporate representatives of the NDF, holding a total of 460,000,000 shares	
Director (Corporate Representative of the NDF)	R.O.C.	Chih-Li Chen	Male/ Age:61~70	05.14.2021		05.14.2021	Directors herein as the corporate representatives of the NDF, holding a total of 460,000,000 shares		Directors herein as the corporate representatives of the NDF, holding a total of 460,000,000 shares	

	Shares currently held by spouse & minors		Shares held in the name of others		Selected Education, past and current positions	Other concurrent positions in the Company or other companies	Managers, directors or supervisors who are spouses or relatives within the second degree of kinship			Remarks
	Shares	%	Shares	%			Position	Name	Relation	
	0	0	0	0	<p>Current Position:</p> <ul style="list-style-type: none"> · Deputy Minister, National Development Council <p>Past Positions:</p> <ul style="list-style-type: none"> · Senior Secretary, Office of the President · Deputy Secretary-General, Office of the President · Political Deputy Minister, Ministry of Labor · Consultant, Executive Yuan · Deputy Secretary-General, Executive Yuan · Deputy Magistrate, Yunlin County Government · Director, Yunlin County Government · Director-General, Yunlin County Government <p>Education:</p> <ul style="list-style-type: none"> · Master's Degree in MSc Management, Imperial College, University of London (now Imperial College London) · Master's Degree in MSc Regional and Urban Planning Studies, The London School of Economics and Political Science · Bachelor's Degree in Political Science, National Taiwan University 	Director, Mega Financial Holding Company Ltd.	-	-	-	
	0	0	0	0	<p>Current Position:</p> <ul style="list-style-type: none"> · President, Taiwan Institute of Economic Research · Research Fellow, Taiwan Institute of Economic Research <p>Past Positions:</p> <ul style="list-style-type: none"> · Director, Research Division II, Taiwan Institute of Economic Research · Deputy Director, Research Division II, Taiwan Institute of Economic Research · Associate Research Fellow, Taiwan Institute of Economic Research · Assistant Research Fellow, Taiwan Institute of Economic Research · Vice Executive Secretary, Industrial Development Advisory Council of Ministry of Economic Affairs, ROC · Vice Executive Secretary, Commercial Development Advisory Council of Ministry of Economic Affairs ROC · Committee Member, Policy Research Commission of the Economic and Trade, ROCCOC · Adjunct Associate Professor, Department of National Business and Trade, Soochow University, Taiwan · Board Member, AirAsia Co., Ltd. <p>Education:</p> <ul style="list-style-type: none"> · Ph.D. in Economics, National Taipei University 	Director, Chang Hwa Bank, Asia Pacific Emerging Industry Venture Capital Co., Ltd., Taipei Exchange Independent Director, United Renewable Energy Co., Ltd. Standing Director & Independent Director, CPC Corporation, Taiwan Member, Wholesaler & Retailer Committee in TWCSI Director, Central Bank of the Republic of China (Taiwan)	-	-	-	
	0	0	0	0	<p>Current Position:</p> <ul style="list-style-type: none"> · Professor, Department of Merchant Marine, National Taiwan Ocean University <p>Past Positions:</p> <ul style="list-style-type: none"> · Full-time Teacher, Department of Merchant Marine, National Taiwan Ocean University (TA, Lecturer, Assistant Professor, Associate Professor.) · Chairman, Department of Merchant Marine, National Taiwan Ocean University · Executive Secretary, Training Center for Seafarers, National Taiwan Ocean University · Members of the Board of Examiners, Civil Service Examinations or Professional and Technical Examinations, Ministry of Examination (MOE), Examination Yuan (Drafters, Graders, Verification Inspectors, Groups Convener.) 	-	-	-		

Title	Nationality or place of registration	Name	Gender /age	Date elected	Term	Date first elected	Shares held when elected		Shares currently held	
							Shares	%	Shares	%
Director (Corporate Representative of the NDF)	R.O.C.	Chih-Li Chen	Male/ Age:61~70	05.14.2021	May be eligible for re-election and consecutive appointment within 3 years.	05.14.2021	Directors herein as the corporate representatives of the NDF, holding a total of 460,000,000 shares	13.81% of the Company's shares	Directors herein as the corporate representatives of the NDF, holding a total of 460,000,000 shares	13.17% of the Company's shares
Director (Corporate Representative of the TIPC)	R.O.C.	Shao-Liang Chen	Male/ Age:61~70	05.14.2021		06.22.2018	Directors herein as the corporate representatives of the TIPC, holding a total of 251,453,287 shares	7.55% of the Company's shares	Directors herein as the corporate representatives of the TIPC, holding a total of 160,438,579 shares	4.59% of the Company's shares
Director (Corporate Representative of the TNC)	R.O.C.	Wen-Ching Liu	Male/ Age:61~70	05.14.2021		06.22.2018	Directors herein as the corporate representatives of the TNC, holding a total of 41,889,858 shares	1.25% of the Company's shares	Directors herein as the corporate representatives of the TNC, holding a total of 37,290,858 shares	1.07% of the Company's shares
Independent Director	R.O.C.	Tar-Shing Tang	Male/ Age:61~70	05.14.2021		06.22.2018	0	0	0	0
Independent Director	R.O.C.	Tan Ho-Cheng	Male/ Age: Over 71	05.26.2023		05.26.2023	0	0	0	0

	Shares currently held by spouse & minors		Shares held in the name of others		Selected Education, past and current positions	Other concurrent positions in the Company or other companies	Managers, directors or supervisors who are spouses or relatives within the second degree of kinship			Remarks
	Shares	%	Shares	%			Position	Name	Relation	
	0	0	0	0	<ul style="list-style-type: none"> · Host of Research Projects, the Ministry of Science and Technology, the Ministry of Transportation and Communication, the Ministry of Examination · Deck Officer of merchant ship, De-Tong Shipping Company Education: <ul style="list-style-type: none"> · Ph.D. in Civil engineering, National Taiwan University · Master's Degree in Maritime Technology, National Taiwan Ocean University · Bachelor's Degree in Navigation (Minor in Shipping and Transportation Management), National Taiwan Ocean College 	-	-	-	-	
	0	0	0	0	Current Position: <ul style="list-style-type: none"> · President, TIPC Past Positions: <ul style="list-style-type: none"> · Excusive Vice President, TIPC and President of Port of Kaohsiung · Vice President of Business, TIPC · Vice President, TIPC and President, Port of Taichung · Deputy Director-General, Hualien Harbor Bureau of MOTC · Chief Secretary, Hualien Harbor Bureau of MOTC Education: <ul style="list-style-type: none"> · Master's Degree in Business Administration Program, Department of Business Administration of National Dong Hwa University 	-	-	-	-	
	0	0	0	0	Current Position: <ul style="list-style-type: none"> · Chairman, Taiwan Navigation Company Past Positions: <ul style="list-style-type: none"> · Chairman, Kaohsiung Ammonium Sulfate Co., Ltd. · Chairman, the CSLC · Senior Consultant, CPC Corporation, Taiwan Education: <ul style="list-style-type: none"> · Master's Degree in Applied Biology and Chemical Technology, Hong Kong Polytechnic University · Bachelor's Degree in Chemistry, National Chung Hsing University 	Chairman, Taishing Maritime Co. S.A, Shinwang Maritime Inc. Independent Director, Transart Graphics Co., Ltd.	-	-	-	
	0	0	0	0	Current Position: <ul style="list-style-type: none"> · Attorney-in-Charge, Tar-Shing Tang Law Office · Qualification in Bar Examination · Completion in The Training Institute of Ministry of Finance · Qualification in Senior Examination of Finance Education: <ul style="list-style-type: none"> · Bachelor's Degree in Economics (Minor in Law), National Taiwan University 	-	-	-	-	
	0	0	0	0	Current Position: <ul style="list-style-type: none"> · Independent Director, PChome online Inc. · Independent Director, Groundhog Technologies Inc. · Director, Kindom Development Co., Ltd. · Director, Kedge Construction Co., Ltd. Past Positions: <ul style="list-style-type: none"> · Minister of MOTC · Chairman, Chunghwa Telecom Co., Ltd. · Deputy Minister of MOTC · Commissioner, Department of Transportation, Taipei City Government · THI Consultants Inc. · Department of Rapid Transit Systems, Taipei City Government · The Office of Urban Planning, Taipei City Government 	Independent Director, PChome online Inc. Independent Director, Groundhog Technologies Inc. Director, Kindom Development Co., Ltd. Director, Kedge Construction Co., Ltd.	-	-	-	

Title	Nationality or place of registration	Name	Gender /age	Date elected	Term	Date first elected	Shares held when elected		Shares currently held	
							Shares	%	Shares	%
Independent Director	R.O.C.	Tan Ho-Cheng	Male/ Age: Over 71	05.26.2023	May be eligible for re-election and consecutive appointment within 3 years.	05.26.2023	0	0	0	0
Independent Director	R.O.C.	Jr-Tsung Huang	Male/ Age:51~60	05.26.2023		05.26.2023	0	0	0	0

	Shares currently held by spouse & minors		Shares held in the name of others		Selected Education, past and current positions	Other concurrent positions in the Company or other companies	Managers, directors or supervisors who are spouses or relatives within the second degree of kinship			Remarks
	Shares	%	Shares	%			Position	Name	Relation	
	0	0	0	0	Education: <ul style="list-style-type: none"> · Master's Degree in Urban and Regional Planning, Virginia Polytechnic Institute and State University · Bachelor's Degree in Department of Civil Engineering, National Chung Hsing University 	Independent Director, PChome online Inc. Independent Director, Groundhog Technologies Inc. Director, Kindom Development Co., Ltd. Director, Kedge Construction Co., Ltd.	-	-	-	
	0	0	0	0	Current Position: <ul style="list-style-type: none"> · Professor, Distinguished Professor and Contracted Professor, National Chengchi University Past Positions: <ul style="list-style-type: none"> · Promotion Review Board members for outsourcing or bidding projects of MOEA, MOND, Taoyuan City Government, New Taipei City Government · Minister and Consultant of International Industry Academic Exchange and Cooperation Committee, Taiwan Chamber of Commerce & Industry · Members of the Public Debt Management Committee, Ministry of Finance · Members of the Board of Examiners, Examination Yuan(Public Finance of Special Examination for Local Governments in 2010 and 2016) · Dean of School of Humanities and Social Sciences, Kainan University · Director of in service Master program, Department of Public affairs and Management, Kainan University · Director, Office of Education and Training in Taipei, Kainan University · Vice President and Director of Research Center, The Prospect Foundation · Contracted Assistant Professor, Contracted Associate Professor, Chair, National Chengchi University · Assistant Research Fellow and Postdoctoral Research Fellow, The First Research Division, Chung-Hua Institution for Economic Research · Second Lieutenant Supply Officer, Magong Base Squadron, Republic of China Air Force Education: <ul style="list-style-type: none"> · Ph.D. in Economics, University of Washington · Master's Degree in Economics, University of Washington · Master's Degree in Economics, National Taiwan University · Bachelor's Degree in Economics, National Taiwan University 	-	-	-		

1. Major corporate shareholders

03.26.2024

Name of corporate shareholders	Major corporate shareholders
Ministry of Transportation and Communication	Government of the R.O.C (100%)
National Development Fund, Executive Yuan	Government of the R.O.C (100%)
Taiwan International Ports Corporation, Ltd.	Ministry of Transportation and Communication (100%)
Taiwan Navigation Co., Ltd.	Ministry of Transportation and Communication (26.46%), Yang Ming Transport Corp. (16.96%), Yunn Wang Investment (3.03%), Central Taiwan Science Park Logistics (1.34%), Chang-Hong Chen (0.72%), TransGlobe Life Insurance Inc. (0.65%), J.P. Morgan Securities Plc (0.54%), J.P. Morgan in custody for Japan Securities Finance Co Ltd Securities Investment Fund (0.50%), Global Growing International Co., Ltd. (0.47%), Mitsubishi UFJ Morgan Stanley Securities Co. Ltd.-Product Support Division (Agency Trading Desk) (0.47%)

2. Major juridical person shareholders

As of the date of publication, the last time to stop the transfer: 03.26.2024

Name of juridical persons	Major juridical person shareholders (Note1)
Government of the R.O.C	Inapplicable
Ministry of Transportation and Communication	Government of the R.O.C (100%)
Yang Ming Marine Transport Corp.	Ministry of Transportation and Communication (13.39%), National Development Fund, Executive Yuan (13.17%), Taiwan International Ports Corporation, Ltd. (4.59%), Labor Pension Fund (The New Fund) (1.1%), Taiwan Navigation Co., Ltd. (1.07%), Norges Bank (0.65%), CMC Magnetics Corporation (0.62%), E.SUN FINANCIAL HOLDING COMPANY, LTD. (0.4%), T3EX Global Holdings Corp. (0.39%), Government of Singapore (0.36%)
Yunn Wang Investment Co. Ltd.	Yang Ming Marine Transport Corp. (49.75%), Taiwan Navigation Co., Ltd. (49.75%), Fulirong Investment (0.50%)
Central Taiwan Science Park Logistics Co. Ltd.	Chien Shing Harbour Service CO., Ltd. (64.60%), HCT Logistics Co., Ltd. (13.8%), Taiwan Express CO., Ltd. (12.93%), Wen-Yan Yan (1.00%)
TransGlobe Life Insurance Inc.	Zhongwei Co. (100%)
J.P. Morgan Securities Plc	Inapplicable
J.P. Morgan in custody for Japan Securities Finance Co Ltd Securities Investment Fund	Inapplicable
Global Growing International Co., Ltd.	Yu-Qin Lin (59.49%), Jia Yongfeng Investment (25.64%), Jiong-Qiao Li (14.87%)
Mitsubishi UFJ Morgan Stanley Securities Co. Ltd.-Product Support Division (Agency Trading Desk)	Inapplicable

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

3. Information of Directors (Including independent directors)

03.26.2024

Name Criteria	Professional criteria and experience	Independence criteria	Number of other Taiwanese public companies concurrently serving as an independent director
Cheng-Mount Cheng	Cheng-Mount Cheng is the Chairman of Yang Ming. He is the former Deputy Minister of National Development Council, the former Vice Chairman of Financial Supervisory Commission, the former General Manager of Agriculture Bank of Taiwan, and was the Adjunct Associate Professor of Department of Finance of National Chengchi University. He is a qualified Associate Professor well-versed in the financial field. His professional affiliation is not in violation of Article 30 of the <i>Company Act</i> .	Complies with the provisions stipulated in Article 26-3 of the <i>Securities and Exchange Act</i> . His spouse and relatives within second degree of kinship do not serve as directors or supervisors of the Company.	0
Jiang-Ren Chang	Jiang-Ren Chang is the Professor of Systems Engineering and Naval Architecture Department of National Taiwan Ocean University. He is a qualified Professor and possesses knowledge in marine industry. His professional affiliation is not in violation of Article 30 of the <i>Company Act</i> .	Complies with the provisions stipulated in Article 26-3 of the <i>Securities and Exchange Act</i> . His spouse, and relatives within second degree of kinship do not serve as directors or supervisors of the Company.	0
An-Chung Ku	An-Chung Ku is the Vice President of Yang Ming. He is very well-versed in marine industry. His professional affiliation is not in violation of Article 30 of the <i>Company Act</i> .	Complies with the provisions stipulated in Article 26-3 of the <i>Securities and Exchange Act</i> . His spouse, and relatives within second degree of kinship do not serve as directors or supervisors of the Company.	0
Keh-Her Shih	Keh-Her Shih is the Deputy Minister of National Development Council. He is the former Senior Secretary of the Office of the President, the former Deputy Secretary-General of the Office of the President, and the former Political Deputy Minister of Ministry of Labor Consultant. He is well-versed in business management and decision-making. His professional affiliation is not in violation of Article 30 of the <i>Company Act</i> .	Complies with the provisions stipulated in Article 26-3 of the <i>Securities and Exchange Act</i> . His spouse, and relatives within second degree of kinship do not serve as directors or supervisors of the Company.	0
Chien-Yi Chang	Chien-Yi Chang is the President of Taiwan Institute of Economic Research. He was the Adjunct Associate Professor of National Business Department of Soochow University. He is a qualified Associate Professor and is well-versed in international trade, industrial development, and relevant policy research. His professional affiliation is not in violation of Article 30 of the <i>Company Act</i> .	Complies with the provisions stipulated in Article 26-3 of the <i>Securities and Exchange Act</i> . His spouse, and relatives within second degree of kinship do not serve as directors or supervisors of the Company.	1

Name Criteria	Professional criteria and experience	Independence criteria	Number of other Taiwanese public companies concurrently serving as an independent director
Chih-Li Chen	Chih-Li Chen is the Professor of Merchant Marine Department of National Taiwan Ocean University. He is a qualified Professor and is well-versed in marine industry. His professional affiliation is not in violation of Article 30 of the <i>Company Act</i> .	Complies with the provisions stipulated in Article 26-3 of the <i>Securities and Exchange Act</i> . His spouse, and relatives within second degree of kinship do not serve as directors or supervisors of the Company.	0
Shao-Liang Chen	Shao-Liang Chen is the President of TIPC. He is well-versed in marine industry. His professional affiliation is not in violation of Article 30 of the <i>Company Act</i> .	Complies with the provisions stipulated in Article 26-3 of the <i>Securities and Exchange Act</i> . His spouse, and relatives within second degree of kinship do not serve as directors or supervisors of the Company.	0
Wen-Ching Liu	Wen-Ching Liu is the Chairman of Taiwan Navigation Company. He is well-versed in marine industry. His professional affiliation is not in violation of Article 30 of the <i>Company Act</i> .	Complies with the provisions stipulated in Article 26-3 of the <i>Securities and Exchange Act</i> . His spouse, and relatives within second degree of kinship do not serve as directors or supervisors of the Company.	1
Tar-Shing Tang	Tar-Shing Tang is an independent director and also the Convener of the Audit Committee. He is the Attorney-in-Charge of Tar-Shing Tang Law Office and is well-versed in legal affairs. His professional affiliation is not in violation of Article 30 of the <i>Company Act</i> .	Complies with the independent criteria stipulated in the <i>Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies</i> .	0
Tan Ho-Cheng	Tan Ho-Cheng is an independent director and also a member of the Audit Committee. He is the Independent Director of PChome online Inc., Independent Director of Groundhog Technologies Inc., Director of Kindom Development Co., Ltd., and Director of Kedge Construction Co., Ltd. He is the former Minister of MOTC and the former Chairman of Chungwa Telecom Co., Ltd. He is well-versed in transportation industry and business management. His professional affiliation is not in violation of Article 30 of the <i>Company Act</i> .	Complies with the independent criteria stipulated in the <i>Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies</i> .	2
Jr-Tsung Huang	Jr-Tsung Huang is an independent director and also a member of the Audit Committee. He is the Distinguished Professor of National Chengchi University and is the former member of the Public Debt Management Committee of Ministry of Finance, the former Postdoctoral Research Fellow of The First Research Division of Chung-Hua Institution for Economic Research. He is a qualified Professor and specializes in finance. His professional affiliation is not in violation of Article 30 of the <i>Company Act</i> .	Complies with the independent criteria stipulated in the <i>Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies</i> .	0

4. The Board Diversity and Independence

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

(1) The Board Diversity

i. The Board Diversity

The Board of Yang Ming shall oversee the Company's strategies, supervise management, and is held accountable for the overall performance by the shareholders. Under the Company's multiple-procedure and complex corporate governance system, Board members are obliged to abide by relevant laws, regulations, Yang Ming's articles of incorporation, and the resolutions of Yang Ming's shareholder meetings.

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

The Board's composition is determined by diversity. It is advisable that the number of directors concurrently serving as company officers does not exceed one-third of the total. Also, there is formulation of appropriate policies on diversity based on Yang Ming's business operations, operating dynamics, and development plans and they should include, but not be limited to, the following two criteria.

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

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

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

ii. Specific objectives and implementation of the board diversity policy

Yang Ming's Board consists of 11 directors and includes 3 independent directors. All of the Board members possess extensive experiences and expertise in marine industry, world economy, finance, accounting, laws, and management. Yang Ming's directors with employee status account for 9%, and independent directors account for 27%. The term of 2 independent directors is less than 3 years and 1 independent director is 3-9 years. The age of 5 directors ranges between 51-60, 5 directors ranges between 61-70, and 1 director is over 71 years old. The implementation of Board diversity policy is as follows.

Director	Basic Composition						Capabilities			Professional Background				
	Gender	Nationality	Concurrent Positions in Yang Ming	Age			Tenure of Independent Director	Management	Leadership	Industry Experience	World Economy	Accounting and Finance	Marketing	Legal Practice
				51-60	61-70	Over 71								
Cheng-Mount Cheng	Male	R.O.C.		✓				✓	✓		✓	✓		
Jiang-Ren Chang	Male	R.O.C.			✓			✓	✓	✓				
An-Chung Ku	Male	R.O.C.	✓	✓				✓	✓	✓			✓	
Keh-Her Shih	Male	R.O.C.		✓				✓	✓					
Chien-Yi Chang	Male	R.O.C.		✓				✓	✓		✓			
Chih-Li Chen	Male	R.O.C.			✓			✓	✓	✓				
Shao-Liang Chen	Male	R.O.C.			✓			✓	✓	✓			✓	
Wen-Ching Liu	Male	R.O.C.			✓			✓	✓	✓			✓	
Tar-Shing Tang	Male	R.O.C.			✓		3-9 years	✓	✓					✓
Tan Ho-Cheng	Male	R.O.C.				✓	Less than 3 years	✓	✓	✓				
Jr-Tsung Huang	Male	R.O.C.		✓			Less than 3 years	✓	✓		✓	✓		

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

(2) The Board Independence

The Board of Directors maintain executive independence, provide objective opinions on business affair, and supervise Yang Ming's overall operation. The directors (including independent directors) are obliged to avoid violating the provisions stipulated in Article 26-3 of the *Securities and Exchange Act*.

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

5 Succession Plan for Board Members

Except as otherwise provided by acts or regulations, Yang Ming's directors are elected in accordance with its Procedures for Election of Directors. The candidates are selected according to business scale, major shareholders' shareholding ratio, practices, the Board diversity policy, relevant capabilities, and the result of Board performance assessments. Considering external environment and internal development, Yang Ming organizes at least 6 hours of annual training sessions to the directors in arranging to enhance their professional knowledge and strengthen the Board's management function.

Yang Ming's executives should attend Board meetings and functional committee meetings. Besides meeting requirements from directors or take over as future directors, the executives are assigned to different jobs through job rotation, expatriate program, or being appointed as directors of subsidiaries to intensify participation and familiarity and improve the ability to formulate company policies, to supervise and execute internal control, legal compliance, as well as to perform risk management.

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

- (1) Take the director candidates recommendation by shareholders into account
- (2) Invite current directors to recommend suitable candidates
- (3) Reappoint directors according to the result of Board performance assessments
- (4) Select from Yang Ming's executives

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

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

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

Title	Nationality	Name	Gender	Appointment Date	Shareholdings		Spouse & Minor Shareholding		Current Shareholding in the name of others	
					Shares	%	Shares	%	Shares	%
President	ROC	Shu-Chin Tu	Male	11.12.2020	0	0	0	0	0	0
Chief Strategy Officer & Senior Executive Vice President	ROC	Kuen-Rong Pai	Male	05.01.2022	14,101	0	0	0	0	0
Chief Auditor & Executive Vice President	ROC	Li-Chuan Wang	Female	03.29.2021	2,000	0	0	0	0	0
Chief Information Officer&Chief Information Security Officer&Executive Vice President	ROC	Der-Shi Tsao	Male	11.16.2022	180,893	0.01	0	0	0	0
Chief Financial Officer & Senior Vice President	ROC	Yu-Wen Su	Male	02.16.2021	0	0	0	0	0	0
Chief Marine Technology Officer & Senior Vice President	ROC	Jeng-Shong Jeng	Male	05.01.2022	60,382	0	0	0	0	0
Chief Taiwan Operations Officer & Senior Vice President	ROC	Ying-Tung Lin	Male	05.01.2022	14,575	0	0	0	0	0
Chief Logistics Officer & Senior Vice President	ROC	Yi-Ta Wu	Male	04.01.2023	2,000	0	345	0	0	0
Chief Commercial Officer & Senior Vice President	ROC	Ming- Hui Lee	Male	06.01.2023	0	0	0	0	0	0
Chief Administrative Officer& Senior Vice President	ROC	Tseng-Yu Chiu	Female	07.12.2023	1,843	0	0	0	0	0
Executive Vice President	ROC	Shih-Chou Lee	Male	08.01.2021	54,433	0	0	0	0	0
Executive Vice President	ROC	Mei-Chi Shih	Male	08.01.2021	0	0	0	0	0	0

03.26.2024

Experience and Education	Current position at other companies	Managers who are spouse or within second- degree of kinship			Note
		Title	Name	Relationship	
<ul style="list-style-type: none"> · Executive Vice President of this Company · President of YM(HK) · Master of National Taiwan University 	<ul style="list-style-type: none"> · Chairman of Kuang Ming Shipping Corp., Huan Ming (Shanghai) International Shipping Agency Co., Ltd. · Director of Yang Ming (America) Corp., Young-Carrier Company Ltd., Kao Ming Container Terminal Corp., Yang Ming Line Holding Co., Yang Ming Line (Singapore) Pte Ltd, Yang Ming Line (B.V.I.) Holding Co., Ltd. 	-	-	-	Note 3
<ul style="list-style-type: none"> · Vice President of this Company · President of YM (MED) · Master of National Chiao Tung University 	<ul style="list-style-type: none"> · Director of Kuang Ming Shipping Corp., Kao Ming Container Terminal Corp., · Huan Ming (Shanghai) International Shipping Agency Co., Ltd., West Basin Container Terminal LLC, United Terminal Leasing LLC, Taiwan Foundation International Pte. Ltd. 	-	-	-	Note 3
<ul style="list-style-type: none"> · Director-general of Financial Supervisory Commission Republic of China · Master of University of Illinois 	None	-	-	-	Note 3
<ul style="list-style-type: none"> · Senior Vice President of this Company · Tamsui Institute of Industrial & Business Administration 	<ul style="list-style-type: none"> · Director of Yang Ming Line (Hong Kong) Ltd., Yang Ming Shipping (Vietnam) Co., Ltd., Yunn Wang Investment Co., Ltd., Taiwan Foundation International Pte. Ltd. 	-	-	-	Note 3
<ul style="list-style-type: none"> · Vice President of this Company · Master of National Taiwan University 	<ul style="list-style-type: none"> · Chairman of Yang Ming (France) S.A.S. · Director of Yang Ming (Australia) Pty. Ltd., Yang Ming Line Holding Co., Yang Ming Line (Singapore) Pte Ltd, Yang Ming Line (B.V.I.) Holding Co., Ltd. · Supervisor of Huan Ming (Shanghai) International Shipping Agency Co., Ltd., Kao Ming Container Terminal Corp. 	-	-	-	Note 3
<ul style="list-style-type: none"> · Vice president of this Company · Master of National Taiwan Ocean University 	<ul style="list-style-type: none"> · Director and General Manager of All Oceans Transportation Inc. · Directors of Yang Ming (Singapore) Pte. Ltd., Yes Logistics Corp., Kuang Ming Shipping Corp. 	-	-	-	Note 3
<ul style="list-style-type: none"> · Vice president of this Company · President of Yes Logistics Corporation · Bachelor of Feng Chia University 	<ul style="list-style-type: none"> · Chairman of Yes Logistics Corporation · Director of Jing Ming Transportation Co., Ltd., Hong Ming Terminal & Stevedoring Corp., Taipei Port Container Terminal Corp., United Stevedoring Corp. 	-	-	-	Note 3
<ul style="list-style-type: none"> · Vice President of this Company · President of YM (JP) · President of YM (AU) · Master of Royal Melbourne Institute of Technology 	<ul style="list-style-type: none"> · Directors of Yes Logistics Corp., Kuang Ming Shipping Corp. 	Vice President	Pao-Lin Lee	Spouse	Note 1& Note 3
<ul style="list-style-type: none"> · Vice President of this Company · Commercial Director of YM (ERO) · Master of Claremont Graduate Univ. / Peter Drucker Graduate School of Management 	<ul style="list-style-type: none"> · Chairman of Yang Ming (Japan) Co., Ltd. · Directors of Huan Ming (Shanghai) International Shipping Agency Co., Ltd., Young-Carrier Company Ltd., Yang Ming (Korea) Co. Ltd., Yang Ming Line (India) Pvt. Ltd., Taiwan Navigation Company 	-	-	-	Note 2& Note 3
<ul style="list-style-type: none"> · Vice President of this Company · Master of Chinese Culture University 	<ul style="list-style-type: none"> · Chairman of Yang Ming Cultural Foundation · Directors of Jing Ming Transportation Co., Ltd., Yes Logistics Corp., Yang Ming Insurance Co., Ltd. 	-	-	-	Note 1& Note 3
<ul style="list-style-type: none"> · Senior Vice President of this Company · Master of National Chang Gung University 	<ul style="list-style-type: none"> · Director and General Manager of Yang Ming (Singapore) Pte. Ltd., YES Yangming Logistics (Singapore) Pte. Ltd. 	-	-	-	Note 3
<ul style="list-style-type: none"> · Senior Vice President of this Company · Master of Tamkang University 	<ul style="list-style-type: none"> · Director and General Manager of Huan Ming (Shanghai) International Shipping Agency Co., Ltd., Young-Carrier Company Ltd. · Director of Yang Ming Line (Hong Kong) Ltd., Yes Logistics (Shanghai) Corp. 	-	-	-	Note 3

Title	Nationality	Name	Gender	Appointment Date	Shareholdings		Spouse & Minor Shareholding		Current Shareholding in the name of others	
					Shares	%	Shares	%	Shares	%
Senior Vice President	ROC	Chao-Feng Chang	Male	08.01.2021	70,486	0	0	0	0	0
Senior Vice President	ROC	Chien-Chang Tzeng	Male	06.01.2023	0	0	0	0	0	0
Senior Vice President	ROC	Shyi-Chang Chang	Male	01.01.2023	1,564	0	0	0	0	0
Vice President	ROC	Tung-Hai Chen	Male	12.01.2012	0	0	0	0	0	0
Vice President	ROC	Ping-Jen Tseng	Male	06.01.2014	5,290	0	28	0	0	0
Vice President	ROC	Leng-Hui Wang	Male	02.01.2018	2,283	0	0	0	0	0
Vice President	ROC	Pao-Lin Lee	Female	04.01.2018	345	0	2,000	0	0	0
Vice President	ROC	Chun-Chieh Lu	Male	05.01.2018	59,047	0	0	0	0	0
Vice President	ROC	Men-Huo Tsai	Male	05.16.2019	0	0	0	0	0	0
Vice President	ROC	Li-Wen Liu	Female	02.04.2020	45,474	0	0	0	0	0
Vice President	ROC	Mei-Ling Chung	Female	04.01.2020	808	0	0	0	0	0
Vice President	ROC	Hann-Sy Hwang	Male	04.01.2020	5,739	0	1,008	0	0	0
Vice President	ROC	Lung-Fu Chen	Male	04.16.2020	0	0	0	0	0	0
Vice President & Corporate Governance Supervisor	ROC	Ting-Yu Lu	Female	07.01.2020	0	0	0	0	0	0
Vice President & Accounting Supervisor	ROC	Kuan-Sheng Fu	Male	04.01.2021	7,846	0	0	0	0	0

Experience and Education	Current position at other companies	Managers who are spouse or within second-degree of kinship			Note
		Title	Name	Relationship	
· Vice President of this Company · Bachelor of National Taiwan Ocean University	· President and Director of Yang Ming (America) Corp. · Director of Yang Ming Shipping (Canada) Ltd.	-	-	-	Note 2 & Note 3
· Vice President of this Company · Bachelor of Fu Jen Catholic University	· Managing Director of Yang Ming Shipping Europe GmbH, Yang Ming (Mediterranean) Marine Services Single-Member Limited Liability Company · Director of Yang Ming Anatolia Shipping Agency S.A., Yang Ming (Italy) S.p.A., Yang Ming Shipping (Egypt) S.A.E, Yang Ming (Spain), S.L.	-	-	-	Note 3
· Vice President of this Company · Master of National Chiao Tung University	· Director of LogiTrans Technology Private Ltd.	-	-	-	
· Deputy Vice President of this Company · Master of National Chengchi University	None	-	-	-	
· Deputy Vice President of this Company · Bachelor of Shih Chien University	· Director of Hong Ming Terminal & Stevedoring Corp., Kao Ming Container Terminal Corp., Jing Ming Transportation Co., Ltd.	-	-	-	
· Deputy Vice President of this Company · President of YM (JP) · Bachelor of National Chiao Tung University	None	-	-	-	
· Deputy Vice President of this Company · Bachelor of Soochow University	· Director of Transcont intermodal Logistics, Inc., Corstor Ltd.	Senior Vice President	Yi-Ta Wu	Spouse	
· Deputy Vice President of this Company · Bachelor of National Cheng Kung University	None	-	-	-	
· Deputy General Manager of Yang Ming (Netherlands) B.V. · Master of Rotterdam School of Management, Erasmus University	· Director of Yunn Wang Investment Co., Ltd., Yang Ming Cultural Foundation, Taiwan Navigation Company	-	-	-	
· Deputy Vice President of this Company · Master of National Taiwan University	· Director of Yang Ming Cultural Foundation	-	-	-	
· Deputy Vice President of this Company · Bachelor of National Chung Hsing University	None	-	-	-	
· Deputy Vice President of this Company · Bachelor of National Taiwan Ocean University	None	-	-	-	
· Deputy Vice President of this Company · Master of National Cheng Kung University	· Director of Manwa & Company, Ltd.	-	-	-	
· Deputy Vice President of this Company · Bachelor of National Taiwan Ocean University	None	-	-	-	
· Deputy Vice President of this Company · Bachelor of National Cheng Kung University	· Director of Formosa International Development Corporation · Supervisor of Yang Ming (Japan) Co., Ltd., Yang Ming (Korea) Co. Ltd., YES Logistics Corp., Kuang Ming Shipping Corp.	-	-	-	

Title	Nationality	Name	Gender	Appointment Date	Shareholdings		Spouse & Minor Shareholding		Current Shareholding in the name of others	
					Shares	%	Shares	%	Shares	%
Vice President	ROC	Chia-Wen Chiang	Male	04.01.2021	2,000	0	5,000	0	0	0
Vice President	ROC	An-Chung Ku	Male	04.16.2021	6,000	0	0	0	0	0
Vice President	ROC	Hung-Chung Chien	Male	07.01.2021	0	0	0	0	0	0
Vice President	ROC	Chin-Jung Lee	Female	07.06.2021	784	0	0	0	0	0
Vice President	ROC	Chen-To Lin	Male	07.19.2021	0	0	0	0	0	0
Vice President	ROC	Der-Ren Li	Male	08.01.2021	0	0	0	0	0	0
Vice President	ROC	Yi-Jia Su	Male	01.01.2023	0	0	0	0	0	0
Vice President	ROC	Chia-Feng Lee	Female	01.01.2023	79,748	0	0	0	0	0
Vice President	ROC	Yen-Pang Chen	Male	06.14.2023	0	0	0	0	0	0
Vice President	ROC	Hsin-Wen Chang	Female	07.01.2023	0	0	0	0	0	0
Vice President	ROC	Chao-Hung Chen	Male	07.01.2023	0	0	0	0	0	0
Vice President & Finance Supervisor	ROC	Shu-Hui Ou	Female	07.01.2023	1,229	0	0	0	0	0
Vice President	ROC	Chia-Ju Lin	Female	08.01.2023	0	0	0	0	0	0
Vice President	ROC	Wen-Chu Chou	Male	08.16.2023	0	0	0	0	0	0
Vice President	ROC	Chun-Chih Wang	Male	09.01.2023	2,944	0	0	0	0	0

Experience and Education	Current position at other companies	Managers who are spouse or within second- degree of kinship			Note
		Title	Name	Relationship	
· Deputy Vice President of this Company · Master of National Taiwan Ocean University	· Director of Yang Ming Shipping Philippines, Inc., Yang Ming Line (Thailand) Co., Ltd., Yang Ming Line Shipping (Thailand) Co., Ltd., PT Yang Ming Shipping Indonesia	-	-	-	
· Deputy Vice President of this Company · Bachelor of Chinese Culture University	· Director of Yang Ming Shipping (B.V.I) Inc., Yang Ming (Japan) Co., Ltd., Yang Ming Shipping (Vietnam) Co., Ltd, Yang Ming Shipping Philippines, Inc., Yang Ming (Korea) Co., Ltd.	-	-	-	
· Deputy Vice President of this Company · Bachelor of Feng Chia University	· Director of Yang Ming Line (M) Sdn. Bhd., Yang Ming (America) Corp., Yang Ming Shipping (Canada) Ltd., Transcont Intermodal Logistics, Inc., Yang Ming (Latin America) Corp.	-	-	-	
· Deputy Vice President of this Company · Bachelor of National Taiwan University of Science and Technology	· Director of Yang Ming (Belgium) N.V., Yang Ming (Netherlands) B.V., Yang Ming (UK) Ltd.	-	-	-	
· Deputy Vice President of this Company · Bachelor of National Taiwan University	None	-	-	-	
· Deputy Vice President of this Company · Bachelor of Chinese Culture University	None	-	-	-	
· Deputy Vice President of this Company · Bachelor of Soochow University	None	-	-	-	
· Deputy Vice President of this Company · Master of National Taiwan Ocean University	None	-	-	-	
· Deputy Vice President of this Company · Master of National Taiwan Ocean University	· Director of Yang Ming (UK) Ltd., All Oceans Transportation Inc.	-	-	-	
· Deputy Vice President of this Company · Master of University of South Hampton	· Chairman of Jambatan Merah Formosa Depot SDN. BHD. · Managing Director of Taiwan Foundation International Pte. Ltd. · Director of West Basin Container Terminal LLC, United Terminal Leasing LLC, PT. Formosa Sejati Logistics	-	-	-	
· Deputy Vice President of this company · Bachelor of Feng Chia University	· Director of Yang Ming (Italy) S.p.A, Yang Ming (Russia) LLC., Yang Ming (Spain), S.L., Yang Ming Anatolia Shipping Agency S.A.	-	-	-	
· Deputy Vice President of this company · Master of National Cheng Kung University	· Director of All Oceans Transportation Inc., Yang Ming Insurance Co., Ltd. · Supervisor of Taipei Port Container Terminal Corp., United Stevedoring Corp., Pt. Formosa Sejati Logistics, Yunn Wang Investment Co., Ltd.	-	-	-	
· Deputy Vice President of this company · Master of National Taiwan Ocean University	· Director of Yang Ming Insurance Co., Ltd.	-	-	-	
· Director-general of Financial Supervisory Commission Republic of China · Master of Tamkang University	None	-	-	-	
· Deputy Vice President of this company · Provincial Taipei Institute of Technology	· Director of Karlman Properties Limited, Yang Ming Cultural Foundation	-	-	-	

Title	Nationality	Name	Gender	Appointment Date	Shareholdings		Spouse & Minor Shareholding		Current Shareholding in the name of others	
					Shares	%	Shares	%	Shares	%
Vice President of Taichuang Branch	ROC	Jan-Tsung Lu	Male	10.12.2023	2,000	0	0	0	0	0
Vice President	ROC	Chih-Cheng Chang	Male	10.12.2023	0	0	0	0	0	0
Vice President	ROC	Hsieh-Wen Liu	Male	01.01.2024	0	0	0	0	0	0
Vice President	ROC	Hung-Lung Chen	Male	02.19.2024	0	0	0	0	0	0

Note 1: Kou-Liang Huang stopped serving as Senior Vice President on March 30, 2023. Hsiu-Chi Ho stopped serving as Senior Vice President on July 11, 2023. Yi-Ta Wu was appointed Chief Logistics Officer on April 01, 2023. Tseng-Yu Chiu was appointed Chief Administrative Officer on July 12, 2023.

Note 2: Chao-Feng Chang stopped serving as Chief Commercial Officer on June 01, 2023. Ming-Hui Lee was appointed Chief Commercial Officer on the same day.

Note 3: The system of Appointed Managers took effect on August 01, 2021, and information of Appointed Managers (include those transferred to overseas subsidiaries) was subsequently disclosed. There are fourteen Appointed Managers: President Shu-Chin Tu, Chief Strategy Officer & Senior Executive Vice President Kuen-Rong Pai, Chief Auditor & Executive Vice President Li-Chuan Wang, CIO & Chief Information Security Officer & Executive Vice President Der-Shi Tsao, Chief Financial Officer & Senior Vice President Yu-Wen Su, Chief Marine Technology Officer & Senior Vice President Jeng-Shong Jeng, Chief Taiwan Operations Officer & Senior Vice President Ying-Tung Lin, Chief Logistics Officer & Senior Vice President Yi-Ta Wu, Chief Commercial Officer & Senior Vice President Ming-Hui Lee, Chief Administrative Officer & Senior Vice President Tseng-Yu Chiu, Executive Vice President Shih-Chou Lee, Executive Vice President Mei-Chi Shih, Senior Vice President Chao-Feng Chang and Senior Vice President Chien-Chang Tzeng.

	Experience and Education	Current position at other companies	Managers who are spouse or within second- degree of kinship			Note
			Title	Name	Relationship	
	<ul style="list-style-type: none"> Deputy Vice President of this company Master of National Taiwan Ocean University 	None	-	-	-	
	<ul style="list-style-type: none"> Deputy Vice President of this company Master of National Chiao Tung University 	<ul style="list-style-type: none"> Director of Yang Ming (Latin America) Corp., Yang Ming (U.A.E.) LLC, Yang Ming Line (India) Pvt. Ltd., LogiTrans Technology Private Limited 	-	-	-	
	<ul style="list-style-type: none"> Deputy Vice President of this company Master of National Taiwan Ocean University 	None	-	-	-	
	<ul style="list-style-type: none"> Doctor of Philosophy of National Chengchi University 	None	-	-	-	

3.3 Remuneration Paid during the Most Recent Fiscal Year to Directors, Supervisors, President and Vice President

3.3.1 Remuneration of Directors (including independent directors.)

Title	Name	Remuneration of Directors								
		Base Compensation (A) (Note 2)		Severance pay (B)		Director Compensation(C) (Note 3)		Allowance (D) (Note 4)		
		The Company	All the companies in the consolidated financial statement (Note 7)	The Company	All the companies in the consolidated financial statement (Note 7)	The Company	All the companies in the consolidated financial statement (Note 7)	The Company	All the companies in the consolidated financial statement (Note 7)	
Director	Legal Entity as Director	MOTC								
	Legal Entity as Director	NDF								
	Legal Entity as Director	TIPC								
	Legal Entity as Director	TNC								
	Chairman	Cheng-Mount Cheng, Corporate Representative of the MOTC								
	Director	Jiang-Ren Chang, Corporate Representative of the MOTC	8,225	8,225	0	0	12,000	12,000	1,127	1,127
	Director	An-Chung Ku, Corporate Representative of the MOTC								
	Director	Keh-Her Shih, Corporate Representative of the NDF								
	Director	Chien-Yi Chang, Corporate Representative of the NDF								
	Director	Chih-Li Chen, Corporate Representative of the NDF								
	Director	Shao-Liang Chen, Corporate Representative of the TIPC								
	Director	Wen-Ching Liu, Corporate Representative of the TNC								
Independent Director	Independent Director	Tar-Shing Tang								
	Independent Director	Tan Ho-Cheng (Note 1)	1,348	1,348	0	0	0	0	0	0
	Independent Director	Jr-Tsung Huang (Note 1)								

Range of Remuneration

Range of remuneration paid to Directors	
Under NT\$1,000,000	
NT\$1,000,000(included)~NT\$2,000,000 (excluded)	
NT\$2,000,000(included)~NT\$3,500,000 (excluded)	
NT\$3,500,000(included)~NT\$5,000,000 (excluded)	
NT\$5,000,000(included)~NT\$10,000,000 (excluded)	
NT\$10,000,000(included)~NT\$15,000,000 (excluded)	
NT\$15,000,000(included)~NT\$30,000,000 (excluded)	
NT\$30,000,000(included)~NT\$50,000,000 (excluded)	
NT\$50,000,000(included)~NT\$100,000,000 (excluded)	
Over NT\$100,000,000	
Total	

Note 1: Independent Director Tan Ho-Cheng and Jr-Tsung Huang were elected at 2023 Annual General Shareholders' Meeting and took office on May 26, 2023.

Note 2: Compensations in 2023 include director's salaries, allowance, severance pay, bonus and incentives. Chairman Cheng-Mount Cheng was exempted from serving as CEO on May 14, 2021. The Labor Director and Vice President, An-Chung Ku, also an employee of this Company, only obtained relevant employee remuneration and didn't receive directors' compensation.

Note 3: Fill in the amount of directors' compensation in 2023 approved by the Board of Directors.

Note 4: Refers to allowances in 2023, including special disbursements, perquisites, accommodation, company cars, and other provided objects. They do not include the relevant remuneration paid to drivers, which is NT\$680,000.

Note 5: Compensations include salaries, allowance, separation pay, bonus, incentives, special disbursements, perquisites, accommodation, company cars, and other provided objects, received by directors who are employees of this Company, (including serving as President, Executive Vice presidents, other managerial officers, and employees.), but relevant compensation NT\$0 paid to drivers is excluded. In addition, the salary expenses recognized in the IFRS2 (Share-based Payment) include obtainments of employee stock option certificates, restricted stock rewards, and participation of subscribing stock by cash injection, also counted in the compensations.

Names of Directors				
Total remuneration for the first four items (A+B+C+D)		Total remuneration for the first seven items (A+B+C+D+E+F+G)		
The Company (Note 10)	All the companies in the consolidated financial statement (Note 11)	The Company (Note 10)	All the companies in the consolidated financial statement (Note 11)	
Jiang-Ren Chang, An-Chung Ku, Keh-Her Shih, Chien-Yi Chang, Chih-Li Chen, Shao-Liang Chen, Wen-Ching Liu, Tar-Shing Tang, Tan Ho-Cheng, Jr-Tsung Huang	Jiang-Ren Chang, An-Chung Ku, Keh-Her Shih, Chien-Yi Chang, Chih-Li Chen, Shao-Liang Chen, Wen-Ching Liu, Tar-Shing Tang, Tan Ho-Cheng, Jr-Tsung Huang	Jiang-Ren Chang, Keh-Her Shih, Chien-Yi Chang, Chih-Li Chen, Shao-Liang Chen, Wen-Ching Liu, Tar-Shing Tang, Tan Ho-Cheng, Jr-Tsung Huang	Jiang-Ren Chang, Keh-Her Shih, Chien-Yi Chang, Chih-Li Chen, Shao-Liang Chen, Wen-Ching Liu, Tar-Shing Tang, Tan Ho-Cheng, Jr-Tsung Huang	
		An-Chung Ku	An-Chung Ku	
Cheng-Mount Cheng	Cheng-Mount Cheng	Cheng-Mount Cheng	Cheng-Mount Cheng	
11 people	11 people	11 people	11 people	

Note 6: Refers to recipients of employees' compensation (including stocks and cash) for concurrent directors and employees (including serving as president, Executive Vice presidents, other managerial officers, and employees.) in 2023, and the amount of employees' compensation approved by the board of directors shall be disclosed.

Note 7: The total amounts of directors' compensation paid by all companies (including this Company) and listed in this consolidation shall be disclosed.

Note 8: The net profit after tax in the parent-company-only financial statements of 2023.

Note 9: This Company's directors don't receive relevant compensations of others reinvested businesses which are neither subsidiaries nor parent company that were not disclosed in the above table.

Note 10: The Company pays each director the total amount of remuneration, and the name of director is disclosed in the attributable grade.

Note 11: The total amount of directors' compensation paid by all companies (including this Company) and listed in this consolidated statement shall be disclosed. Directors' names in the attributed bracket are omitted.

Note 12: Apart from the above disclosure, the directors' compensation from providing services (such as acting as non-employee advisers) for all of the listed companies in this financial statement: None.

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

3.3.2 Remuneration of President and Executive Vice Presidents

Title (Note 1)	Name	Salary (A) (Note 2)		Severance pay (B)	
		The Company	All the companies in the consolidated financial statement (Note 5)	The Company	All the companies in the consolidated financial statement (Note 5)
President	Shu-Chin Tu	37,290	46,542	0	0
Chief Strategy Officer & Senior Executive Vice President	Kuen-Rong Pai				
Chief Auditor & Executive Vice President	Li-Chuan Wang				
Chief Information Officer & Chief Information Security Officer & Executive Vice President	Der-Shi Tsao				
Chief Financial Officer & Senior Vice President	Yu-Wen Su				
Chief Marine Technology Officer & Senior Vice President	Jeng-Shong Jeng				
Chief Taiwan Operations Officer & Vice President	Ying-Tung Lin				
Chief Logistics Officer & Senior Vice President	Yi-Ta Wu				
Chief Commercial Officer & Senior Vice President	Ming-Hui Lee				
Chief Administrator Officer & Senior Vice President	Tseng-Yu Chiu				
Executive Vice President	Shih-Chou Lee				
Executive Vice President	Mei-Chi Shih				
Senior Vice President	Chao-Feng Chang				
Senior Vice President	Chien-Chang Tzeng				

Unit: NT\$Thousand

Bonus and allowances (C) (Note 3)		Employee remuneration (D) (Note 4)				Remuneration amount and ratio of total remuneration (A+B+C+D) to net income%(Note 6)				Remuneration amount from an invested company other than the Company's subsidiaries or parent company (Note 7)
The Company	All the companies in the consolidated financial statement (Note 5)	The Company		All the companies in the consolidated financial statement (Note 5)		The Company		All the companies in the consolidated financial statement (Note 5)		
		Cash	Stock	Cash	Stock					
10,881	10,881	2,892	0	2,892	0	51,063	1.07%	60,315	1.26%	None

Range of Remuneration

Range of remuneration paid to President and Executive Vice Presidents	
Under NT\$1,000,000	
NT\$1,000,000(included)~NT\$2,000,000 (excluded)	
NT\$2,000,000(included)~NT\$3,500,000 (excluded)	
NT\$3,500,000(included)~NT\$5,000,000 (excluded)	
NT\$5,000,000(included)~NT\$10,000,000 (excluded)	
NT\$10,000,000(included)~NT\$15,000,000 (excluded)	
NT\$15,000,000(included)~NT\$30,000,000 (excluded)	
NT\$30,000,000(included)~NT\$50,000,000 (excluded)	
NT\$50,000,000(included)~NT\$100,000,000 (excluded)	
Over NT\$100,000,000	
Total	

Note 1: The system of Appointed Managers took effect on August 1, 2021. Information of Appointed Managers (including those transferred to overseas subsidiaries) should be disclosed. There are fourteen Appointed Managers: President Shu-Chin Tu, Chief Strategy Officer & Senior Executive Vice President Kuen-Rong Pai, Chief Auditor & Executive Vice President Li-Chuan Wang, Chief Information Officer & Chief Information Security Officer & Executive Vice President Der-Shi Tsao, Chief Financial Officer & Senior Vice President Yu-Wen Su, Chief Marine Technology Officer & Senior Vice President Jeng-Shong Jeng, Chief Taiwan Operations Officer & Vice President Ying-Tung Lin, Chief Logistics Officer & Senior Vice President Yi-Ta Wu, Chief Commercial Officer & Senior Vice President Ming-Hui Lee, Chief Administrator Officer & Senior Vice President Tseng-Yu Chiu, Executive Vice President Shih-Chou Lee and Executive Vice President Mei-Chi Shih, Senior Vice President Senior Chao-Feng Chang, and Vice President Chien-Chang Tzeng.

Note 2: Salaries and allowances to this Company's President, EVPs and Appointed Managers in 2023.

Note 3: Compensations include salaries, allowance, separation pay, bonus, incentives, special disbursements, perquisites, accommodation, company cars, and other provided objects received by President, EVPs and Appointed Managers, but relevant compensations of NTD\$692 thousand paid to President's driver is excluded. In addition, the salary expenses recognized in the IFRS2 (Share-based Payment), including obtainments of employee stock option certificates, restricted stock rewards, and participation of subscribing stock by cash injection, are also counted in the compensations.

Note 4: Fill in the amount of employees' compensation in 2023 approved by the Board of Directors.

Note 5: The disclosure of total amounts of President's, EVPs' and Appointed Managers' compensations paid by all companies (including this Company) is listed in this consolidation.

	Names of President and Executive Vice Presidents	
	The company (Note 8)	All the companies in the consolidated financial statement (Note 9)
	Yu-Wen Su, Jeng-Shong Jeng, Ying-Tung Lin, Yi-Ta Wu, Ming-Hui Lee, Tseng-Yu Chiu, Shih-Chou Lee, Chao-Feng Chang, Chien-Chang Tzeng	Yu-Wen Su, Jeng-Shong Jeng, Ying-Tung Lin, Yi-Ta Wu, Ming-Hui Lee
	Kuen-Rong Pai, Li-Chuan Wang, Der-Shi Tsao, Mei-Chi Shih	Kuen-Rong Pai, Li-Chuan Wang, Der-Shi Tsao, Tseng-Yu Chiu, Chao-Feng Chang
	Shu-Chin Tu	Shu-Chin Tu, Shih-Chou Lee, Mei-Chi Shih, Chien-Chang Tzeng
	14 people	14 people

Note 6: The net profit after tax in the parent-company-only financial statements of 2023.

Note 7: This Company's President and EVPS didn't receive the relevant compensations of other reinvested businesses which are not subsidiaries or parent company remunerations that were not disclosed in the above table.

Note 8: The President and EVPs receive compensations paid by this Company and their names are disclosed in the attributed bracket.

Note 9: The disclosure of the total amounts of President's and EVPs' compensations paid by all companies (including this Company) is listed in this consolidation. The President and EVPs receive compensations paid by this Company and their names are disclosed in the attributed bracket.

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

3.3.3 Managers responsible for distribution of employee compensation

12.31.2023

	Title	Name	Employees' compensation in stock	Employees' compensation in stock	Total	Ratio of total amount to net income (%)
Managers	President	Shu-Chin Tu	0	9,774	9,774	0.20%
	Chief Strategy Officer & Senior Executive Vice President	Kuen-Rong Pai				
	Former Senior Executive Vice President	Tsai-Ding Chou				
	Chief Auditor & Executive Vice President	Li-Chuan Wang				
	Chief Information Officer & Chief Information Security Officer & Executive Vice President	Der-Shi Tsao				
	Former Executive Vice President	Tair-Shing Chia				
	Chief Financial Officer & Senior Vice President	Yu-Wen Su				
	Chief Marine Technology Officer & Senior Vice President	Jeng-Shong Jeng				
	Chief Taiwan Operations Officer & Senior Vice President	Ying-Tung Lin				
	Chief Logistics Officer & Senior Vice President	Yi-Ta Wu				
	Chief Commercial Officer & Senior Vice President	Ming-Hui Lee				
	Chief Administrator Officer & Senior Vice President	Tseng-Yu Chiu				
	Former Chief Logistics Officer & Senior Vice President	Kou-Liang Huang				
	Former Chief Administrator Officer & Executive Vice President	Hsiu-Chi Ho				
	Executive Vice President	Shih-Chou Lee				
	Executive Vice President	Mei-Chi Shih				
	Senior Vice President	Chao-Feng Chang				
	Senior Vice President	Chien-Chang Tzeng				
	Senior Vice President	Shyi-Chang Chang				
	Former Senior Vice President	Tien-Shun Wu				
	Vice President	Tung-Hai Chen				
	Vice President	Ping-Jen Tseng				
	Vice President	Leng-Hui Wang				
	Vice President	Pao-Lin Lee				
	Vice President	Chun-Chieh Lu				
	Vice President	Men-Huo Tsai				
	Vice President & Finance Supervisor	Shu-Hui Ou				
	Vice President	Li-Wen Liu				
	Vice President	Mei-Ling Chung				
	Vice President	Hann-Sy Hwang				
	Vice President	Lung-Fu Chen				
	Vice President & Corporate Governance Supervisor	Ting-Yu Lu				
	Vice President & Accounting Supervisor	Kuan-Sheng Fu				
	Vice President	Chia-Wen Chiang				
	Vice President	An-Chung Ku				
	Vice President	Hung-Chung Chien				
	Vice President	Chin-Jung Lee				
	Vice President	Chen-To Lin				
	Vice President	Der-Ren Li				
	Vice President	Yi-Jia Su				
Vice President	Chia-Feng Lee					
Vice President	Yen-Pang Chen					
Vice President	Hsin-Wen Chang					
Vice President	Chao-Hung Chen					
Vice President	Chia-Ju Lin					
Vice President	Wen-Chu Chou					
Vice President	Chun-Chih Wang					
Vice President	Jan-Tsung Lu					
Vice President	Chih-Cheng Chang					
Vice President	Hsieh-Wen Liu					
Senior Manager of Risk Control Office	Pen-Sung Chou					
Former Vice President	Shun-Chin Yang					
Former Vice President	Chih-Yang Lung					

Title		Name	Employees' compensation in stock	Employees' compensation in stock	Total	Ratio of total amount to net income (%)
Managers	Former Vice President	Szu-Hui Yang	0	9,774	9,774	0.20%
	Former Vice President	Chyi-Yu Chou				
	Former Deputy Vice President of Taichuang Branch	Chin-Hung Chung				

Note 1: The amount of employees' compensation for managers in 2023.

Note 2: Net income is the profit after tax in the parent-company-only financial statements of 2023.

Note 3: The scope of application of the manager is based on the letter dated March 27, 2003 from the Financial Supervisory Commission R.O.C. (Taiwan). The scope of the Taiwanese Certificate of Finance (Tai-Cai-Zheng-San-Zi), No. 0920001301, is as follows.

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

Note 4: Appointed Managers (including those already transferred to overseas subsidiaries) are also included in the above table.

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

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

Unit: NT\$ Thousand

Item	The Company				All companies in the consolidated financial statement			
	Y2022		Y2023		Y2022		Y2023	
	Amount	Proportion of net profit after tax	Amount	Proportion of net profit after tax	Amount	Proportion of net profit after tax	Amount	Proportion of net profit after tax
Director	101,434	0.06%	25,611	0.54%	101,434	0.06%	25,611	0.54%
President, EVPs and Appointed Managers	112,372	0.06%	51,063	1.07%	117,019	0.06%	60,315	1.26%
Net profit after tax	180,591,942	-	4,774,106	-	180,591,942	-	4,774,106	-

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

The total remuneration of directors in 2023 decreased compared with that in 2022, which was due to the decrease in net income after tax in 2023. The total remuneration of the general manager and deputy general manager decreased compared with that in 2022, which was due to the decrease in bonus payments.

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

(1) Remuneration policies, standards, and compositions

A. In accordance with the Article 11-1 of *Incorporation of Yang Ming Marine Transport Corporation*, remuneration for the Chairman and Board of Directors should be determined by the Board of Directors based on the level of participation, value contributed, and remuneration levels of similar industries. Industry standard refers to the annual remuneration of equivalent positions in the shipping industry. Additionally, if there is net profit at the year's end, no more than 2% of the net profit shall be allocated to the Directors in accordance with the Article 18 of *Incorporation of Yang Ming Marine Transport Corporation*.

Independent directors do not participate in the distribution of director remuneration. The remuneration of the chairman and directors is reviewed by the Remuneration Committee and the Board of Directors.

- B. The remuneration of the Company's managers is paid according to the responsibilities of the assigned positions and in consideration of the level of peers. If any adjustments need to be made in line with the changes in market salary levels, they must first be submitted to the Remuneration Committee for deliberation as required by relevant laws, and then reported to the Board of Directors for approval. In addition to the one-month Lunar New Year bonus, if the Company has an annual profit, the performance bonus will be awarded according to the *Annual Performance Bonus Measures for Shore Employees* in accordance with the performance bonus calculation formula where managers are rewarded for their contribution and dedication to work. Relevant bonuses are also awarded depending on the company's annual operating performance, financial status, operating status and personal work performance. In addition, if the Company makes profits in the current year, 1% to 5% should be allocated as employee compensation according to Article 18 of the *Incorporation of Yang Ming Marine Transport Corporation*. The Company evaluates the performance of managers through a rigorous evaluation system, which includes the Company's profit and loss measurement, and leadership, including strategic planning, succession planning, and work attitudes. After fully considering factors such as their participation in the Company's operations and personal rights and responsibilities, the remuneration of each position would be approved to reduce future risks.
- C. The composition of the Company's remuneration is determined in accordance with the organizational regulations of the Remuneration Committee, including cash remuneration, stock options, dividends, retirement benefits or resignation benefits, various allowances, and other measures with substantial rewards. The remuneration of directors, independent directors and managers are consistent with the standards for recorded matters.

(2) Procedures for determining remuneration

- A. In order to regularly evaluate the remuneration of directors and managers, the Company's *Performance Evaluation Measures for the Board of Directors and Functional Committees* and the performance evaluation results of applicable managers and employees are used as the basis. The remuneration of the Chairman and President is determined by referring to the *Reference Table for remuneration for Hosts of Public Enterprises Subordinated to the Ministry of Communications* and the Company's operating performance indicators. The remuneration is then submitted to the Board of Directors for approval, highlighting the importance of operating performance indicators. The Company's operating performance indicators are based on the annual operating indicators related to operations, average productivity per employee, and financial results. The evaluation criteria include total assets, operating income, net profit before tax, net profit after tax, growth rate, and average employee productivity indicators.

B. The Company's directors and managers' relevant performance evaluation and remuneration rationality are regularly performed and reviewed by the Remuneration Committee and the Board of Directors every year. In addition to individual's performance achievement and contribution, the Company's overall operating performance, the future of the industry, risks and development trends, as well as reviewing the remuneration system are also considered at any time according actual business operation and relevant laws and regulations. In addition, considering the current trend of corporate governance, reasonable remuneration is given to achieve a balance between the Company's sustainable operation and risk control. The actual amount of remuneration for directors and managers in 2023 was reviewed by the Remuneration Committee and then submitted to the Board of Directors meeting for approval.

(3) Business performance and future risks

A. Under the remuneration policy, payment standard and system review is based mainly on the Company's overall operating status. The payment standard is approved based on the performance achievement rate and contribution, which can improve the effectiveness of the Board of Directors and the management. The salary standard of the industry is also considered to ensure that the Company's salary scheme is competitive, which in turn can lead to well retention of management talents.

B. The managers are encouraged to participate in the Company's shareholding trust. Also, the Company allocates 30% of subsidies to the purchase of Company stocks, thereby encouraging managers to hold the stocks for a long time, that is, to sail with YM in the business cycle of tomorrow.

3.3.5 Strengthening disclosure: This Company's Compensation Committee regularly adjusts directors' and managerial officers' performance evaluation, remuneration policy, system, standard, and structure.

3.4 Corporate Governance Status

3.4.1 Board of Directors meetings

8 meetings (A) were convened in 2023. The attendance is as follows.

Title	Name	Attendance in person (B)	By proxy	Attendance rate in person (%) (B/A)	Remarks
Chairman	Cheng-Mount Cheng (Corporate Representative of the MOTC)	8	0	100%	-
Director	Jiang-Ren Chang (Corporate Representative of the MOTC)	8	0	100%	-
Director	An-Chung Ku (Corporate Representative of the MOTC)	8	0	100%	-
Director	Keh-Her Shih (Corporate Representative of the NDF)	6	2	75%	-
Director	Chien-Yi Chang (Corporate Representative of the NDF)	6	2	75%	-
Director	Chih-Li Chen (Corporate Representative of the NDF)	8	0	100%	-
Director	Shao-Liang Chen (Corporate Representative of the TIPC)	5	3	63%	-
Director	Wen-Ching Liu (Corporate Representative of the TNC)	7	1	88%	-
Independent Director	Tar-Shing Tang	8	0	100%	-
Independent Director	Tan Ho-Cheng	5	0	100%	Took office after independent directors by-election on May 26, 2023. Required attendance of Board of Directors meetings in 2023 is 5 times.
Independent Director	Jr-Tsung Huang	4	1	80%	Took office after independent directors by-election on May 26, 2023. Required attendance of Board of Directors meetings in 2023 is 5 times.

Other matters to be stated:

- Where the Board encounters the following situations, the minutes concerned shall clearly state the meeting date, term, motion, opinions of all the independent directors and the Company's resolution of said opinions.
 - According to Article 14-5 of the Securities and Exchange Act, matters specified in Article 14-3 of the same Act do not apply to Yang Ming.
 - Unless otherwise stated, in addition to resolutions, a written record or declaration of opposition or disqualification expressed by independent directors: None.
- Where a director recuses himself/herself due to a conflict of interest, the minutes shall clearly state the director's name, motion, the reason for avoiding conflict of interest and participation in the voting process.

Director	Motion	Reason for avoiding conflict of interest	Participation in the voting process
Cheng-Mount Cheng	Chairman and President's remunerations 2023 performance assessment and bonus, and 2024 pay raise for managerial officers and department heads	The motion concerned the interest of Director Cheng- Mount Cheng	Recused from discussion and voting

Director	Motion	Reason for avoiding conflict of interest	Participation in the voting process
Shao-Liang Chen	The second phase lease term of leasing and operation of terminal and other facilities at Kaohsiung Port from subsidiaries	The motion concerned the corporate interests represented by Director Shao-Liang Chen and himself	Recused from discussion and voting
Keh-Her Shih	Authorization for signing Letter of Intent (LOI) of collaboration program Credit term and derivatives trading quota negotiation with financial institutions	The motion concerned the interest of Director Keh-Her Shih	Recused from discussion and voting
Jr-Tsung Huang	Donation to National Chengchi University	The motion concerned the interest of Director Jr-Tsung Huang	Recused from discussion and voting

3. In order to enhance corporate governance and the Board's functions, Yang Ming has set up the Board operation efficiency performance target and formulated the regulations governing the assessment of the Board and functional committee's performance. The following is the information of the Board and functional committee performance assessment of 2023. Refer to 3.4.6 for performance assessment results, the Company's implementation of corporate governance, and any departure from such implementation in the *Corporate Governance Best Practice Principles* for TWSE/TPEX Listed Companies, and the reasons for such departure.

Frequency	Year	Range	Methods	Contents
Yearly	2023	The Board, individual directors and functional committees	Internal self-evaluation by the Board, Board members, and functional committee members	<p>1. The performance assessment of the Board includes participation in Yang Ming's operations, quality improvement of the Board's decisions, composition and structure of the Board, election and continuing education of directors, and internal control.</p> <p>2. The performance assessment of individual directors includes a solid understanding of the goals and tasks of Yang Ming, director's responsibilities, participation in Yang Ming's operations, management and communication of internal relations, professional and continuing education of directors, and internal control.</p> <p>3. The performance assessment of functional committees includes participation in Yang Ming's operations, functional committees' responsibilities, quality of functional committee's decisions, composition and selection of functional committees, and internal control.</p>

4. Areas of enhancing the Board's functions in current and recent years (e.g. establishment of the Audit Committee, improvement of information transparency), and the progress of such enhancement are as follows.

- (1) Improvement in information transparency: Yang Ming operates transparently, cares about the shareholders' rights and interests, and notifies stakeholders of crucial resolutions immediately after the Board meetings. Yang Ming's *Procedures for Handling Material Inside Information* stipulates sound mechanisms for the handling and disclosure of internal information and for improving information transparency.
- (2) Yang Ming established the Standard Operating Procedure for Handling Directors' Requests on March 25, 2019, providing appropriate and timely assistance to directors to fulfill responsibilities and to improve Board's effectiveness.
- (3) In order to enhance professional knowledge, directors regularly participate in continuing education according to the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies. According to relevant policies, directors' and independent directors' CPE hours in 2023 should be 72 hours; the actual total CPE hours were 105 hours.
- (4) The Board reached a resolution for the establishment of the Risk Management Committee on April 15, 2022 to strengthen its supervision and risk management capabilities and to advise on risk management policies and key operations of the Company. Considering its similar authorities and functions to the Special Project Committee, the Board also reached a resolution on abrogating said Committee after the completion of the member appointment of the Risk Management Committee on October 14, 2022.

3.4.2 Composition and operation of the Audit Committee and supervision

Yang Ming established the Audit Committee on June 14, 2013. The members of the 4th Audit Committee are composed of independent director Tar-Shing Tang (convener), former independent director Tze-Chun Wang, and former independent director Jei-Fuu Chen. The term of the 4th Audit Committee began on May 14, 2021 and ends on May 13, 2024. Due to personal arrangements, former independent director Tze-Chun Wang and Jei-Fuu Chen resigned on September 3, 2022. Independent director Tan Ho-Cheng and independent director Jr-Tsung Huang were elected at the 2023 Annual Shareholders' Meeting and took office on May 26, 2023. The responsibilities of the Audit Committee are as follows.

1. Main responsibilities of the Audit Committee

- (1) Implement or adjust the internal control systems pursuant to Article 14-1 of the *Securities and Exchange Act*.
- (2) Assess the effectiveness of the internal control system.
- (3) Adopt or amend the procedures for conducting financial or business activities such as acquisition or disposal of assets, derivatives trading, monetary loans to others, as well as providing endorsement or guarantee to others, pursuant to Article 36-1 of the *Securities and Exchange Act*.
- (4) Handle matters where a director is an interested party.
- (5) Handle material assets and derivatives transactions.
- (6) Handle material monetary loans or endorsement, or provision of guarantee.
- (7) Conduct public offering, issuance, or private placement of equity-type securities.
- (8) Conduct appointment, dismissal, or compensation of certified public accountants.
- (9) Conduct appointment and dismissal of chief financial officer, chief accounting officer, or Chief Auditor.
- (10) Conduct effective oversight of annual financial reports signed or sealed by chairman, managerial officer and chief accounting officer, and semi-annual financial reports through auditing by certified public accountants.
- (11) Handle any other matters so required by Yang Ming or by the competent authorities.

2. Annual tasks of the Audit Committee in 2023

- (1) Review material asset transactions, the terms and conditions of LOIs and MOUs.
- (2) Review pre-approval procedures and the list of items for non-assurance services provided to the Company and subsidiaries by the CPA accounting firms and its global members.
- (3) Review 2024 business plans, budget, and audit plans.
- (4) Review proposals for capital injection, extension of loaning funds, liquidation and authorization to engage in financial instruments and investment to subsidiaries.
- (5) Review the *Accounting System Procedures, Regulations Governing Operating Procedures for Financial Instruments, New Vessel Building Procedures, and Rules Governing Financial and Business Matters Between the Company and its Affiliated Enterprises*.

3. Implementation status of the Audit Committee

5 meetings (A) were convened in 2023. The attendance is as follows.

Title	Name	Attendance in person (B)	By proxy	Rate of attendance in person (%) (B/A)	Remarks
Independent Director (Convener)	Tar-Shing Tang	5	0	100%	-
Independent Director	Tan Ho-Cheng	5	0	100%	Took office after the independent directors' by-election on May 26, 2023.

Title	Name	Attendance in person (B)	By proxy	Rate of attendance in person (%) (B/A)	Remarks
Independent Director	Jr-Tsung Huang	5	0	100%	Took office after the independent directors' by-election on May 26, 2023.

Other matters:

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

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

Audit Committee meeting	Motion	Independent directors' feedback	Audit Committee's resolution	The Company's Resolution regarding Audit Committee's feedback
The 78 th Meeting June 13, 2023	Purchasing three 14,000 TEU full-container vessels from long-term time charter ship owner		Approved by all the independent directors in attendance.	All the directors in attendance agreed to make recorded vote. Reviewed and approved to authorize the management department to implement in accordance with the resolution from the Board.
	Self-built Bangkokmax full-container vessels	-	Approved by all the independent directors in attendance; the management department is advised to provide additional information according to independent directors' suggestions and re-submit to the Audit Committee for approval.	-
	2023 overaged reefer containers disposal and containers purchasing plan		All independent directors approved the disposal and purchasing plan and revised the requested authorized amount.	Reviewed and approved by all the directors in attendance.
	Cash capital injection to subsidiaries		Approved by all the independent directors in attendance.	
The 79 th Meeting July 31, 2023	Amendment to accounting system procedures	-	Approved by all the independent directors in attendance.	Reviewed and approved by all the directors in attendance.
	Extension of loaning funds limit to subsidiaries			
	Liquidation to subsidiaries			
The 80 th Meeting September 15, 2023	2023 containers purchasing plan	-	Approved by all the independent directors in attendance; the management department is advised to submit additional information according to independent directors' suggestions to the Board for approval.	Reviewed and approved by all the directors in attendance.
	Amendment to the Regulations Governing Operating Procedures for Financial Instruments		Approved by all the independent directors in attendance.	
	Authorization for subsidiaries to invest in financial instruments			
The 81 st Meeting October 27, 2023	Purchasing two 14,000 TEU full-container vessels from long-term time charter ship owner	The management department is advised to do careful risk evaluation and provide complete information and analysis.	No deliberation from the Audit Committee; independent directors did not express objections nor reserved opinions. The management department could forward the motion directly to the Board for approval.	Reviewed and approved by all the directors in attendance. The management department was authorized to implement the said matter in accordance with the resolution from the Board.

Audit Committee meeting	Motion	Independent directors' feedback	Audit Committee's resolution	The Company's Resolution regarding Audit Committee's feedback
The 81 st Meeting October 27, 2023	Amendment to <i>New Vessel Building Procedures</i>	-	Approved by all the independent directors in attendance; the management department is advised to revise information according to independent directors' suggestions and submit to the Board for approval.	Reviewed and approved by all the directors in attendance.
	Pre-approval Procedures for Non-Assurance services by the CPA accounting firms and its global members, and the list of items and independence evaluation for non-assurance services		The motion is withdrawn by the management department.	
The 82 nd Meeting December 08, 2023	Pre-approval Procedures for Non-Assurance services by the CPA accounting firms and its global members, and the list of items and independence evaluation for non-assurance services	The management department is advised to discuss clear division of responsibilities for implementation.	Approved by all the independent directors in attendance.	Presented and reported to the Board and acknowledged by all the directors in attendance.
	Purchasing vessels by subsidiaries <i>Establishment Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises</i>			

(2) Information other than the aforementioned matters, namely proposals not approved by the Audit Committee but by more than two-thirds of the directors.

Board meeting	Motion	Independent directors' feedback	Board's resolution
The 381 st Meeting January 13, 2023	2023 business plan	-	Reviewed and approved by all the directors in attendance.
	2023 budget plan Scrubber installations on self-owned container vessels		
The 382 nd Meeting March 09, 2023	2022 business report 2022 financial statements	-	Reviewed and approved by all the directors in attendance. Director Keh-Her Shih abstained from voting due to the management department should still balance sustainable development and shareholders' interests. Reviewed and authorized the management department to distribute cash dividend of TW\$20 per share by other directors in attendance.
	2022 Earnings distribution Amendment to the <i>Regulations Governing the Acquisition and Disposal of Assets of the Company</i>		

Board meeting	Motion	Independent directors' feedback	Board's resolution
The 382 nd Meeting March 09, 2023	2022 self-assessment audit report and statement of internal control system	-	Reviewed and approved by all the directors in attendance.
	Extension of loaning funds limit to subsidiaries		Director Shao-Liang Chen recused from discussion and voting to avoid conflict of the corporate interests represented by himself and his own interests. Reviewed and approved by other directors in attendance.
	The second phase lease term of leasing and operation of terminal and other facilities at Kaohsiung Port from subsidiaries		Reviewed and approved by all the directors in attendance and the management department was authorized to participate in the urban renewal process, negotiations, and sign necessary legal documents.
	The value of resettlement rights and suggestions of housing selections regarding participation in the urban renewal project		Reviewed and approved by all the directors in attendance; the management department is advised to adjust relevant clauses according to directors' suggestions.
	Establishment of <i>Long-term Equity Investment Regulations of the Company</i>		Reviewed and approved by all the directors in attendance. Chairman Cheng-Mount Cheng, Independent Director Tar-Shing Tang, and Director Chien-Yi Chang were elected to be the negotiation team members. Chairman Cheng-Mount Cheng was appointed the chairman of the negotiation meetings to sign Letter of Intent (LOI) with the shipyard.
	Confirmation of directors joining negotiation team for new vessel building and authorization to the meeting chairman for signing the Letter of Intent (LOI) with shipyards		Reviewed and approved by all the directors in attendance.
The 383 rd Meeting May 12, 2023	Evaluation of the certified CPA's independence and suitability and compensation of CPAs	-	Reviewed and approved by all the directors in attendance.
	Approval of the primary and secondary shipyards regarding new vessel building and authorization for contract price	Independent Director Tar-Shing Tang abstained from voting with no objections or reserved opinions for the motion considering rapid changes in environmental regulations, fuel development, and geo-economics, the existing information is insufficient to enable any decision-making with a positive impact on the Company.	Director Keh-Her Shih, Director Wen-Ching Liu, Independent Director Tar-Shing Tang abstained from voting. Independent Director Tar-Shing Tang abstained from voting with no objections or reserved opinions for the motion considering rapid changes in environmental regulations, fuel development, and geo-economics, the existing information is insufficient to enable any decision-making with a positive impact on the Company. Reviewed and approved the primary and secondary shipyard, contract, and supplementary price by other directors in attendance.
	Amendment to the <i>Internal Audit Implementation Rules</i>	-	Reviewed and approved by all the directors in attendance.

*Note: Due to the resignation of former independent directors Tze-Chun Wang and Jei-Fuu Chen on September 03, 2022, the Audit Committee meetings could not be held as Tar-Shing Tang is the only incumbent independent director (convener). As such, all motions need to be approved by the Audit Committee are submitted to the Board directly and must be approved by more than two-thirds of the directors and published accordingly on September 03, 2022 onwards. Independent director Tan Ho-Cheng and independent director Jr-Tsung Huang were elected at the 2023 Annual Shareholders' Meeting and took office on May 26, 2023. The Audit Committee meeting resumed in June, 2023.

2. Where an independent director recuses himself/herself due to a conflict of interest, the minutes shall clearly state the independent director's name, motion, the reason for avoiding conflict of interest and participation in the voting process: None.
3. Communication between independent directors and Chief Auditor and certified public accountants (which should include concrete matters, methods, and results relating to corporate finance and business affairs) is as follows.

(1) Yang Ming's Chief Auditor should be present at Board and functional committee meetings, regularly communicate and explain auditing reports and other relevant matters to the independent directors, and have informal discussion at the end of the year. The topics for communication in 2023 are as follows.

Date	Communication Method	Topics for Communication	Results
01.13.2023	The 381 st Board Meeting	Internal audit follow-up report up to November 2022	Independent directors raised no objections
03.09.2023	The 382 nd Board Meeting	1. Report on internal control system, self-testing results, and statement of internal control system for the year 2022 2. Internal audit follow-up report up to January 2023	Independent directors raised no objections
05.12.2023	The 383 rd Board Meeting	1. Amendment to the <i>Enforcement Rules of Internal Audit</i> 2. Internal audit follow-up report up to March 2023	Independent directors raised no objections
06.21.2023	The 384 th Board Meeting	Internal audit follow-up report up to April 2023	Independent directors raised no objections
08.11.2023	The 385 th Board Meeting	Internal audit follow-up report up to June 2023	Independent directors raised no objections
09.07.2023	Individual communication between independent director and Chief Auditor	1. Internal audit report for the year 2023 2. Cases assigned by the Board of Directors 3. Future work plans	Follow-up according to independent directors' suggestions
09.27.2023	The 386 th Board Meeting	Internal audit follow-up report up to July 2023	Independent directors raised no objections
11.10.2023	The 387 th Board Meeting	Internal audit follow-up report up to September 2023	Independent directors raised no objections
12.08.2023	The 82 nd Audit Committee Meeting	Internal audit plan for the year 2024	Independent directors raised no objections
12.22.2023	The 388 th Board Meeting	1. Internal audit follow-up report up to October 2023 2. Internal audit plan for the year 2024	Independent directors raised no objections

(2) Yang Ming's CPAs should regularly report audit and review financial statements, and matters related to relevant laws at least once quarterly to the independent directors, the Audit Committee and Board, and should have direct communication with independent directors quarterly. The topics for communication in 2023 are as follows.

Date	Communication Methods	Topics of Communication	Results
03.09.2023	Individual communication between independent directors and certified public accountants	1. Audit method and opinion on the financial statements for the year 2022 2. Group audit 3. Key audit items 4. Other major events in 2022 5. Suggestions 6. Regulatory developments	Independent directors raised no objections
	The 382 nd Board Meeting	Financial statements for the year 2022	
05.12.2023	Individual communication between independent directors and certified public accountants	1. Audit method, range and conclusion on the financial statements for Q1 2023 2. Key accounting items	Independent directors raised no objections
	The 383 rd Board Meeting	Consolidated financial statements for Q1 2023	
08.11.2023	Individual communication between independent directors and certified public accountants	1. Audit method, range and conclusion on the financial statements for Q2 2023 2. Key accounting items	Independent directors raised no objections
	The 385 th Board Meeting	Consolidated financial statements for Q2 2023	
11.10.2023	Individual communication between independent directors and certified public accountants	1. Audit method, range and conclusion on the financial statements for Q3 2023 2. Key accounting items	Independent directors raised no objections
	The 387 th Board Meeting	Consolidated financial statements for Q3 2023	

4. Given that the Audit Committee is set up by the Company, there is no participation in board meetings by the supervisors.

3.4.3 The composition, duties, and operation of the Compensation Committee

Yang Ming passed the resolution to establish the Compensation Committee at the 278th Board meeting on July 06, 2011. The Compensation Committee must include three members appointed by the Board and over half of the members are independent directors. The 358th Board meeting reached a resolution for the appointment of independent director Tar-Shing Tang (as convener), former independent director Tze-Chun Wang, and former independent director Jei-Fuu Chen as the members of the 5th Compensation Committee on May 14, 2021. The term of the 5th Compensation Committee began on May 14, 2021 and ends on May 13, 2024. Due to the resignation of former independent directors Tze-Chun Wang and Jei-Fuu Chen on September 3, 2022, independent director Tar-Shing Tang was the only member and convener of Compensation Committee. Therefore, the board reached a resolution to conduct supplementary appointment on November 11, 2022 according to relevant regulations. The term of the temporary members (Kuen-Yow Hu, Chiou-Ling Huang, Yau-Jr Liu, and Kuang-Hsun Shih) began on November 11, 2022 and ends until the completion of 20th independent director re-election at the shareholders' meeting in 2023. The 384th Board meeting reached a resolution for the appointment of new independent directors Tan Ho-Cheng and Jr-Tsung Huang as members of the 5th Compensation Committee on June 21, 2023. All members of Compensation Committee agreed and elected the independent director Tan Ho-Cheng as the convener.

1. Responsibilities of the Compensation Committee

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

2. Members of the Compensation Committee

Identity (Note 1)	Qualification		Independent criteria	Number of other Taiwanese public companies concurrently serving as a member of the Compensation Committee
	Name	Professional criteria and experience		
Independent Director (Convener)	Tan Ho-Cheng	Please refer to 3.2.1.3. Information of Directors (Including independent directors)		2
Independent Director	Tar-Shing Tang			0
Independent Director	Jr-Tsung Huang			0
Other (Former Temporary Member)	Kuen-Yow Hu	Kuen-Yow Hu is a former member of the Compensation Committee. He is the principal attorney-at-law with Hu & Associates Attorneys-At-Law and is well-versed in legal affairs. His professional affiliation is not in violation of the circumstances stipulated in Article 30 of the <i>Company Act</i> .	Has met the independent criteria in Article 6 of the <i>Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange</i> .	0
Other (Former Temporary Member)	Chiou-Ling Huang	Chiou-Ling Huang is a former member of the Compensation Committee. She is the President of Excel Strategy Financial Advisory Ltd. She is a certified public accountant (CPA) and is well-versed in accounting. Her professional affiliation is not in violation of the circumstances listed in Article 30 of the <i>Company Act</i> .	Has met the independent criteria regulated in Article 6 of the <i>Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange</i> .	0

Identity (Note 1)	Qualification		Professional criteria and experience	Independent criteria	Number of other Taiwanese public companies concurrently serving as a member of the Compensation Committee
	Name				
Other (Former Temporary Member)	Yau-Jr Liu		Yau-Jr Liu is a former member of the Compensation Committee. He is the Vice-President and the Dean of Research and Development of Taipei University of Marine Technology. His professional affiliation is not in violation of the circumstances listed in Article 30 of the <i>Company Act</i> .	Has met the independent criteria regulated in Article 6 of the <i>Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange</i> .	1
Other (Former Temporary Member)	Kuang-Hsun Shih		Kuang-Hsun Shih is a former member of the Compensation Committee. He is the President and the Professor of Department of Banking and Finance of CTBC Business School. His professional affiliation is not in violation of the circumstances listed in Article 30 of the <i>Company Act</i> .	Has met the independent criteria regulated in Article 6 of the <i>Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange</i> .	3

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

3. Compensation Committee meeting

4 meetings (A) were convened by the Compensation Committee in 2023. The attendance is as follows.

Title	Name	Attendance in person (B)	By proxy	Rate of attendance in person (%) (B/A)	Remarks
Independent Director (Convener)	Tan Ho-Cheng	2	0	100%	Took office on June 21, 2023.
Independent Director	Tar-Shing Tang	4	0	100%	-
Independent Director	Jr-Tsung Huang	2	0	100%	Took office on June 21, 2023.
Former Temporary Member	Kuen-Yow Hu	2	0	100%	Took office on November 10, 2022. Term of office expired on May 26, 2023.
Former Temporary Member	Chiou-Ling Huang	2	0	100%	Took office on November 10, 2022. Term of office expired on May 26, 2023.
Former Temporary Member	Yau-Jr Liu	1	0	50%	Took office on November 10, 2022. Term of office expired on May 26, 2023.
Former Temporary Member	Kuang-Hsun Shih	2	0	100%	Took office on November 10, 2022. Term of office expired on May 26, 2023.

Other matters:

- If the Board does not adopt or amend the Compensation Committee's suggestions, the minutes concerned shall clearly state the meeting date, term, motions, Board's resolutions and the Company's resolution regarding Compensation Committee's feedback: None.
- For resolution(s) made by the Remuneration Committee with the committee members voicing opposing or qualified opinions on the record or in writing, the minutes concerned shall clearly state the meeting date, term, motions, and feedback of all the members and the Company's resolution on the said feedback: Please refer to 3.
- The motions, resolutions, and the Company's resolution on Compensation Committee's opinions in 2023 are as follows.

Compensation Committee Meeting	Motion	Members' dissenting or qualified opinions or suggestions	Compensation Committee's Resolution	The Company's Resolution regarding Compensation Committee's feedback
The 46 th meeting February 22, 2023	2022 distribution of compensation for employees and directors	The Company is advised to provide employees with clear instructions regarding the rights and obligations, as well as the advantages and disadvantages to avoid further disputes.	Approved by all the members in attendance.	Except for director Keh-Her Shih abstained from voting on the employees' compensation installment plans after reviewing suggestions from member Kuang-Hsun Shih and Chiou-Ling Huang in the 46 th Compensation Committee meeting; reviewed and approved by other directors in attendance.
	Appointment and discharge of managerial officers	-	Approved by all the members in attendance. As for the personnel change of overseas subsidiaries, the management department should submit the remuneration packages in accordance with the FSC guideline and suggestions of the members to the next Compensation Committee meeting for reference.	Reviewed and approved by all the directors in attendance.
The 47 th meeting April 28, 2023	2022 employees' compensation distribution of managerial officers and department heads	The company is advised to consider the overall system and specify relevant rules in the employment contract.	Approved by all the members in attendance.	Reviewed and approved by all the directors in attendance.
	Appointment and discharge of managerial officers	-		
The 48 th meeting September 15, 2023	Salary raises for employees (including managerial officers and department heads)	The company is advised to take competitors' salary level as reference and discuss the direction and timetable for adjustment and formulation of compensation policy and structure.	Approved by all the members in attendance; the management department is advised to discuss related proposal and submit to the Compensation Committee and the Board.	Reviewed and approved by all the directors in attendance; the management department should discuss the long-term compensation system and submit to the Compensation Committee and the Board.

Compensation Committee Meeting	Motion	Members' dissenting or qualified opinions or suggestions	Compensation Committee's Resolution	The Company's Resolution regarding Compensation Committee's feedback
The 49 th meeting December 8, 2023	2023 performance bonus for employees	The Human Resources department is advised to consider performance assessment and bonus, talent recruitment, and compensation for the management and formulate a reasonable and sound system.	Approved by all the members in attendance.	Submitted to the Board for review and approved by all the directors in attendance.
	2023 performance assessment, bonus, and 2024 salary raises for managerial officers and department heads	-	Approved by all the members in attendance. In accordance with members' suggestions and related regulations, the management department is advised to submit 2023 performance assessments and bonus of the Chairman and President to the Board.	1. Reviewed and approved by all the directors in attendance. 2. Director Cheng-Mount Cheng recused himself from discussion and voting because the motion concerned his own interest. The 2023 performance assessments and bonus of the Chairman and President were reviewed and approved by other directors in attendance.

3.4.4 The composition, duties, and operation of the Risk Management Committee

The Board of Yang Ming approved resolution to establish the Risk Management Committee at the 372nd Board meeting on April 15, 2022. The Risk Management Committee consists of 5 to 7 members and the independent director is the ex officio member. The members of the 1st Risk Management Committee are independent director Tar-Shing Tang, chairman Cheng-Mount Cheng, director Keh-Her Shih, director Chih-Li Chen, and director Wen-Ching Liu, who were appointed at the 378th Board meeting on October 14, 2022. The former term of the 1st Risk Management Committee is from October 14, 2022 to May 13, 2024. Later, the Company completed by-election of independent directors in the 2023 Shareholders' Meeting and approved the appointment of Chairman Cheng-Mount Cheng, independent director Tar-Shing Tang, independent director Tan Ho-Cheng, independent director Jr-Tsung Huang, and director Chih-Li Chen as members of the Risk Management Committee at the 384th Board meeting. All the members agreed and elected independent director Jr-Tsung Huang as the convener of the Risk Management Committee. Among Risk Management Committee members, independent director Tar-Shing Tang is a legal expert, chairman Cheng-Mount Cheng possesses extensive experience in the financial field, independent director Jr-Tsung Huang possesses expertise in economics, independent director Tan Ho-Cheng and director Chih-Li Chen possesses a great deal of knowledge and experience in shipping industry.

1. Responsibilities of the Risk Management Committee

- (1) Review the risk management policy, structure, system, specifications, risk appetite and tolerance of the Company, and make necessary adjustments when the environment changes.
- (2) Review the measures of important risk loss incidents.
- (3) Review the warning systems of important risk management matters.
- (4) Advise on solutions and mechanism of important contractual disputes.
- (5) Advise on financial risks such as financing, interest rate, exchange rate, liquidity and solvency.
- (6) Advise on material adjustments to Yang Ming's organization.
- (7) Report risk management implementation to the Board quarterly.

(8) Handle important risk matters requested by administration authority, the Company, and the Board.

If the above items are listed in Article 14-5 of the *Securities Exchange Act*, the Audit Committee shall refer to the provisions of the *Risk Management Committee Charter*.

2. The Risk Management Committee meetings

4 meeting (A) was convened by the Risk Management Committee in 2023. The attendance is as follows.

Title	Name	Attendance in person (B)	By proxy	Rate of attendance in person (%) (B/A)	Remarks
Independent Director (Convener)	Jr-Tsung Huang	3	0	100%	Took office on June 21, 2023.
Independent Director	Tar-Shing Tang	4	0	100%	-
Independent Director	Tan Ho-Cheng	3	0	100%	Took office on June 21, 2023.
Chairman	Cheng-Mount Cheng	3	1	75%	-
Director	Chih-Li Chen	4	0	100%	-
Director (Former member)	Keh-Her Shih	0	1	0%	Stepped down as member on June 21, 2023.
Director (Former member)	Wen-Ching Liu	1	0	100%	Stepped down as member on June 21, 2023.

3. The motions, resolutions, members' dissenting or qualified opinions or suggestions and the Company's resolution regarding the Risk Management Committee's feedback in 2023 are as follows.

Risk Management Committee Meeting	Motion	Members' dissenting or qualified opinions or suggestions	Risk Management Committee's resolution	The Company's resolution regarding Risk Management Committee's feedback
The 2 nd meeting March 29, 2023	Summarize the key tasks of the Risk Control Office	-	Acknowledged by the Risk Management Committee.	Acknowledged by the Board.
	Present a projection on shipping industry business cycle			-
	Present a projection on financial stability and establishment of key risk indicators (KRI)			-

Risk Management Committee Meeting	Motion	Members' dissenting or qualified opinions or suggestions	Risk Management Committee's resolution	The Company's resolution regarding Risk Management Committee's feedback
The 3 rd meeting June 29, 2023	Summarize the key tasks of the Risk Control Office	-	Acknowledged by the Risk Management Committee.	Acknowledged by the Board.
	Present a projection on shipping industry business cycle	The management department is advised to allow members to understand the overall economic situation and the impact of geopolitics, economic fluctuation, and business cycles on the shipping industry.		-
The 4 th meeting September 07, 2023	Report on Q2 2023 risk projections and financial instruments	Risk Control office is advised to make detection and advance warning effectively and submit prompt report to the committee members.	Acknowledged by the Risk Management Committee.	-
The 5 th meeting December 13, 2023	Report on the Group's potential risks	-	Acknowledged by the Risk Management Committee.	Acknowledged by the Board.

3.4.5 The duties, core businesses, and advanced education of the Chief Corporate Governance Officer

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

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

1. The following are the primary responsibilities of the Chief Corporate Governance Officer in 2023.

- (1) Ensure that shareholders' meetings, board meetings, and functional committee meetings are in line with the relevant provisions of Yang Ming's articles of incorporation, rules and regulations, laws, and resolutions of the shareholders' meetings.
- (2) Coordinate the convening of shareholders' meetings, and handling the convening, notification, meetings, and meeting minutes of board meetings and functional committee meetings.
- (3) Handle the convening of communication meetings between independent directors and certified public

accountants or chief auditor separately on the convening, notification, meeting, meeting minutes and other related matters.

- (4) Provide relevant information, instructions, convene meetings and produce meeting minutes as required by directors and independent directors.
- (5) Handle the internal performance assessments of board and functional committees.
- (6) Amend the Rules of Procedure for Board Meeting following the amendment of relevant laws and regulations.
- (7) Assist new independent directors to take office, and assist directors and independent directors to comply with relevant laws and regulations.
- (8) Assist directors and independent directors in arranging continuing education.
- (9) Take out appropriate liability insurance for directors and managers.
- (10) Handle the Company's registration and change registration matters following the change of independent directors, managers and directors' shareholdings.

2. The following shows continuing education of the Chief Corporate Governance Officer in 2023.

Date	Organizer	Course	Hours
02.14.2023	Taiwan Corporate Governance Association	New Challenge to Corporate Governance as ESG Knocking	3
04.21.2023	Taiwan Corporate Governance Association	How should the board of directors formulate ESG sustainable governance strategies in 2023	3
09.04.2023	Financial Supervisory Commission	The 14 th Taipei Corporate Governance Forum (all day session)	6
Total Hours			12

3.4.6 The Company's implementation of corporate governance, any departure from such implementation in the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the reasons for such departure

Items	Implementation		Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on <i>Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies</i> ?	V	Yang Ming Marine Transport Corporation established the Best-Practice Principles for Corporate Governance and its latest amendment was approved by Board of Directors on January 14, 2022 and published on the Company's website (https://www.yangming.com/files/Investor_Relations/Govern_Rules.pdf) and Market Observation Post System.	No Difference
2. Shareholding structure and shareholders' rights (1) Does the Company establish an internal operating procedure to process shareholder's suggestions, doubts, disputes, and litigation, and implement these based on the procedure? (2) Does the Company keep a list of its major shareholders as well as ultimate owners of those shares? (3) Does the Company establish and implement a risk management and firewall system within its conglomerate structure? (4) Does the Company establish internal rules against insider trading using undisclosed information?	V	<p>(1) The Company implements Internal Control System that specifies and handles shareholders' rights, share issue, dividends distribution procedure based on relevant rules. The shareholders' meetings are held and managed in accordance with the <i>Shareholders' Meeting Regulations, relevant laws, and the Company Code</i>. This Company has a special unit that handles shareholders' suggestions, doubts, and disputes.</p> <p>(2) The Company holds a list of major shareholders and a list of ultimate owners holding high percentage of shares and major shareholders. The above information is disclosed in accordance with the law.</p> <p>(3) a. The Company has established rules to keep track of its funds along with its affiliates and set up relevant mechanisms in the Internal Control System. b. Procedures such as acquisition or disposal of assets, endorsement, guarantee, monetary loan between this Company and affiliated enterprises are processed in accordance with relevant regulations.</p> <p>(4) The Company has formulated the Procedures for <i>Handling Material Inside Information</i> to prevent employees from buying and selling securities using undisclosed information.</p>	No Difference
3. Composition and responsibility of the Board of Directors (1) Does the Board develop and implement a diversified policy for the composition of its members? (2) Does the Company voluntarily establish other functional committees in addition to the Compensation Committee and Audit Committee?	V	<p>(1) The Board has established and implemented diversity policies and specific objectives. The objectives and implementation of the Board's diversity policy is available on Yang Ming's website and Chapter 3.1.2.4. The Board Diversity and Independence in the <i>Annual Report</i>.</p> <p>(2) In addition to these committees, Yang Ming has also set up a special projects committee. The Board reached a resolution to establish the Risk Management Committee on April 15, 2022 to advise on risk management policies and important risk matters of the Company. Considering its similar authorities and functions to the special project committee, the Board also reached a resolution to abrogate special project committee after completing the member appointments of the Risk Management Committee on October 14, 2022.</p>	No Difference



Items	Implementation		Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	
<p>(3) Does the Company establish a standard for determining the Board's performance and implement annually also report the result of evaluation to the Board and use the assessment result as the reference for the reward of individual directors and the nomination for renewal?</p>	V	<p>(3) According to the resolutions at its 354th Board meeting, Yang Ming amended the Procedures for Board and Functional Committee Performance Assessments. Yang Ming's Secretariat would implement board and functional committee performance assessments through questionnaires at the end of every year. The board and functional committee performance assessments shall be conducted by an external independent professional institution or a panel of external experts and scholars at least once every three years. Yang Ming would report the result of board and functional committee performance assessments to the Board by the end of Q1 every year and use the result of board performance assessments as a reference when nominating directors for reappointment.</p> <p>The Company conducted the performance assessment of the Board of Directors, individual directors, and functional committee (including the Audit Committee, Remuneration Committee and Risk Management Committee) for the year 2023 in January 2024 and submitted the assessment results and the sustainability and improvement targets of 2024 to the Board meeting.</p> <p>a. The achievement rates of assessment criteria is 97.8% for the Board of Directors, 100% for the Audit Committee, 100% for the Remuneration Committee, and 100% for the Risk Management Committee. The result has exceeded the standard; The achievement rates of assessment criteria is 87% for directors and the result met the required standard.</p> <p>b. For purpose of consistency in corporate governance and the Board's performance, targets for sustainability and improvement in 2024 are as follows.</p> <p>i. In order to provide sufficient communication and enhance supervision in company operations through the meetings, the company plan to have 8 Board meetings in 2024, and already sent formal notice to the directors to reserve and arrange schedule; The assessment criterion "average attendance status of directors on board meetings" is listed as an improvement target in 2024.</p> <p>ii. In order to provide sufficient communication and enhance supervision in company operations through the meetings, the company plan to have 8 Board meetings in 2024, and already sent formal notice to the directors to reserve and arrange schedule; the assessment criterion "the actual attendance status of directors on board meetings" is listed as an improvement target in 2024.</p>	No Difference

Items	Implementation		Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	
		<p>c. The Taiwan Corporate Governance Association was commissioned to evaluate the performance of Board and functional committees in February 2021. The Association and evaluating experts were independent of any business affiliations with the Company. Its evaluation report on Board performance was submitted on March 12, 2021. The results of external evaluations were submitted to the 356th Board meeting on March 25, 2021. Implementation details are as follows.</p> <p>i. Evaluation duration: February 1, 2020-January 31, 2021</p> <p>ii. Evaluation method: The Taiwan Corporate Governance Association reviews all the relevant documents submitted by the Company, and also commissioned four experts to conduct on-site evaluations and interviews with the Chairman, President, two independent directors, chief audit officer, and corporate governance managers on March 5, 2021.</p> <p>iii. Evaluation standards: Eight indicators including board composition, board guidance, board authorization, board supervision, board communication, internal control and risk management, self-discipline of the board, and others (board meetings, support systems) were employed. With each indicator, the evaluators referred to the information provided by the Company and publicly available, and performed on-site interviews before submitting evaluation reports.</p> <p>iv. Overall evaluation results:</p> <ul style="list-style-type: none"> ● The Board meeting is flexible, respect transparency and different opinions, as well as encourages consensus as advised by the Chairman. As such, Board meetings are convened with much improved productivity and efficiency, where independent directors could contribute feedback and fulfill supervisory roles. ● The Board wishes to strengthen the independence of both internal and external audit departments and ensure their functions can be seen in the following. The internal audit officer was elected from three nominees by the Audit Committee after the interview and discussion. The Audit Committee evaluates the independence and competence of CPAs annually to ensure the service quality. ● All human resource system and rules are based on four main criteria: talents globalization, international talents, team learning, and versatility of employees. The Company encourages employee development by job rotation, expatriate program, and functional leadership training sessions. The Company's sustainable development is carried out by, direct email communication with the Chairman, improvement in working environment, and transportation planning. 	No Difference



Items	Implementation		Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	
		<ul style="list-style-type: none"> ● The Company improves its performance according to the Corporate Governance Evaluation of the competent authority and commissioned external experts to evaluation Board performance for the very first time. Moreover, all Board members were open to internal Board performance evaluation and made improvements accordingly. The above attests to corporate governance being a priority to the Company. <p>v. Evaluation recommendations:</p> <ul style="list-style-type: none"> ● Regarding future development and the challenges from business environment, the Company was advised to add more independent or external professional Board members in the upcoming Board re-election in 2021, to enhance the overall Board independence, professional diversity and capabilities during their tenure. ● All of the Board members were advised to attend meetings together with senior executives, to focus on mid- to long-term strategies and corporate visions of the Company. By so doing, Board members could stay abreast of the latest development in the shipping industry, enhance the mutual trust with the management team, as well as provide necessary supervision and guidance to the Company and respond promptly to the international shipping environment. ● Under the supervision of the Board, the Company should form a Risk Management Committee to supervise the Group's risk management issues, set forth related policies and procedures, and report the risk control activities review to the Board on regular basis, thereby facilitating normal operation of the risk-control and management. <p>(4) The Audit Committee and the Company's Board of Directors evaluate the independence and competence of CPAs annually (refer to Chapter 3.8 Evaluation on the independence of the CPA).</p>	
	V		No Difference
(4) Does the Company regularly evaluate the independence of CPAs?		<p>(1) The supervisor of the Secretariat serves as Yang Ming's chief corporate governance officer who is of managerial background with over three years experience in handling Board meetings and operations. The duties, main business, and advanced education of the chief corporate governance officer can be found in The Company's website and Chapter 3.4.5 of the Annual Report.</p> <p>(2) Yang Ming's Secretariat is the office responsible for facilitating events and matters related to Board meetings, shareholders' meetings and functional committee meetings, preparing meeting agenda, providing necessary materials for directors and independent directors, and handling and changing company registration. Yang Ming's Public Affairs Dept. is in charge of implementing corporate governance activities.</p>	No Difference
4. As listed in the TWSE/TPEX, does the Company assign a corporate governance (concurrent) unit or personnel responsible for handling matters (including but not limited to providing necessary materials for directors and supervisors pursuant to the Board of Directors' resolutions, managing corporate registration, proceedings for the board of directors' and shareholders' meetings)?	V		No Difference

Items	Implementation		Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	
5. Does the Company establish communication channels and designate a section on its website for stakeholders (including but not limited to shareholders, employees, clients and suppliers) to address important issues and concerns regarding corporate social responsibility?	V	<p>(1) The Company has set up the E-Commerce & Documentation Dept. and the Public Affairs Dept. to handle complaints and suggestions from suppliers, as well as concerns from investors. The Company also maintains open communication with banks and other creditors. In addition, the Company designates a grievance mechanism for employees and stakeholders on the official website shareholders' feedback is received and responded to. The Stakeholder Area on the Company's Corporate ESG website can be accessed at https://esg.yangming.com/en/esg/stakeholder/1/. Diversified and comprehensive means of communication (contact, e-mail, phone number) are in place to learn stakeholders' feedback for improvement. The stakeholder feedback is reported to the Board of Directors, and publicly disclosed on the corporate ESG website (https://esg.yangming.com/en/) and in the Sustainability Report (https://esg.yangming.com/en/esg/sustainability_report/1/) annually.</p> <p>(2) Click the links below to contact us. Market Observation Post System: https://emops.twse.com.tw/server-java/t58query Company's website: https://www.yangming.com/AnnualReport https://www.yangming.com/investor_relations/Shareholder_Services/FinancialReportInfo.aspx ESG website: https://esg.yangming.com/ ESG e-mail: esg@yangming.com Customer service e-mail: cs@yangming.com Employee box: employeebox@yangming.com Occupational safety and health e-mail: HOSOservice@yangming.c and om Independent director e-mail: yntarantang88@hibox.biz Whistleblowing e-mail: conduct@yangming.com Chairman e-mail: chairman@yangming.com</p>	No Difference
6. Does the Company appoint a professional shareholder service agency to deal with shareholder activities?	V	The Company has appointed KGI securities as its shareholder services agency.	No Difference



Items	Implementation		Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	
<p>7. Disclosure of information</p> <p>(1) Does the Company have a corporate website to disclose its financial standing and corporate governance status?</p> <p>(2) Does the Company have other information disclosure channels (e.g. website in English, designated people to handle information collection and disclosure, spokesman system, investor conference via webcast)?</p> <p>(3) Does the Company publicly announce the financial reports within two months after the end of each fiscal year? Also announce Q1-Q3 financial reports and register the operating status by limited time?</p>		<p>(1) The Company discloses its finance, business, sustainable management, and corporate governance on its Chinese and English websites (https://www.yangming.com) for the reference of shareholders and stakeholders.</p> <p>(2) a. The Company has assigned a department to collect information on relevant industries and companies, as well as specialists to publish related information on its Chinese and English websites.</p> <p>b. The Company has designated spokespersons and deputy spokespersons and established communication procedures and policies.</p> <p>c. The Company has published the Sustainability Report detailing its sustainable development initiatives.</p> <p>https://esg.yangming.com/en/esg/sustainability_report/1/</p> <p>d. The information related to the Company's investor conference is disclosed on the official website.</p> <p>(3) a. The Company abides by Article 3 of the <i>Regulations Governing the Applicable Scope of Special Circumstances for the Public Announcement and Filing of Financial Reports and Operational Status Reports by Public Companies</i>, which requests publishing financial reports within 75 days after the close of each fiscal year.</p> <p>b. The Company abides by Article 36 of the Securities and Exchange Act by publishing financial reports within 45 days after the end of the first, second, and third quarters of each fiscal year.</p> <p>c. The Company abides by Article 36 of the Securities and Exchange Act by publishing its operating status of the preceding month within the first ten days of each calendar month.</p>	<p>(1) No Difference</p> <p>(2) No Difference</p> <p>(3) The Company abides by the Securities and Exchange Act by publishing financial reports within 75 days after the end of each fiscal year also by releasing Q1-3 financial reports and registering the operating status by limited time.</p>
<p>8. Is there any other important information to facilitate better understanding of the Company's corporate governance practices (e.g. including but not limited to employee rights, employee well-being, supplier relations, stakeholder rights, Board of Directors' and supervisors' training records, implementation of risk management policies and risk evaluation measures, implementation of customer service policies, and insurance for directors and supervisors)?</p>		<p>(1) Rights of employees: The Company is law-abiding and spares no effort to improve working environment by facilitating communication between the management and employees. Although our company has established a corporate labor union, no collective agreement has been concluded in the Labor-Management Council meetings so far, so no group agreement has been signed yet.</p> <p>(2) Care for employees: Employees are the Company's greatest assets. As such, the Company provides opportunities to fulfill their potentials. In addition to a competitive salary scheme, the employees also enjoy fringe benefits and well-rounded support.</p>	<p>No Difference</p>

Items	Implementation		Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	
		<p>(3) Relation with investors: In order to protect investors' rights and interests, the Company discloses its significant operational and financial information in accordance with related regulations. All the relevant business and financial information is posted on the Company's official website. Resolutions of shareholders' meeting are posted on both MOPS and the Company's official website.</p> <p>(4) Relation with suppliers: The Company has in place the Supply Chain Management Policy, <i>Supplier's Code of Conduct</i>, <i>Company Basics and Assessment Form</i>, <i>Company Sustainability Statement Survey</i>, and <i>Statement of Integrity in Business Operation</i>. These are available in the Supply Chain Management section on the Yang Ming corporate ESG website. https://esg.yangming.com/en/esg/information/supplychain/procurement/ Yang Ming promises to facilitate communication with different supply-chain partners on issues such as environmental protection, human rights and labor management, ethical integrity, and social welfare. On the basis of the above, the Company has set up a management mechanism. At the same time, the <i>Supplier's Code of Conduct</i> has been formulated in accordance with the Company's human rights policy, environmental management policy, occupational safety and health policy, ethical code of conduct, and other regulations, which include five major parts. The suppliers must respect and abide by the Company's common values and standards and they are always encouraged to continue optimizing their respective services.</p> <p>a. Suppliers must protect workers' human rights, including workers of different levels and types such as temporary workers, student workers, and contract workers. Child labor and labor discrimination are strictly forbidden. Suppliers must obey all the employment laws and regulations of their respective locations/countries.</p> <p>b. Suppliers should understand that in addition to reducing work-related injuries/diseases, creating a healthy and safe work environment is key to quality products and services. It is therefore necessary to constantly seek employee feedback and provide necessary training on health and safety issues.</p> <p>c. Suppliers should always abide by the relevant environmental laws and refrain from causing harm to the community and the environment.</p> <p>d. Suppliers and their downstream suppliers must conduct business ethically and honestly and are strictly prohibited from offering, promising to offer, giving or accepting bribes or any improper benefits.</p> <p>e. Suppliers should implement management systems to facilitate compliance with relevant laws and continuous improvement.</p>	No Difference

Items	Implementation		Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	
		<p>Description</p> <p>The Company requires compliance with the laws by all of its suppliers. In 2022, the Company amended the <i>Codes of Ethical Conduct of Yang Ming Group, Ethical Corporate Management Best Practice Principles of Yang Ming Marine Transport Corporation, and Procedures for Ethical Management and Guidelines for Conduct of Yang Ming Marine Transport Corporation</i>. The suppliers must be selected fairly, the negotiation conducted objectively, and no confidential information disclosed to potential suppliers. All of the employees are required to strictly observe the Company's confidentiality regulations. In 2022, the Company amended its confidentiality regulations. In 2022, the Company amended the <i>Procedures of Whistleblowing Cases for Yang Ming Group Members and its Regulations Governing the Audit Committee's Handling of Stakeholder Suggestions and Complaints</i>, which took effect in the same year. These procedures apply to all of Yang Ming Group's employees (including managerial officers), and those of its subsidiaries, suppliers and customers, shareholders, and other interested parties.</p> <p>(5) Rights of interested parties: All the transactions with banks/creditors are conducted pursuant to contractual terms and conditions. The Company gives adequate information to help banks/creditors fully understand the its operation and financial status.</p> <p>(6) Board of Directors' and supervisors' training records: Please refer to Chapter 3.4.6.10. Advanced Education for Directors and Supervisors.</p> <p>(7) Risk management policy and risk assessment criteria</p> <p>a. Risk management policy: Risks may take the form of human activities, natural disasters, and global or regional economic fluctuations with varying frequency, severity, and impact negatively on business operations. The Company's risk management policy aims to efficiently prevent and control risks and safeguard regular business operation.</p> <p>b. Risk assessment criteria: Individual risks are assessed according to frequency and severity, as well as severity on the basis of quantitative and non-quantitative indexes. On the basis of frequency and severity, the individual risks are classified by their risk scores.</p> <p>c. Implementation of risk management policy in 2023</p> <p>The criteria of risk assessment for the annual risk assessment of Yang Ming were approved by the Company's CEO in accordance with the standard procedure of risk management. Accordingly, several items are classified as Highly Risky or Extremely Risky and the identified risks are averted by effective means. The report of the annual risk assessment is available to all departments, including the Audit Department, allowing employees to learn more about risk management decision-making.</p>	No Difference

Items	Implementation		Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	
		<p>(8) Execution of Customer Service Policy: In partnership with THE alliance, the Company provides worldwide shipping service. There's integration of resources, synergy of product differentiation strategy, and best ship module. This partnership requires alliance members to adopt slow-speed operation to reduce CO₂ emission. Yang Ming's fleet is regularly updated with newly-built vessels and is being gradually digitized.</p> <p>Yang Ming joined the DCSA (Digital Container Shipping Association) to develop new information technology with international container shipping companies. The objective is to promote digitalization and standardization of information in the container shipping industry.</p> <p>Yang Ming reduces CO₂ emission by setting up project teams according to relevant laws and studying the latest shipping technology. In 2023, the Company completed the 2022 GHG inventory onboard and at branch offices across Taiwan. The above was verified by a third party.</p> <p>Yang Ming so far has obtained ISO9001, ISO14001, ISO27001, ISO45001, ISO14064-1, C-TPAT, AEO, ISM, and ISPS. The Company provides quality services and complies with international regulations and standards. Information about the Company's certifications is available on the official website (https://www.yangming.com).</p> <p>(9) Liability Insurance for directors and supervisors: The Company has purchased the Directors & Officers Liability Insurance for all directors and the details thereof is reported to the Board every year.</p>	No Difference
9. The Company discussed amendments and priority measures for improvement (unnecessary for excluded companies) following the latest results of the Corporate Governance Evaluation System from the Corporate Governance Center of TWSE.			
(1) Amendments:			
a. The Company published the Chinese and English versions of the <i>Annual Report</i> on May 04 2023, about 18 days prior to the ordinary shareholders' meeting on May 26 2023.			
b. The Company published the English version of shareholders' meeting handbook on April 24 2023, about 30 days prior to the ordinary shareholders' meeting on May 26 2023.			
c. The Company published the Chinese and English versions of meeting notice on April 24 2023, about 30 days prior to the ordinary shareholders' meeting on May 26 2023.			
d. The Company published the English version of the <i>Annual Financial Report</i> on April 26 2023, about 16 days prior to the ordinary shareholders' meeting on May 26 2023.			
e. The Company approved the 2022 Surplus Earnings Distribution Proposal at the shareholders' meeting in 2023.			
f. The 2022 <i>Annual Report</i> added information about the enhanced evaluation criteria for assessing directors' and managerial officers' performance.			
(2) Prioritized areas for improvement			
We are planning to have at least one female director, and the number of independent directors will be no less than 1/3 of the Board of Directors after the re-election in 2024.			

10. Advanced Education for Directors and Supervisors

The following table shows the Company's continuing education in terms of hours, technical fields, and organizers. Relevant information is disclosed according to the Directions for the *Implementation of Advanced Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies*.

Advanced education for directors in 2023					
Title	Name	Date	Organizer	Course	Hours
Chairman	Cheng-Mount Cheng	02.07.2023	Taiwan Corporate Governance Association	Enacting Information Security Governance (ISG) Practices: Analyzing the Critical Business Issues	3
		02.14.2023	Taiwan Corporate Governance Association	New Challenge to Corporate Governance as ESG Knocking	3
		10.11.2023	Greater China Financial and Economic Development Association	The Competition for Corporate Talent: Discussion on Key Issues in Employee Reward Strategies	3
Director	Jiang-Ren Chang	10.12.2023	Securities and Futures Institution	The Advanced Seminar of Directors and Supervisors (including Independent Directors) and Chief Corporate Governance Officer - How should enterprises carry out international tax layout and investment	3
		10.18.2023	Securities and Futures Institution	The Advanced Seminar of Directors and Supervisors (including Independent Directors) and Chief Corporate Governance Officer - Talent sustainability challenges after the epidemic	3
Director	An-Chung Ku	08.09.2023	Greater China Financial and Economic Development Association	The impact of carbon pricing on business operations	3
		12.13.2023	Greater China Financial and Economic Development Association	Enterprise circular economy and sustainable development	3
Director	Keh-Her Shih	03.03.2023	Taiwan Corporate Governance Association	Directors' Roles and Responsibilities in <i>Annual Report</i> Disclosure	3
		03.17.2023	Taiwan Corporate Governance Association	Board Meetings: Common Board Meeting Mistakes for Listed Companies	3
Director	Chih-Li Chen	06.20.2023	Securities and Futures Institution	The Advanced Seminar of Directors and Supervisors (including Independent Directors) and Chief Corporate Governance Officer - How should Directors and Supervisors supervise Enterprise Risk Management and Crisis Management	3
		07.18.2023	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	Mission Under the Boom: Generative Artificial Intelligence and Responsible Innovation	3
		07.28.2023	Securities and Futures Institution	The Advanced Seminar of Directors and Supervisors (including Independent Directors) and Chief Corporate Governance Officer - The Real Value Created by Circular and Low-Carbon Innovation - Understanding Circular Economy and Governance	3
Director	Chien-Yi Chang	02.20.2023	Greater China Financial and Economic Development Association	Building a Resilient Supply Chain for Enterprises	3
		09.15.2023	Securities and Futures Institution	The Advanced Seminar of Directors and Supervisors (including Independent Directors) and Chief Corporate Governance Officer - How to enhance the credibility of corporate sustainability reports	3
		10.02.2023	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	Natural carbon sink and carbon rights trading operations and business opportunities that may be created	3
		10.12.2023	Independent Director Association Taiwan	Prospects and the international situation of preventing money laundering and combating the expansion of terrorist financing	3
		11.29.2023	Independent Director Association Taiwan	Principles of treating customers fairly and Friendly Finance	3
Director	Shao-Liang Chen	06.26.2023	Taiwan Corporate Governance Association	Risks and opportunities for business on trend of climate change	3
		12.01.2023	Taiwan Corporate Governance Association	An Era of Stringent Data Protection Regulation	3

Advanced education for directors in 2023					
Title	Name	Date	Organizer	Course	Hours
Director	Wen-Ching Liu	06.16.2023	Taiwan Corporate Governance Association	Impact of climate change on industry financial statements	3
		06.16.2023	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulation - Highlights of Recent Updates	3
Independent Director	Tar-Shing Tang	10.04.2023	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	How companies respond to international anti-tax avoidance measures	3
		10.20.2023	Securities and Futures Institution	The Advanced Seminar of Directors and Supervisors (including Independent Directors) and Chief Corporate Governance Officer - Discussing Corporate Governance Blueprint 3.0 and Directors' Responsibilities	3
Independent Director	Tan Ho-Cheng	03.17.2023	Taiwan Corporate Governance Association	Board Meetings: Common Board Meeting Mistakes for Listed Companies	3
		10.02.2023	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	Natural carbon sink and carbon rights trading operations and business opportunities that may be created	3
		10.13.2023	Taiwan Academy of Banking and Finance	Corporate Governance Lecture - Discussing the importance of Sustainability Report and TCFD	3
		10.13.2023	Taiwan Academy of Banking and Finance	Corporate Governance Lecture - Discussing the Principle of Friendly Service and Financial Exploitation based on Principle of treating customers fairly	3
Independent Director	Jr-Tsung Huang	07.25.2023-07.26.2023	Securities and Futures Institution	The Seminar of Directors and Supervisors (including Independent Directors) and Chief Corporate Governance Officer-Taipei Class	12
		09.14.2023	Securities and Futures Institution	The Advanced Seminar of Directors and Supervisors (including Independent Directors) and Chief Corporate Governance Officer - Operational Practices of Audit Committee	3
		09.20.2023	Securities and Futures Institution	The Advanced Seminar of Directors and Supervisors (including Independent Directors) and Chief Corporate Governance Officer - Analysis of common illegal cases under the Securities and Exchange Act	3
		10.19.2023	Securities and Futures Institution	The Advanced Seminar of Directors and Supervisors (including Independent Directors) and Chief Corporate Governance Officer - Technical development and application opportunities of Chatbot ChatGPT	3
		11.03.2023	Securities and Futures Institution	Listed Companies and OTC Companies - Seminar of Insights into Derivatives Market and Moving to Corporate Sustainability	3

11. Continuing education for president, executive vice president, audit directors, accounting and finance supervisor

Continuing education for president and executive vice president

Continuing education for president and executive vice president in 2023					
Title	Name	Date	Course	Hours	
President	Shu-Chin Tu	01.30.2023	Information about Cyber Security	0.5	
		03.01.2023	AEO and C-TPAT Certification Scope	0.5	
		08.01.2023	Internal Material Information and Prevention of Insider Trading	0.6	
		09.07.2023	Competition Law	0.1	
		09.25.2023	The Codes of Ethical Conduct of Yang Ming Group and Ethical Corporate Management Best Practice Principles of Yang Ming Marine Transport Corporation & Procedures for Ethical Management and Guidelines for Conduct of Yang Ming Marine Transport Corporation	0.5	
		10.03.2023	Human Rights Policy	0.5	
		11.06.2023	Insider Equity Declaration and Inclusion of Rights Laws	0.5	
		11.06.2023	Overview of Subsidiary Management	1	
		11.13.2023	Personal Information Protection Act	0.5	
		12.04.2023	Sexual Harassment Prevention Act	0.5	

Continuing education for president and executive vice president in 2023

Title	Name	Date	Course	Hours
Chief Strategy Officer & Senior Executive Vice President	Kuen-Rong Pai	01.30.2023	Information about Cyber Security	0.5
		08.01.2023	Internal Material Information and Prevention of Insider Trading	0.6
		09.07.2023	Competition Law	0.1
		09.25.2023	The Codes of Ethical Conduct of Yang Ming Group and Ethical Corporate Management Best Practice Principles of Yang Ming Marine Transport Corporation & Procedures for Ethical Management and Guidelines for Conduct of Yang Ming Marine Transport Corporation	0.5
		10.03.2023	Human Rights Policy	0.5
		11.06.2023	Insider Equity Declaration and Inclusion of Rights Laws	0.5
		11.06.2023	Overview of Subsidiary Management	1
		11.13.2023	Sustainable Development Project Meeting and Trend Sharing	1.5
		11.13.2023	Personal Information Protection Act	0.5
		12.04.2023	Sexual Harassment Prevention Act	0.5
Chief Information Officer & Chief Information Security Officer & Executive Vice President	Der-Shi Tsao	01.30.2023	Information about Cyber Security	0.5
		03.01.2023	AEO and C-TPAT Certification scope	0.5
		08.01.2023	Internal Material Information and Prevention of Insider Trading	0.6
		09.07.2023	Competition Law	0.1
		09.25.2023	The Codes of Ethical Conduct of Yang Ming Group and Ethical Corporate Management Best Practice Principles of Yang Ming Marine Transport Corporation & Procedures for Ethical Management and Guidelines for Conduct of Yang Ming Marine Transport Corporation	0.5
		10.03.2023	Human Rights Policy	0.5
		11.06.2023	Insider Equity Declaration and Inclusion of Rights Laws	0.5
		11.06.2023	Overview of Subsidiary Management	1
		11.13.2023	Personal Information Protection Act	0.5
		12.04.2023	Sexual Harassment Prevention Act	0.5
Executive Vice President	Shih-Chou Lee	08.01.2023	Internal Material Information and Prevention of Insider Trading	0.6
		11.06.2023	Insider Equity Declaration and Inclusion of Rights Laws	0.5
Executive Vice President	Mei-Chi Shih	01.30.2023	Information about Cyber Security	0.5
		07.26.2023	Compliance Training of Corporate Governance Measures	2
		08.01.2023	Internal Material Information and Prevention of Insider Trading	0.6
		08.31.2023	Antitrust Compliance Practices for Shipping Companies	3
		09.07.2023	Competition Law	0.1
		09.25.2023	The Codes of Ethical Conduct of Yang Ming Group and Ethical Corporate Management Best Practice Principles of Yang Ming Marine Transport Corporation & Procedures for Ethical Management and Guidelines for Conduct of Yang Ming Marine Transport Corporation	0.5
		11.06.2023	Insider Equity Declaration and Inclusion of Rights Laws	0.5
		11.13.2023	Personal Information Protection Act	0.5

Continuing education for audit directors

Continuing education for audit directors in 2023				
Title	Name	Date	Course	Hours
Chief Auditor & Executive Vice President	Li-Chuan Wang	01.30.2023	Information about Cyber Security	0.5
		03.01.2023	AEO and C-TPAT Certification Scope	0.5
		06.06.2023	Discussing the New Positioning of Internal Audit Through Cases	6
		07.26.2023	Compliance Training of Corporate Governance Measures	2
		08.01.2023	Internal Material Information and Prevention of Insider Trading	0.6
		08.18.2023	How to Audit ESG Risks and Propose Effective Audit Reports	6
		09.07.2023	Competition Law	0.1
		09.25.2023	The Codes of Ethical Conduct of Yang Ming Group and Ethical Corporate Management Best Practice Principles of Yang Ming Marine Transport Corporation & Procedures for Ethical Management and Guidelines for Conduct of Yang Ming Marine Transport Corporation	0.5
		10.03.2023	Human Rights Policy	0.5
		10.16.2023	Business Contract Management and Audit Services	6
		11.06.2023	Insider Equity Declaration and Inclusion of Rights Laws	0.5
		11.13.2023	Sustainable Development Project Meeting and Trend Sharing	1.5
		11.13.2023	Personal Information Protection Act	0.5
		12.04.2023	Sexual Harassment Prevention Act	0.5

Continuing education for accounting and finance supervisor

Continuing education for accounting and finance supervisor in 2023				
Title	Name	Date	Course	Hours
Vice President & Accounting Supervisor	Kuan-Sheng Fu	01.09.2023	Introduction to Shipowner's Account and FCCS System	1
		01.30.2023	Information about Cyber Security	0.5
		02.09.2023	Real Estate Plant and Equipment & Investment Real Estate	1
		03.01.2023	AEO and C-TPAT Certification Scope	0.5
		03.10.2023	Accounting Processing for Charter Party	1
		04.11.2023	Brief Introduction to Route Operation-Commercial Asia I Dept	1
		05.09.2023	Introduction of Charter Party RPA	1
		06.09.2023	Declaration of Business Tax	1
		07.10.2023	Introduction of Domestic and Overseas Travel Expenses, Marine Accessories, Business Maintenance Expenses	1
		07.13.2023	Accounting Supervisor Education	12
		08.01.2023	Internal Material Information and Prevention of Insider Trading	0.6
		08.09.2023	Introduction of Schedule RPA	1
		09.07.2023	Competition Law	0.1
		09.08.2023	Income Tax Estimation Assignment	1
		09.25.2023	The Codes of Ethical Conduct of Yang Ming Group and Ethical Corporate Management Best Practice Principles of Yang Ming Marine Transport Corporation & Procedures for Ethical Management and Guidelines for Conduct of Yang Ming Marine Transport Corporation	0.5
		10.03.2023	Human Rights Policy	0.5
		10.11.2023	Hedging Accounting	1
11.06.2023	Insider Equity Declaration and Inclusion of Rights Laws	0.5		
11.09.2023	Introduction to Joint Venture Account	1		
Vice President & Finance Supervisor	Shu-Hui Ou	01.30.2023	Information about Cyber Security	0.5
		03.01.2023	AEO and C-TPAT Certification Scope	0.5
		08.01.2023	Internal Material Information and Prevention of Insider Trading	0.6
		09.07.2023	Competition Law	0.1
		09.25.2023	The Codes of Ethical Conduct of Yang Ming Group and Ethical Corporate Management Best Practice Principles of Yang Ming Marine Transport Corporation & Procedures for Ethical Management and Guidelines for Conduct of Yang Ming Marine Transport Corporation	0.5
		10.03.2023	Human Rights Policy	0.5
		11.06.2023	Insider Equity Declaration and Inclusion of Rights Laws	0.5
		11.06.2023	Overview of Subsidiary Management	1
		11.13.2023	Sustainable Development Project Meeting and Trend Sharing	1.5
		11.13.2023	Personal Information Protection Act	0.5
		12.04.2023	Sexual Harassment Prevention Act	0.5

3.4.7 The Company's implementation of sustainable development and deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons

Items	Implementation		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	
1. Does the Company establish a governance structure for sustainable development and set up a unit to promote sustainable development, for instance, by the senior management authorized by the Board of Directors, and the supervision by the Board of Directors?	V	<p>1. Goals and Division of the Sustainable Operation Strategy Team Abiding by the <i>Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies</i> and taking into consideration the nature of the shipping industry, Yang Ming has formulated the <i>Sustainable Development Best Practice Principles of Yang Ming Marine Transport Corporation</i> for optimal management and they are to be followed by all the employees. In addition to controlling the risks and reducing the impact of overall operation on the economy, environment, and society, the Company also assumes the role of a corporate citizen. Through discussion and seeking consensus of the internal sustainable management team, the Company adopts the United Nations sustainable development goals as the basis for the internal sustainable development policy that exerts the greatest impact on the container transportation process and services. Accordingly, the Company is dedicated to providing ‘excellent transportation services and fulfilling commitments to customers’, ‘energy saving and emission reduction to achieve environmental sustainability’, ‘strengthening corporate governance and integrity management’, ‘employee care and talent cultivation’, ‘as well as enhancing social participation and giving back to the society’. These are the Company’s sustainable development strategies.</p> <p>2. Execution and Frequency On May 12, 2021, the four divisions under the Sustainable Operation Strategy Team, namely Corporate Governance and Integrity Division, Environmental Sustainability Division, Customer Service Division, and Employee Care and Social Commitment Division were established. The sustainable development strategies were approved by the 357th Board of Directors meeting. The team to this end is chaired by the Chairman, with the President and the chief officers of groups serving as the supervisor of each division. The executive secretary of each division is responsible for convening division meetings on an annual basis (the Human Resources Department serving as the executive secretary for the Corporate Governance and Integrity Operations Group, and the Public Affairs Department serving as the executive secretary for the other groups). Division supervisors review the implementation and performance of the sustainability strategies and designate responsible units to set and carry out short-term, medium-term, and long-term goals that address stakeholders’ concerns and related policies. The Board of Directors oversees the progress of sustainable development and reports annually to the Board for approval. The goals corporate governance, environmental protection, and communal prosperity are reviewed every year, and different projects are gradually developed to promote sustainable operations.</p>	No Difference

Items	Implementation		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	
		<p>Description of operation</p> <p>3. The Company incorporates the short-term goals of the Sustainable Operation Strategy Team into the annual KPI goals of relevant departments, and submits the implementation results to the Board of Directors at least once a year. In 2023, the Sustainability Sustainable Operation Strategy Team submitted the following proposals to the Board of Directors.</p> <p>(1) At the 382nd Board meeting dated March 9, 2023, the subsidiaries in the consolidated financial statements' GHG inventory and verification schedule was reported. Subsequent reporting of the above will be made on a quarterly basis to substantiate the Board's responsibilities over supervising sustainable development. During the meeting, directors discussed recommendations on the selection criteria and relevant regulations for third-party verification agencies to ensure independence and objectivity. There was also attention to understanding the detailed procedures for conducting the inventory of subsidiaries.</p> <p>(2) At the 383rd Board meeting dated May 12, 2023, the results of implementing sustainability strategies were reported. The proposals being reported included (a) results of implementing the sustainability objectives of 2022 and formulation of new ones for 2023; (b) identification of material issues concerning stakeholders and the status of communication channels, feedback methods and frequency; and (c) plans for managing the Company's intellectual properties.</p> <p>(3) At the 386th Board meeting dated September 27, 2023, a quantified analysis of the 2023 TCFD (Task Force on Climate-Related Financial Disclosures) was reported. Details of the above include (a) the Company's identification of climate-change risks and opportunities; and (b) proposals for coping strategies and analysis of affected finances impacted by potential climate-change risks. Addressing such impact, the Board members pointed out that an integrated assessment of the amount of capital for such impact and risk response should be made with verified logic to allow for better strategic decision-making and analysis. This is in consideration that a single measure might be stretched thin when employed to manage different risks or opportunities. The Board also advised on adding the following to the report: time frame for priority or secondary alertness (decision-making), plans for new equipment on ships, and analysis of potential impact.</p> <p>For detailed updates, please refer to the latest sustainability report and the corporate ESG website (https://esg.yangmng.com/en/esg/sustainable_goal/1/).</p>	No Difference

Items	Implementation		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons																		
	Yes	No																			
2. Does the Company assess the risks of environment, sociality and company's governance related to the Company's operation according to the principle of significance and make related risk management policy or strategy?		<p>The Company annually assesses the potential risks its business operation has on the environment and society and accordingly formulates risk management strategies. The Company's risk assessment boundary, risk assessment process and scope are described as follows.</p> <p>To effectively prevent and control risks, and thereby maintain normal and sustainable operation, the Company has implemented comprehensive risk management measures involving the entire Yang Ming Group.</p> <p>The Company has established a risk management system and key areas of management. The risk management procedures and evaluation standards are regularly reviewed or adjusted so as to align with the market economy or the Group's operating policies. The Company conducts major risk evaluation every year. The evaluation includes the implementation results (residual risks) following improvement measures of high-risk projects evaluated in the past year, as well as the new risks due to the changes in the market economy or adjustments to the Group's operating policies. The above evaluation reports are submitted to the Board of Directors and tracked quarterly. The Company's risk management policy was approved by the Board of Directors in 2021. The latest Annual Group Risk Evaluation Report was approved at the 379th Board meeting on November 10, 2022.</p> <p>The Company's risk assessment are divided into five criteria, namely strategy, operational, financial, legal compliance, and climate change. The scope of each risk covers environmental, social, and corporate governance issues as follows.</p> <table border="1"> <thead> <tr> <th>Sources of risk</th> <th>Evaluation scope</th> <th>Possible impact or opportunity</th> </tr> </thead> <tbody> <tr> <td>Strategy</td> <td>Resource allocation, extension or reduction of company goals, market situation, public and investor relations, domestic and foreign policies, and political risks</td> <td></td> </tr> <tr> <td>Operational</td> <td>Marketing, supply chain, employee, technology, cyber attack, computer facility damage, huge disaster, asset, uncontrollable factors (e.g. natural disaster, pandemic, terrorist attack)</td> <td>* Company assets and resources * Direct and indirect operating costs</td> </tr> <tr> <td>Financial</td> <td>Cash flow, credit, financial report, taxes, capital structure.</td> <td>* Operational performance * Intangible assets, such as goodwill and credit, work quality * Internal and external stakeholders * Resource utilization efficiency</td> </tr> <tr> <td>Legal compliance</td> <td>Corporate governance system, code of conduct and international laws and regulations.</td> <td></td> </tr> <tr> <td>Climate change</td> <td> <ul style="list-style-type: none"> Risks and opportunities attributed to climate change technology Transition risks: policy, market and reputation. Physical risks: Fleet navigation safety is included due to increasing instances of extreme weather such as typhoons and hurricanes. </td> <td></td> </tr> </tbody> </table>	Sources of risk	Evaluation scope	Possible impact or opportunity	Strategy	Resource allocation, extension or reduction of company goals, market situation, public and investor relations, domestic and foreign policies, and political risks		Operational	Marketing, supply chain, employee, technology, cyber attack, computer facility damage, huge disaster, asset, uncontrollable factors (e.g. natural disaster, pandemic, terrorist attack)	* Company assets and resources * Direct and indirect operating costs	Financial	Cash flow, credit, financial report, taxes, capital structure.	* Operational performance * Intangible assets, such as goodwill and credit, work quality * Internal and external stakeholders * Resource utilization efficiency	Legal compliance	Corporate governance system, code of conduct and international laws and regulations.		Climate change	<ul style="list-style-type: none"> Risks and opportunities attributed to climate change technology Transition risks: policy, market and reputation. Physical risks: Fleet navigation safety is included due to increasing instances of extreme weather such as typhoons and hurricanes. 		No Difference
Sources of risk	Evaluation scope	Possible impact or opportunity																			
Strategy	Resource allocation, extension or reduction of company goals, market situation, public and investor relations, domestic and foreign policies, and political risks																				
Operational	Marketing, supply chain, employee, technology, cyber attack, computer facility damage, huge disaster, asset, uncontrollable factors (e.g. natural disaster, pandemic, terrorist attack)	* Company assets and resources * Direct and indirect operating costs																			
Financial	Cash flow, credit, financial report, taxes, capital structure.	* Operational performance * Intangible assets, such as goodwill and credit, work quality * Internal and external stakeholders * Resource utilization efficiency																			
Legal compliance	Corporate governance system, code of conduct and international laws and regulations.																				
Climate change	<ul style="list-style-type: none"> Risks and opportunities attributed to climate change technology Transition risks: policy, market and reputation. Physical risks: Fleet navigation safety is included due to increasing instances of extreme weather such as typhoons and hurricanes. 																				

For details, please refer to "2.4 Risk Management" in YM's Sustainability Report of 2023.

Items	Implementation		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	
<p>3.Environmental issue</p> <p>(1) Does the Company establish a proper environment management system based on industry characteristics?</p> <p>(2) Does the Company try to utilize resources more efficiently and use renewable materials that have low impact on the environment?</p>			<p>(1) In June 2004, the Company obtained the ISO 14001 Environment Management System (Version 1996). YM is the first carrier among domestic competitors to have obtained this certification which covers our local branch offices and fleet. In June 2018, the Company also obtained the ISO 14001 Environment Management System (Version 2015) and maintained continuous validity. The latest certificate is valid from August 9, 2021, to August 7, 2024. Yang Ming has always been a champion of green shipping. In 2021, the Company introduced the ISO 14064-1 GHG inventory, which was third-party verified and Taiwan Accreditation Foundation (TAF)-certified. The Company's GHG emission reduction targets and measures were set on the basis of the inventory results. In 2022, the Company conducted the ISO14064-1 GHG inventory for the self-owned vessels. For more information, please refer to the corporate ESG website (https://esg.yangming.com/en/esg/decarbonization/1/) and the latest YM's Sustainability Report (https://esg.yangming.com/en/esg/sustainability_report/1/).</p> <p>(2) All of Yang Ming's new ships, container equipment, and container wharfs comply with international standards. The ships and equipment are built with advanced and modern environmental techniques to effectively minimize water and air pollution and achieve greater energy efficiency. The Company is particularly attentive to the technical maturity of different alternative fuels for ships (e.g., biofuel, methanol, hydrogen, ammonia), the vertical integrity of the supplychain, and the development of international environmental protection regulations. Also, the Company initiated the deployment of five 15,000 TEU LNG power-driven dualfuel container ships. The carbon emissions of LNG are about 20% less than those running on conventional fuels. Moreover, for developing alternative fuels with higher maturity, the Company built LNG-powered dual-fuel vessels because they are cleaner, produce much less carbon emissions, and they benefit the fleet's overall competitiveness. To date, there is no one-size-fits-all renewable energy program for container ships. However, Yang Ming will continue to stay informed and adopt newer programs where possible.</p>
			No Difference

Items	Implementation		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	
(3) Does the Company assess the risks and chances of climate change and take actions on this issue?		<p>(3) YM has been dedicated to energy saving and carbon reduction since 2006. In 2007, the Company began publishing the annual environmental protection report. The environmental protection measures was published in the <i>Corporate Social Responsibility Report</i> (later renamed as <i>Sustainability Report</i> in 2022) in 2012. At the same time, specific measures for energy saving, emission reduction, and mitigating negative environmental impact include the establishment of an internal energy-saving and fuel-saving team in 2019. From route planning and design, shipping schedules, to speed control, as well as key equipment modification, the Company has put in much effort to significantly reduce fuel consumption. Compared to 2008, the carbon emission intensity in 2023 was reduced by 61.86%, predating the time stipulated in the International Maritime Organization (IMO) regulations, which is 40% lower than that in 2008 by 2030.</p> <p>With extreme weather events occurring much more frequently, enterprises should adopt measures to operate business more sustainably. To this end, Yang Ming has discussed in length the risks and opportunities of climate change in relation to corporate operation and integrated the issues in its operational planning and decision-making processes. Referencing the framework of the Task Force on Climate-related Financial Disclosures (TCFD), the Company has identified the opportunities and challenges brought by climate change and extreme weather events. And using the four core elements of governance, strategy, risk management as well as indicators and targets, the Company has formulated its climate change response plans to hopefully mitigate the impact of climate risks and strengthen corporate resilience.</p> <p>Detailed information on the climate change risk and opportunity analysis can be found in the Company's <i>Sustainability Report</i>.</p> <p>For more information, please refer to the corporate ESG website (https://esg.yangming.com/en/esg/decarbonization/1/) and YM's latest <i>Sustainability Report</i> (https://esg.yangming.com/en/esg/sustainability_report/1/).</p>	No Difference



Items	Implementation		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	
<p>(4) Does the Company monitor the emissions of greenhouse gas, water consumption and total weight of waste over the past two years, as well as establish company strategies for energy conservation and carbon reduction, greenhouse gas reduction, water use reduction or other waste management?</p>	V	<p>(4) The Company began publishing its annual <i>Environmental Performance Report</i> in 2007. This report addresses overall environment protection projects and their effects. In 2015, the report was incorporated into the <i>Corporate Social Responsibility Report</i> (renamed as <i>Sustainability Report</i>). The company has formulated a greenhouse gas policy (https://esg.yangming.com/en/essg/information/certificates/iso-certificates/), and the Environmental Sustainability Division is charge of Greenhouse Gas Management. As part of the effort to cut greenhouse gas emissions, the Company introduced ISO 14064-1 greenhouse gas inventories in 2022. The Taiwan offices, Keelung (Yang Ming) Container yard, and operating vessels were within the scope of inventory and subjected to third-party verification. Among these, operational vessels accounted for 99.80% of Category 1 emissions. Over the years, YM's operational vessels have steadily reduced carbon intensit, with a carbon intensity reduction of 61.86% compared to that in the 2008 baseline year, exceeding the goal set by the International Maritime Organization (IMO). With the goal of achieving net-zero emissions by 2050, desulfurization towers have been installed and low-sulfur fuels have been used to cut average unit emissions of sulfur oxides (SOx) and reduce nitrogen oxides (NOx) emissions by 5.45% as compared to 2022. The Company continues to reduce greenhouse gas emissions through efficient resource utilization and energy conservation so as to meet domestic and international regulatory requirements and achieve the goal of sustainable operation and conservation. Waste Management Measures:</p> <p>a. The Company's sorting, collection, and handling of onboard waste comply with the regulations in Annex V to the International Convention for the Prevention of Pollution from Ships. Waste management plans have been formulated for the fleet to handle hazardous and solid waste produced onboard. The plans cover 5 main procedures: collection, sorting, handling, storage, and recording.</p> <p>b. Waste sorting and recycling are performed to ensure proper waste disposal and improve the quality of recycled items. Employees are encouraged to bring their own cutlery and avoid using single-use cutlery. Environmental education is available to increase conservation awareness. Employees are encouraged to use their own cups and eat an appropriate amount of food to avoid producing excess kitchen waste. Printing on both sides of the paper is also requested to reduce waste. Qualified disposal vendors are commissioned to dispose of general waste. Each operating premise should dispose of its waste in accordance with the environmental protection regulations of the respective county or city.</p>	No Difference

Items	Implementation		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons																																		
	Yes	No																																			
		<p>Water resources measures: The Company complies with water resource use and discharge regulations prescribed by local competent authorities and the international regulatory bodies such as the IMO and MARPOL. Statistics for the past two years, reduction targets, and achievements are disclosed on the corporate ESG website (https://esg.yangming.com/en/) and in the Sustainability Report (https://esg.yangming.com/en/esg/sustainability_report/1/).</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Quantity of CO₂ emission</th> <th>Quantity of average CO₂ emission by g/teu-km</th> <th>Quantity of average CO₂ emission reduction by g/teu-km</th> <th>Percentage of average CO₂ emission reduction by g/teu-km</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td>4,074,283</td> <td>37.90</td> <td>61.48</td> <td>61.86%</td> </tr> <tr> <td>2022</td> <td>4,023,140</td> <td>40.21</td> <td>59.17</td> <td>59.54%</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="2">NOx</th> <th colspan="2">SOx</th> </tr> <tr> <th>Total emissions (tons)</th> <th>Average emission rate (g/teu-km)</th> <th>Total emissions (tons)</th> <th>Average emission rate (g/teu-km)</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td>112,538</td> <td>1.05</td> <td>12,134</td> <td>0.11</td> </tr> <tr> <td>2022</td> <td>110,131</td> <td>1.10</td> <td>11,333</td> <td>0.11</td> </tr> </tbody> </table>	Year	Quantity of CO ₂ emission	Quantity of average CO ₂ emission by g/teu-km	Quantity of average CO ₂ emission reduction by g/teu-km	Percentage of average CO ₂ emission reduction by g/teu-km	2023	4,074,283	37.90	61.48	61.86%	2022	4,023,140	40.21	59.17	59.54%	Year	NOx		SOx		Total emissions (tons)	Average emission rate (g/teu-km)	Total emissions (tons)	Average emission rate (g/teu-km)	2023	112,538	1.05	12,134	0.11	2022	110,131	1.10	11,333	0.11	No Difference
Year	Quantity of CO ₂ emission	Quantity of average CO ₂ emission by g/teu-km	Quantity of average CO ₂ emission reduction by g/teu-km	Percentage of average CO ₂ emission reduction by g/teu-km																																	
2023	4,074,283	37.90	61.48	61.86%																																	
2022	4,023,140	40.21	59.17	59.54%																																	
Year	NOx		SOx																																		
	Total emissions (tons)	Average emission rate (g/teu-km)	Total emissions (tons)	Average emission rate (g/teu-km)																																	
2023	112,538	1.05	12,134	0.11																																	
2022	110,131	1.10	11,333	0.11																																	
4. Public issue (1) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the <i>International Bill of Human Rights</i> ?	V	<p>(1) The Company abides by the <i>Labor Standards Act</i> and international labor standards on working conditions and is committed to establishing a fair and non-discriminatory employment policy. Activities related to employee rights are organized according to internal regulations and procedures. The Company is also committed to human rights and internationally-recognized human rights standards, which include the <i>International Bill of Human Rights</i> and the <i>United Nation Global Compact and the International Labour Organization Declaration on Fundamental Principles at Work</i>. The Company has formulated its human rights policy based on the above-mentioned documents. The Company publishes its policy implementation on the official website. https://www.yangming.com/CorporateGovernance/ImplementationStatusofHumanRightsPolicies.aspx In addition, the Company in 2023 conducted online investigation on its human rights policy, with 1,502 onshore employees passing the test and a completion rate of 97.91%.</p>	No Difference																																		

Items	Implementation		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	
(2) Does the Company establish and execute measures of the employee welfares, including compensation, holidays and other benefits? Does individual performance appropriately reflect employee compensation?		(2) The overall salary scheme is based on equal pay for equal work. The annual paid leave is in line with the provisions of the <i>Labor Standards Act</i> , which stipulates as many as 5 days for sick and personal affairs. The Company compensates employees with 30% employee stock ownership trust, and 20% subsidy welfare savings trust, thereby encouraging employees to save for the long term, accumulate wealth, and ensure financial security. Moreover, the welfare benefits stand at a rate of 1.5/1000 of the operating income, and deductions are made on a monthly basis for 5/1000 of the payroll, which is handed over to the Employee Welfare Committee for various welfare services. In addition, to encourage employees to achieve their potential, improve the Company's overall operating performance, and create profits, bonuses are awarded according to individual performance. The Company's defined benefit retirement plan is based on the pension system of the <i>Labor Standards Act</i> . The payment of retirement pensions is calculated based on the years of service and the average salary of the six months before retirement. The Company allocates 3% of the employee's total monthly salary to the employee's retirement fund, which is handed over to the Labor Retirement Reserve Fund Supervision Committee and deposited in the special retirement account of the Bank of Taiwan in the name of the committee. Before the end of the year, if the balance in the estimated special retirement account is insufficient to pay for the employees' pension estimated to meet the retirement conditions by the end of next year, the insufficient amount will be allocated before the end of March of next year. The pension system of the <i>Labor Pension Act</i> applicable to the Company is a defined contribution retirement plan managed by the government, and 6% of the employee's monthly salary is allocated to the individual account of the Labor Insurance Bureau.	No Difference
(3) Does the Company provide a healthy and safe working environment and organize trainings on health and safety for its employees on a regular basis?	V	(3) a. In line with its <i>Occupational Safety and Health Policy</i> , Yang Ming aims to achieve the following: a commitment to zero accidents, the creation of a healthy workplace, and the aspiration to become an exemplary corporation in safety and health, both on board and on shore. By putting efforts in the above, the Company hopes to increase employees' mental and physical well-being and help them balance between life and work. There is continuous communication and cooperation with stakeholders to minimize occupational safety and health risks. Below are the implementation results.	

Items	Implementation		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons												
	Yes	No													
		<p>Description of operation</p> <p>i. The Company conducts lighting inspections every three years, carbon dioxide tests twice per year, quarterly tests for water quality and E. coli, and keeps a water quality inspection record with regular updates. with the Company follows the <i>Occupational Safety and Health Act</i> and internal management procedures, which include regular inspections of air condition system, machinery and equipment, in order to create a safer, cleaner, and more comfortable workplace.</p> <p>ii. The Company offers frequent and comprehensive physical check-ups and provides one-day pay leave for employees. Employees who are over 40 years old can undergo a physical check-up once a year, while others get once every two years. Qualified physicians and nurses provide medical consultations and healthcare services, with service frequency exceeding what is legally required.</p> <p>iii. Regular safety and health training courses are mandatory for all employees, including occupational safety and hygiene personnel, as well as on-site staff. The Company also offer safety and health training courses for its contractors.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Frequency of training</th> <th>Number of employees</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td>109</td> <td>5,933</td> </tr> <tr> <td>2022</td> <td>152</td> <td>3,831</td> </tr> <tr> <td>2021</td> <td>70</td> <td>1,178</td> </tr> </tbody> </table> <p>b. All of the onshore offices have obtained ISO45001 and TOSHMS certifications, which are valid from October 25, 2023 to October 24, 2026. Certifications are publicly disclosed on the official website (Website>About Us\ ISO management\ Safety and Health Management).</p> <p>c. In 2023, the Company had a total of 4 occupational accidents involving four individuals. Two incidents involved trapped or rolled, and two involved a fall. The incident rate relative to the total employees is 0.2%. The abovementioned incidents happened in the course of seafarers carrying out their work. The Company is strengthening onboard safety training and demanding undivided attention from seafarers.</p> <p>d. In 2023, the Company did not suffer from any fire incident. The Company abides by the <i>Fire Services Act</i> and its Enforcement Rules. As such, professional manufacturers are required to report to the fire management authority, and various fire management services are carried out in accordance with the protection plan to significantly lower the risk of disasters. Semiannual fire drills are conducted so that both employees and contractors are well-prepared for emergency. The Company has more first aid personnel than legally required and they undergo training every three years. Also, all of the onshore work sites are equipped with AED (Automated External Defibrillator) for immediate first-aid purposes.</p>	Year	Frequency of training	Number of employees	2023	109	5,933	2022	152	3,831	2021	70	1,178	
Year	Frequency of training	Number of employees													
2023	109	5,933													
2022	152	3,831													
2021	70	1,178													
			No Difference												



Items	Implementation		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	
(4) Does the Company provide its employees with career development and training sessions?	Yes	No	<p>e. All of YM's container ships have obtained the MLC (Maritime Labor Convention) certification. For the safety of employees, ships, and shipment, seafarers are educated and trained in compliance with the International Safety Management Code (ISM Code). This training includes ship operation, survival, and emergency response. External audits and PSC (Port State Control) inspections are regularly conducted. Given operational restrictions onboard, the Company places great importance on seafarers' physical and mental well-being by providing on-site training on metabolic syndrome prevention and chronic disease care. In May 2023, the Company began providing allowances for physical check-ups. In October, ships were equipped with AED (Automated External Defibrillator) and 12-Lead EKG (Electrocardiogram). There is continuous effort in promoting the utilization of EAPs (Employee Assistance Programs) among seafarers and their families.</p> <p>(4) To strengthen employees' professionalism, the Company provides diverse learning resources to encourage self-learning, step up performance, and explore potentials. The Company is attentive to employees' feedback and accordingly designs courses that address competency and management training. There are learning goals which employees can use to gauge their progress, thereby enabling the overall growth of the organization. The Company provides series of training courses for employees of different levels and invites external tutors to conduct internal training on important know-how and technical skills. Subsidies are available to employee foreign language, professional courses, for-credit classes, and degrees.</p> <p>(5) The services provided by the Company adhere to relevant regulations and international standards, say, Taiwan's <i>Personal Data Protection Act</i>, the EU's <i>General Data Protection Regulation (GDPR)</i>, the <i>Fair Trade Act</i>, competition laws, antitrust laws, and sanction laws. These services are adjusted to comply with regulations. Recognized for quality service, the Company has held the ISO 9001 Quality Management System certification since 1996. There are also established procedures for lines planning, procurement, service, customer privacy, and handling customer complaints. These procedures include <i>Personal Data Protection Operating Procedures</i>, <i>Privacy and Security Statement</i>, and <i>Legal Compliance Guideline of Yang Ming Group</i>. The Company will continue to improve operation and obtain certification and validation through external audit.</p>
(5) Does the Company with regard to customer health and safety of products and services, customer privacy, advertise and labels according to relevant regulations and international standards and establish any customer protection mechanisms and appealing procedure?	Yes	No	No Difference

Items	Implementation		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	
(6) Does the Company have a supplier management policy that requires suppliers to comply with relevant laws and regulations on environmental protection, occupational health and safety or labor rights, and implement these based on the procedure.		<p>(6) In 2022, the Company incorporated the requirements for supplier management to the <i>Sustainable Development Practices Guidelines</i>. When partnering with major suppliers, the contract therefor may include adherence to sustainable development policies by both parties. The Company reserves the right to terminate or rescind the contract at any time if a supplier is found to be in violation of the aforementioned policies and causes significant damages to the environment and the supply-source community.</p> <p>The Company's <i>Supply Chain Management Policy and Supplier's Code of Conduct</i> stipulates a sustainable procurement framework for procurement processes and implementation of internal procurement management regulations. The suppliers' selection mechanism also includes the criteria of sustainability and more information is available on the Yang Ming corporate ESG website. Suppliers are required to comply with relevant laws and regulations on environmental protection, occupational health and safety, and labor rights. Before engaging in business transactions, the Company is entitled to assess whether suppliers have a record of negatively impacting the environment and society in order to avoid conducting business with those running counter to the Company's sustainable development policy.</p> <p>Yang Ming promises to facilitate communication with different supply-chain partners on issues such as environmental protection, human rights and labor management, ethical integrity, and social welfare. On the basis of the above communication, the Company has set up a management mechanism. At the same time, the <i>Supplier's Code of Conduct</i> has been formulated in accordance with the Company's human rights policy, environmental management policy, occupational safety and health policy, ethical code of conduct, and other regulations, which include five major parts. The suppliers must respect and abide by the Company's common values and standards, and they are always encouraged to continue optimizing their respective services.</p> <p>a. Suppliers must protect workers' human rights, including workers of different levels and types such as temporary workers, student workers, and contract workers. Child labor and labor discrimination are strictly forbidden. Suppliers must obey all the employment laws and regulations of their respective locations/countries.</p> <p>b. Suppliers should understand that in addition to reducing work-related injuries/diseases, creating a healthy and safe work environment is key to quality products and services. It is therefore necessary to constantly seek employee feedback and provide necessary training on health and safety issues.</p> <p>c. Suppliers should always abide by relevant environmental laws and refrain from causing harm to the community and the environment.</p>	No Difference



Items	Implementation		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	
		<p>d. Suppliers and their downstream suppliers must conduct business ethically and honestly and are strictly prohibited from offering, promise to offer, giving or accepting bribes or any improper benefits.</p> <p>e. Suppliers should implement management systems to facilitate compliance with relevant laws and continuous improvement.</p> <p>The Company's <i>Supply Chain Management Policy and Supplier's Code of Conduct</i> can be accessed under Yang Ming corporate ESG website. For more information, click the link below https://esg.yangming.com/en/esg/information/supplychain/procurement/</p> <p>With dedicated efforts to sustainable governance, the Company has implemented the project of sustainable supply chain management and analyzed annual procurement activity data to classify 1,364 suppliers. Based on procurement items and service characteristics, procurement activities can be divided into eight categories: General Affairs and Labor, Professional Services, Marine fuel, Vessels, Safe operation of vessels, Container/Chassis/Genset, Container yard machinery, and Shipping-related services. The Company then analyzed the purchase amount of each category and the transaction frequency of each supplier to identify 166 tier 1 suppliers and to conduct ESG due diligence on all of the tier 1 suppliers. The scope of investigation will continue to be expanded. The Company invited tier 1 suppliers to produce the Sustainability Management Self-Assessment Questionnaire on aspects such as sustainable governance, society, and environmental management. The questionnaire enables the Company to better understand the current status of sustainable governance in the supply chain and conduct sustainable written audits of 102 tier 1 suppliers. After analyzing the Self-Assessment Questionnaire results, the Company conducted five on-site audits to observe the management status of suppliers, identify relevant risks, and better understand supplier operations. In all, these audits allow insight into the status of implementing sustainable measures and enable suppliers to gradually increase their sustainability awareness.</p>	No Difference

Items	Implementation		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	
5. Whether Company comply with any international standard or guidelines to compose the non-financial data in the Sustainability Report (And whether said report is assured by the 3 rd party?)	V	<p>YM's Sustainability Report was prepared in accordance with the GRI Universal Standards 2021 published by Global Reporting Initiative (GRI). The <i>Marine Transportation Standards 2018</i> was created according to the Sustainability Accounting Standards Board (SASB) <i>Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies</i>, and the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). YM's Sustainability Report has been verified by DNV, the moderate level of assurance standards of VeriSustain TM, the GRI Universal Standards 2021, and SASB Standards. Accordingly, the content of this report is in line with the requirements of the GRI Universal Standards 2021, SASB Standards, and the framework of TCFD.</p>	No Difference
6. If the Company has established corporate social responsibility principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies for sustainability, please describe any discrepancy between the principles and their implementation. Yang Ming has established its Corporate Social Responsibility Best Practice Principles and relevant working procedures have been carried out based on these principles. There is no discrepancy between principles and their implementation.		<p>Other important information to facilitate better understanding of the sustainable development practices is as follows.</p> <p>(1) Activities for public welfare and community participation</p> <p>In response to the promotion of arts, culture, and local prosperity, Yang Ming consistently sponsored the 2023 Taiwan Lantern Festival. Continuing its commitment to cultivating up-and-coming sports talents, the Company is continuing sponsorships to outstanding local athletes. In fostering marine conservation, Yang Ming celebrated International Coastal Cleanup Day by mobilizing 408 volunteers from its local and overseas offices in Korea, the United Arab Emirates, Belgium, India, the Netherlands, Indonesia, Taiwan, and Thailand to remove a total of 1,161 kilograms of marine debris. Additionally, the Company supports coral restoration initiatives to preserve marine biodiversity. To further community engagement, Yang Ming invited disadvantaged groups to participate in charity flea market events. Upholding the ideal of "giving back to society," Yang Ming continues to fulfil its corporate social responsibility.</p> <p>The Yang Ming Cultural Foundation (YMCF) has been promoting sustainable ocean and cultural preservation issues through exhibitions and educational activities for years. In year 2023, it organized several eye-catching activities, such as ocean picture book selection, cargo goods, re-thinking ship waste parts regeneration project, Yangming shipping elementary school campus project, and good port life festival. The total number of participants in these activities was 89,644 and the number of exhibitions was 21,137. To further community engagement, the foundation cooperated with MUJI and the National Museum to jointly promote the United Nations SDGS13 climate action, SDGS14 marine ecology protection, and SDGS17 quality education project of multi-partner relationship, so that more people can learn about and participate in sustainable development. The Foundation hopes to fulfill its corporate social responsibility by organizing engaging exhibitions, fun promotional events, sharing good thoughts with the community, being friendly to the environment, and putting ideas into action.</p> <p>(2) Yang Ming's newly-built 2.8 K vessel was awarded the ABS Smart Ship Notation in May 2020. Two Said 10 x 2,800 newly-built vessels with the same specification were also awarded the Smart Ship Notation by ABS, as well as BV, DNV GL CR upon delivery. Regarding energy-saving management, Yang Ming has spared no effort to reduce fuel consumption and CO₂ emission. Yang Ming fleet's average CO₂ emission per TEU kilometer was cut down by as much as 61.86% compared to that in 2008. This reduction goes way ahead of IMO's goal of 40% reduction by 2030 as compared to that in 2008.</p> <p>(3) Yang Ming joined the DCSA (Digital Container Shipping Association) to promote information digitalization and standardization in the container shipping industry, improve the operation procedures of upstream and downstream in the industry, and enable efficient information exchange. Yang Ming and DCSA members are working together to provide interface services including Track & Trace V.1 Interface 2.1, Operational Vessel Schedule Interface 1.0, ust in Time Port call Interface 1.0, and Bill of Lading Interface 1.0 standards.</p>	

Items	Implementation		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	
		<p>Description of operation</p>	
		<p>(4) Regarding e-service, Yang Ming was the first carrier that began providing e-Delivery Order service in December 2019 and e-Voucher service in June 2020. They are aimed at saving customer's time and working efficiently, as well as minimizing carbon footprint. Yang Ming's e-Delivery Order service and e-Voucher service was granted an invention patent, titled INFORMATION SYSTEM FOR PROCESSING DELIVERY ORDER AND METHOD AND SERVING METHOD AND SERVING METHOD, THEREOF (I741895), on October 1, 2021. The invention patent application titled INFORMATION SYSTEM FOR CONTAINER YARD PICK-UP METHOD, CALCULATOR, AND DELIVERY PICK-UP has been approved by Intellectual Property Office, Ministry of Economic Affairs, R.O.C.</p> <p>(5) We actively joined international organizations such as the Silk Alliance, the Getting to Zero Coalition, and the Society for Gas as a Marine Fuel (SGMF) to work with related members in the maritime industry chain in developing and promoting ; such as the Ship Recycling Transparency Initiative (SRTI), we continuously implementing the concept of sustainable development of the marine environment; such as the Maritime Anti-Corruption Network (MACN) platform, we adhere to anti-corruption and integrity policies.</p> <p>(6) To maintain a steady supply chain and provide safe delivery for customers, the Company adopted the ISPS and C-TPAT to enable special security measures for anti-terrorism. All our ships are certified with ISPS and ISSC certificates and have been C-TPAT members from March 2003. The Company obtained the ISO27001:2013 Information Security Management System certification and integrated IT into the risk management system to facilitate the Group's governance competitiveness and global information service operations. Yang Ming was the first carrier in Taiwan to obtain an AEO certificate, which was in June 2012.</p> <p>The above details are available at YM's website and the <i>Sustainability Report</i>.</p>	

8. Climate Related Implementation

Item	Implementation		
	Period	Risk	Impact
<p>1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.</p> <p>2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).</p>	<p>Short-term</p> <p>Medium-term</p>	<p>Tightening carbon emission regulations and energy efficiency requirements</p> <p>Substituting existing products and services with low-carbon alternatives</p>	<p>Response Strategies</p> <p>1. SEEMP implementation: Early response to the IMO's carbon intensity requirements for international shipping.</p> <p>2. Main engine derating and speed reduction: Since 2023, we have derated the main engines of the vessels in the existing fleet and reduced their speed for the purpose of reducing fuel consumption and carbon emissions.</p> <p>3. Replacement of old, energy-consuming vessels with new, eco-friendly, and energy-efficient ones: The Company has ordered the construction of new, eco-friendly, and energy-efficient vessels to replace old and energy-consuming ones, and has used low-carbon fuels to reduce the overall fuel consumption and carbon emissions of the Company's fleet. Continuously improving the efficiency of the fleet and reducing energy consumption have been the objectives of the Company. These responses described herein are also applicable to multiple risks and opportunities.</p> <p>1. Increase in fuel costs: The price of low-carbon fuels is higher than conventional fuels, resulting in an increase in operating costs.</p> <p>2. Technical transformation and maintenance costs: In the initial stage, low-carbon vessel operators require external guidance and assistance from the personnel dispatched by external management companies, and the repair and maintenance expenses paid to repairers and shipyards are higher than those for conventional equipment, which will increase relevant operating costs.</p> <p>3. Equipment costs for new vessels: New vessels must be equipped with low-carbon equipment, leading to increased construction costs.</p> <p>4. Loss of existing customers: To reflect the increase in fuel costs, the selling price of products and services is increased, which may cause the loss of the Company's existing customers.</p> <p>Strategic procurement of low-carbon products and new vessels: Yang Ming negotiates or contracts with low-carbon product suppliers for long-term contract prices, and procures vessels using low-carbon fuels through open bidding processes to reduce expenditure and costs.</p>
<p>1. Yang Ming's Board of Directors is the highest governing body on climate change issues, responsible for overseeing and making decisions about the governance. The Board of Directors deliberates on the risks and opportunities related to climate change for the Company and incorporates them in motions, and helps the Company mitigate and adapt to the impact of climate-related risks on corporate operations through related capital expenditure. Climate-adaptive services are also offered.</p> <p>2. The Corporate Governance and Integrity Division under the Sustainable Operation Strategy Team is responsible for the promotion and implementation of TCFD recommendations. The divisions in the Sustainable Operation Strategy Team assess countermeasures for risk mitigation based on identified climate-related risks and opportunities. Education and training on climate change trends and the assessment of climate-related risks and opportunities are conducted every year to enhance employees' knowledge and allow departments to identify the risks and opportunities in different climate change scenarios. The team is also responsible for enhancing climate-related risk management and organizing briefing sessions intended for departments to identify the risks and opportunities concerning corporate operations. The Chairman, President, and other senior management officers also participate in the identification of the risks and opportunities to strengthen the management of climate-related risks and opportunities in the future.</p> <p>3. The Risk Management Policy was established by Yang Ming. The Risk Control Office and Sustainable Operation Strategy Team assess the risks related to climate change, report the assessment results to the Risk Management Committee and Board of Directors, keep track of high-risk items on a quarterly basis, and report the improvement results to the Risk Management Committee and Board of Directors.</p> <p>1. To develop a climate-related risk management mechanism and come up with response strategies, the Company holds climate-related risk and opportunity response strategy meetings which are attended by the Chairman, President, and other senior management officers to form strategies to properly reduce, transfer, accept, control, or manage high-risk and high-opportunity factors identified by departments. Based on the identified risks and opportunities, the Company estimates the possible financial impacts that may result from climate change, and develops response strategies to mitigate costs and realize benefits.</p> <p>2. Four climate change scenarios were set up according to the operational status and location to assess climate-related risks and opportunities. The effect and impact of climate change on the operational environment and stakeholders were assessed. The risk and opportunity forms were used to identify climate related risks and opportunities. Then the risk and opportunity matrixes were created to determine climate change risks and opportunities. After the climate-related risks and opportunities were identified on the basis of "likelihood" and "impact of the risks or opportunities", three high-risk factors and three high-opportunity factors were identified for 2023.</p> <p>(1) Three high risks are summarized as follows</p>			



Item	Implementation			Response Strategies
Period	Risk	Impact		
Medium-term	Extreme climate model changes	<ol style="list-style-type: none"> 1. Damage to vessels/containers: Navigation in severe weather conditions may cause damage to containers falling off ships and vessel securing equipment, incurring additional costs. 2. Disruption or halt of port operations: Extreme weather may cause ports to shut down, sailing schedules to delay, call ports to be omitted, and voyages to be cancelled. The disruption of inland transportation may also aggregate capacity reduction. Extended sailing schedules may lead to customer loss and even affect customers operations. 3. Increase in fuel consumption to keep up with sailing schedules: Sailing schedules are prolonged due to extreme weather. To keep up with the schedules, additional fuel costs are required. 	<p>Adoption of optimal routing services with precise weather forecast information: The Company's vessels follow weather routing plans to increase or decrease navigation speed to avoid areas of severe weather or sea conditions. Since 2022, we have used systems and services provided by Weathernews Inc. to monitor our vessels' navigation and fuel consumption and to keep track of improvements in case of performance abnormalities.</p>	
(2) Three highopportunities are summarized asfollows.				
Period	Opportunity	Impact	Response Strategies	
Short-term/medium-term	Adoption of new technologies to raise operational efficiency	<ol style="list-style-type: none"> 1. Highly-efficient terminal operations: Process improvements, such as optimization of operating procedures, improvement of cargo handling efficiency, real-time workplace monitoring, process change management, as well as software and hardware upgrades will effectively enhance the operational efficiency of container yards, reducing energy consumption, increasing equipment availability and turnover, and cutting operating costs. 2. Use of low-carbon equipment: Low-carbon emission/electronic stackers and LED lighting equipment are used to replace outdated stackers using diesel fuel and electricity-consuming lighting equipment to reduce carbon emissions and cut potential carbon costs. 	<p>Replacement of machinery and equipment for reduced operating costs: Energy-efficient lighting equipment is used and stackers using diesel fuel are replaced to reduce operating expenditure.</p>	
Short-term/medium-term	Adoption of transportation methods with higher efficiency	<p>Reduction of vessels' fuel consumption and carbon emissions: Regularly cleaning hulls, monitoring main engine torque, and installing energy-efficient propellers and bulbous bows, which allow vessels to sail with low resistance can reduce fuel consumption. If the EU's Fit-55 carbon transaction platform and FuelEU Maritime go live and apply to ocean carriers in the future, carbon fees can be reduced, and penalties can be avoided.</p>	<p>Reduction of vessels' fuel consumption: Regularly cleaning hulls and making energy-efficient modifications to propellers and bulbous bows can reduce sailing resistance and prevent outer panels from marine organisms, cutting fuel consumption.</p>	
Long-term	Diversification of business activities	<ol style="list-style-type: none"> 1. Launching of ships running on green energy: We continuously assess all possible alternative energy technologies and look at the feasibility of clean energy/green fuels for additional business sources. 2. Investment in low-carbon energy transportation equipment: Yang Ming plans to participate in national renewable energy programs and discuss with potential joint venture partners about investing in maintenance vessels for offshore wind farms and LNG carriersto increase revenue sources. 3. Development of new routes: Low-carbon vessels are deployed to keep up with the trend of green corridors in the future and increase revenue sources. Short-distance or low-carbon emission routes are developed for additional revenue sources. 	<ol style="list-style-type: none"> 1. Investment in green energy and low-carbon equipment: A certain amount of capital expenditure has been budgeted for investing in green energy and relevant transport ships in the next 5 years (2023-2027). The amount may be adjusted annually according to the actual implementation. 2. Construction of low-carbon vessels: Yang Ming has invested in and built suitable vessels or modified vessel equipment. It is also attentive to of the latest environmental regulations and market conditions.A report and outlined specifications for the analysis of fuel selection has been made ready for the new ship deployment project. 	
3. Describe the financial impact of extreme weather events and transformative actions.				
<ol style="list-style-type: none"> 1. In response to extreme weather conditions and increasingly stringent carbon regulations and energy efficiency requirements), the financial implications are detailed in the preceding item 2. 2. The Company's vessels follow weather routing plans to increase or decrease navigation speed to avoid areas of severe weather or sea conditions. Since 2022, we have used systems and services provided by Weathernews Inc. to monitor our vessels' navigation and fuel consumption and to keep track of improvements in case of performance abnormalities 3. The laws and regulations related to the reduction of GHG emissions become stricter and the cost goes higher. If the governance intensity continues to increase, carbon taxes and fees may be imposed on the GHG emissions produced in corporate operations, increasing operating cost. The Company has ordered new, eco-friendly, and energy-efficient vessels to replace old and energy-consuming ones, and has used low-carbon fuels to reduce the overall fuel consumption and carbon emissions. Continuously improving the efficiency of the fleet and reducing energy consumption have been the objectives that we have tirelessly supported. 				

Item	Implementation															
<p>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</p>	<p>The Company set up the Risk Management Committee under the Board of Directors in 2022. The committee is responsible for reviewing internal risk management policies, structures, systems and regulations, as well as review and response measures for material risks. To provide a compliance basis for risk management practices, the Company has developed the Risk Management Policy as the norm for risk management and the highest guideline for standard procedures. The Risk Control Office and the Sustainability Responsibility Team will assess the risks related to climate change. After the group's risk assessment is completed, the assessment result report will be submitted to the Risk Management Committee and the Board of Directors. High-risk projects are tracked quarterly and improvement results are reported to the Risk Management Committee and Board of Directors.</p> <p>Yang Ming's Risk Management Procedures are as follows.</p>															
	<p>Management Procedures</p> <p>Risk Identification</p> <p>Risk Analysis</p> <p>Risk Assessment and Response</p> <p>Risk Monitoring</p>															
	<p>Description</p> <p>Based on past practical experiences and external information, all units identify and list possible risk factors by assessing the impact of factors on internal and external stakeholders through internal control cycle analysis and scenario simulation analysis.</p> <p>The identified risk factors are analyzed thoroughly for frequency and range of loss through practical experiences, scenario simulation analysis, statistical data analysis, external risk case studies, as well as data and information.</p> <p>Risk assessment involves grading the frequency and range of loss analyzed during risk analysis, deriving the level of risk, and lastly, positioning the risk factors in a risk matrix according to the level of risk. Countermeasures against risks include risk retention and risk transfer. Risk avoidance and risk prevention are taken into account for risk decision-making.</p> <p>All responsible units implement risk management and control, cooperate in internal and external audits for the purpose of monitoring, and present the Group's annual risk assessment report and results to the Board of Directors.</p>															
<p>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.</p>	<p>Yang Ming has set up four climate change scenarios according to the operational status and location to assess climate-related risks and opportunities. The effect and impact of climate change on the operational environment and stakeholders is assessed. The risk and opportunity forms are used to identify climate related risks and opportunities. The risk and opportunity matrixes are developed to determine climate change risks and opportunities.</p> <p>Below is the Company's analysis of climate-related financial impacts under different scenarios.</p>															
	<table border="1"> <thead> <tr> <th data-bbox="678 264 678 459">Type of Climate-related Risks and Opportunities</th> <th data-bbox="678 459 678 638">Climate Change Scenario</th> <th data-bbox="678 638 678 952">Scenario Description</th> </tr> </thead> <tbody> <tr> <td data-bbox="678 264 678 459">1. Transition risk</td> <td data-bbox="678 459 678 638">1. NDC: The Republic of China's nationally determined contribution</td> <td data-bbox="678 638 678 952">1. The risks generated and faced by the Company during low-carbon transformation in a scenario where the Republic of China has set a nationally determined contribution and global warming is limited to 2° C.</td> </tr> <tr> <td data-bbox="678 264 678 459">2. Opportunity</td> <td data-bbox="678 459 678 638">2. IEA NZE 2050</td> <td data-bbox="678 638 678 952">2. The scenario with a path to controlling global warming stably at 1.5° C, provided in the World Energy Outlook (WEO) of the International Energy Agency (IEA), is analyzed.</td> </tr> <tr> <td data-bbox="678 264 678 459">Physical risk</td> <td data-bbox="678 459 678 638">1. The global warming scenario in the IPCC's Sixth Assessment Report, RCP 6.0 (or SSP 2 - 4.5)</td> <td data-bbox="678 638 678 952">1. The climate-related risks that may be faced by the Company are assessed based on the scenarios used in the IPCC's Sixth Assessment Report, RCP 6.0 (or SSP 2 - 4.5) around 2060.</td> </tr> <tr> <td data-bbox="678 264 678 459"></td> <td data-bbox="678 459 678 638">2. The global warming scenario in the IPCC's Sixth Assessment Report, RCP 8.5 (or SSP 5 - 8.5)</td> <td data-bbox="678 638 678 952">2. Under an extremely high GHG emissions scenario, RCP8.5 (or SSP5- 8.5), climate change aggravates the change of future average temperatures, extreme heat days, total annual rainfall, annual maximum daily rainfall intensity, annual maximum consecutive dry days, and the proportion of severe typhoons, which may impact Yang Ming's operations and the value chain thereof.</td> </tr> </tbody> </table>	Type of Climate-related Risks and Opportunities	Climate Change Scenario	Scenario Description	1. Transition risk	1. NDC: The Republic of China's nationally determined contribution	1. The risks generated and faced by the Company during low-carbon transformation in a scenario where the Republic of China has set a nationally determined contribution and global warming is limited to 2° C.	2. Opportunity	2. IEA NZE 2050	2. The scenario with a path to controlling global warming stably at 1.5° C, provided in the World Energy Outlook (WEO) of the International Energy Agency (IEA), is analyzed.	Physical risk	1. The global warming scenario in the IPCC's Sixth Assessment Report, RCP 6.0 (or SSP 2 - 4.5)	1. The climate-related risks that may be faced by the Company are assessed based on the scenarios used in the IPCC's Sixth Assessment Report, RCP 6.0 (or SSP 2 - 4.5) around 2060.		2. The global warming scenario in the IPCC's Sixth Assessment Report, RCP 8.5 (or SSP 5 - 8.5)	2. Under an extremely high GHG emissions scenario, RCP8.5 (or SSP5- 8.5), climate change aggravates the change of future average temperatures, extreme heat days, total annual rainfall, annual maximum daily rainfall intensity, annual maximum consecutive dry days, and the proportion of severe typhoons, which may impact Yang Ming's operations and the value chain thereof.
Type of Climate-related Risks and Opportunities	Climate Change Scenario	Scenario Description														
1. Transition risk	1. NDC: The Republic of China's nationally determined contribution	1. The risks generated and faced by the Company during low-carbon transformation in a scenario where the Republic of China has set a nationally determined contribution and global warming is limited to 2° C.														
2. Opportunity	2. IEA NZE 2050	2. The scenario with a path to controlling global warming stably at 1.5° C, provided in the World Energy Outlook (WEO) of the International Energy Agency (IEA), is analyzed.														
Physical risk	1. The global warming scenario in the IPCC's Sixth Assessment Report, RCP 6.0 (or SSP 2 - 4.5)	1. The climate-related risks that may be faced by the Company are assessed based on the scenarios used in the IPCC's Sixth Assessment Report, RCP 6.0 (or SSP 2 - 4.5) around 2060.														
	2. The global warming scenario in the IPCC's Sixth Assessment Report, RCP 8.5 (or SSP 5 - 8.5)	2. Under an extremely high GHG emissions scenario, RCP8.5 (or SSP5- 8.5), climate change aggravates the change of future average temperatures, extreme heat days, total annual rainfall, annual maximum daily rainfall intensity, annual maximum consecutive dry days, and the proportion of severe typhoons, which may impact Yang Ming's operations and the value chain thereof.														
<p>6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.</p>	<p>We have already included climate change risks in the Company's risk management policy. The Risk Control Office and Sustainable Operation Strategy Team regularly assess such risks and opportunities, report the assessment results to the Risk Management Committee and Board of Directors after the risk assessment procedure for the Group is completed. They also keep track of high-risk items on a quarterly basis, report the improvement results to the Risk Management Committee and Board of Directors, and continue climate-related financial disclosure (TCFD) and carbon disclosure program (CDP) projects, along with the R&D of low-carbon technologies, investment planning. The climate change risks and opportunities in the Company's operations are reviewed regularly.</p>															
<p>7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.</p>	<p>None</p>															



Item	Implementation
<p>8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.</p> <p>9. Greenhouse gas inventory and assurance status (separately fill out in point 8-1 and 8-2 below).</p>	<p>1. The Company has actively promoted green shipping. In 2022, the Company introduced the ISO 14064-1 GHG inventory and acquired third-party verification. Based on the inventory results, the Company promoted and planned the setting of GHG emission reduction targets and measures. In 2023, the Company continued to complete the ISO 14064-1 GHG inventory for the self-owned vessels, which was third-party verified and Taiwan Accreditation Foundation (TAF)-certified.</p> <p>2. The Company continues to go above and beyond international regulatory requirements by adopting management measures such as hull optimization, the introduction of new eco-friendly vessels, optimal ship speed control, the use of smart monitoring systems, and the modification of existing ships. The CO₂ emission intensity of the operating vessels in 2023 was reduced by 61.86% compared to 2008, moving ahead of the IMO's goal of a 40% reduction by 2030 and towards the goal of a 70% reduction by 2050.</p> <p>Please find below Greenhouse Gas Inventory and Assurance Status.</p>

8-1 Status of Yang Ming's GHG Inventory and Assurance over the Past Two Years

8-1-1 GHG Inventory

Describe the emission volume (metric tons CO₂e), intensity (metric tons CO₂e/million NT\$) and data head range of greenhouse gases in the past two years.

For the greenhouse gas inventory of the years 2021 and 2022, the organizational boundaries are defined based on operational management control. The covered sites include seven locations and operational vessels: YMHQ in Cidu, Keelung Sinyi Building, Keelung Container Terminal, Keelung Business Department, Kaohsiung Branch, Taichung Branch (Wuqi Office), and operational ships. Greenhouse gas emission intensity is calculated per unit of operating revenue, and the operating revenue for the year 2021 is 244,723,602 (NT\$, million); and 261,012,906 (NT\$, million) in 2022.

Category	2021 Emission Volume (metric tons CO ₂ e)	2021 Carbon Intensity (metric tons CO ₂ e/million NT\$)	2022 Emission Volume (metric tons CO ₂ e)	2022 Carbon Intensity (metric tons CO ₂ e/million NT\$)
Scope 1	3,989,792.8227	16.3033	4,034,299.5445	15.4563
Scope 2	10,732.6461	0.0439	11,200.4093	0.0429
Scope 3	120,928.4453	0.4941	648,041.4959	2.4828

8-1-2 GHG Assurance

Describe the confidence situation in the last two years as of the publication date of the annual report, including the scope of the confidence, the organization of the confidence, the criteria for the confidence and the opinion of the confidence.

The Company's greenhouse gas information for the year 2022 was verified by DNV Business Assurance Co. (DNV), covering the seven company sites and operational vessels. The verification was performed on the basis of ISO 14064-3 as well as criteria given to provide for consistent GHG emission identification, calculation, monitoring and reporting; the verification opinions support a reasonable level of assurance. The greenhouse gas information for the year 2023 will be disclosed in the Sustainability Report.

8-2 The Goals, Strategies, and Specific Action Plans for GHG Reduction

Describe the greenhouse gas reduction base year and its data, reduction targets, strategies, specific action plans and achievement of reduction targets.

The Company implemented the ISO 14064-1 Greenhouse Gas Inventory Standard in the year 2022, covering YM Taiwan offices, the Keelung container terminal, and operational vessels. The implementation obtained a third-party verification. In the inventory, operational vessels were found to contribute to the highest proportion of Category 1 and Category 2 GHG emissions. As to GHG reduction, the Company adheres the IMO's specifications for carbon intensity of operational vessels. The Company has taken proactive management measures such as hull optimization, launch of new environmentally-friendly vessels, optimal speed control, intelligent monitoring systems, and retrofitting of energy-saving devices on existing vessels.

In 2023, the carbon intensity of operational vessel emissions was reduced by 61.86% compared to 2008. This exceeds the IMO's set target of 40% reduction by 2030. The Company will continue to move towards the goal of a 70% reduction in carbon intensity by the year 2050. The Company will also reduce the overall greenhouse gas emissions by 20% by 2030, with a target of net-zero emissions by 2050. By the time the GHG inventory of subsidiaries in the consolidated financial report is completed in 2025, the Company will have established a Group-wide reduction target.

3.4.8 The Company's Implementation of Ethical Corporate Management and Deviations from the Ethical Corporate Management Best Practice Principles
Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons

Items	Implementation		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1) Does the Company approve ethical corporate management policies by the Board of Directors? And is its ethical corporate management policies and procedures declared in its guidelines and external documents, as well as the commitment of its Board to implement the policies?</p>		<p>(1) The amendment to Yang Ming's <i>Ethical Corporate Management Best Practice Principles</i> was approved at the 20th Board meeting (23rd session) on Dec. 16, 2022. The integrity policy can be found in the Company codes, annual reports, official website, and other publications. Accordingly, when engaging in commercial activities, directors, supervisors, managers, employees, and mandataries of persons having substantial control shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty (unethical conduct) for purposes of acquiring or maintaining benefits. The ethics terms and conditions are incorporated into supplier's contracts or ethical affidavits to be signed.</p>	
<p>(2) Does the Company establish the risk assessment mechanism against potentially unethical conduct by regular analysis and assessment on listed activities stated in Article 2, Paragraph 7 of the <i>Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies</i>?</p> <p>(3) Does the Company establish policies to prevent unethical conduct by issuing clear statements regarding relevant procedures, business conduct guidelines, punishment for violations, appeal rules, and commitment to implement policies above as well as review on pre-disclosure plans?</p>	V	<p>(2) For prevention of unethical operational activities, precautionary measures like periodic staff rotation and enhanced supervision are taken. The risk control assessment is conducted by the Risk Control Office. Relative risk control proposals and measures against unethical conduct are raised for further discussion. Therefore, with the <i>Procedures for Ethical Management and Guidelines for Conduct of Yang Ming Marine Transport Corporation</i> being approved, the healthy and ethical corporate management can be achieved.</p> <p>(3) Ethical corporate management policies are implemented in accordance with relevant laws and industry practices. At the 20th Board meeting (23rd session) on Dec. 16, 2022, Yang Ming approved the <i>Procedures for Ethical Management and Guidelines for Conduct of Yang Ming Marine Transport Corporation</i>, which can be found in the Company codes and on the official website. Also, the <i>Codes of Ethical Conduct of Yang Ming Group</i>, work rules, and the <i>Personnel Reward and Punishment Procedures</i> are formulated in reference of confidentiality regulations and aimed at preventing conflicts of interest. If any unethical conducts are committed, disciplinary actions will be taken on the basis of severity.</p>	No Difference

Items	Implementation		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	
<p>2. Fulfillment of operation integrity policy</p> <p>(1) Does the Company evaluate business partners' ethical records and include ethics clauses in business contracts?</p> <p>(2) Does the Company establish dedicated unit that is periodically in charge of corporate integrity report to the Board about its supervision and implementation?</p> <p>(3) Does the Company establish policies to prevent conflicts of interest, while providing and implementing appropriate communication channels?</p>		<p>(1) Every department or division is required to specify ethics clauses in business contracts, or sign affidavits. Any serious violation found shall be recorded and the business partnership terminated.</p> <p>(2) To achieve sound ethical management, the Corporate Governance and Integrity Division under the Sustainable Operation Strategy Team is responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs. The dedicated division is headed by the President and composed of representatives from the Audit Dept., Legal Compliance Office, Risk Control Office, Public Affairs Dept., and Human Resources Dept. Its main responsibilities cover the following, and it should report to the Board of Directors at least once a year. The Corporate Governance and Integrity Division reported on the implementation and the implementation measures at the 20th Board meeting (26th session) on May 12, 2023.</p> <ul style="list-style-type: none"> ● Assisting in incorporating ethical conduct regulations into the Company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management and compliance with relevant laws and regulations. ● Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, adopting programs to prevent unethical conduct, and setting up in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business. ● Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of business activities within the business scope which are possibly at a higher risk for unethical conduct. ● Promoting awareness and organizing educational events on ethics policy. ● Developing a whistle-blowing system and ensuring its operating effectiveness. ● Assisting the Board of Directors and management in auditing and assessing whether the prevention measures for ethical management are effectively implemented, and preparing reports on the regular assessment of compliance with ethical management in operating procedures. <p>(3) The Company abides by its <i>Ethical Corporate Management Best Practice Principles</i>, in which Article 19 stipulates prevention of conflicts of interests. Independent director e-mail (ymtarzantang88@hibox.biz) and independent e-mail (conduct@yangming.com) for whistleblowing system are provided for preventing conflicts of interest.</p>	No Difference



Items	Implementation		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons	
	Yes	No		Description
<p>(4) Has the Company established effective systems for both accounting and internal control? And has the internal audit unit drawn up the relevant audit plans in accordance with the results of risk assessment, thus auditing the operating status to prevent unethical conducts? Or has company entrusted CPAs for its auditing?</p> <p>(5) Does the Company hold internal and external educational trainings on operational integrity regularly?</p>		V	<p>(4) The Company complies with ethical corporate management policies by facilitating internal audit, accounting and internal control on a regular basis. Yang Ming will establish an effective accounting system and an internal control system for business activities which may easily lead to unethical conduct. The Company also conducts reviews regularly to ensure that the design and enforcement of the systems continue to show good results. The Company audits the integrity operating status of the management department, submits the audit report to independent directors for reference, and integrates the above into the internal audit report, which is then submitted to the Board.</p> <p>(5) From September 25 to October 23, 2023, the Company conducted an online investigation on the <i>Codes of Ethical Conduct, Ethical Corporate Management Best Practice Principles, and Procedures for Ethical Management and Guidelines for Conduct</i>, with 1,487 onshore employees passing the test and a completion rate of 97.89%.</p>	No Difference
<p>3. A whistleblowing system operations</p> <p>(1) Does the Company establish a reward/punishment system and channels for whistleblowers? Can the defendant be reached by an appropriate person for follow-up?</p> <p>(2) Does the Company establish standard operating procedures of whistleblowing cases subject to investigation and related confidentiality mechanism?</p>		V	<p>(1) To build a corporate culture of integrity and transparency that facilitates healthy business operation, the Board of Directors has approved the institution of <i>the Regulations Governing the Audit Committee's Handling of Stakeholder Suggestions and Complaints, the Regulations Governing the Audit Committee's Handling of whistleblowing cases for Yang Ming Group Members, and the Procedures of whistleblowing cases for Yang Ming Group Members</i>. An independent email and mail address is set up for reporting whistleblowing cases and accessible on the Company's official website. The email addresses are provided to YM's global subsidiaries and key suppliers to enable an employee or an outsider to report any person involving the YM Group who violates the laws, work protocols, or is engaged in dishonest conduct. Use the following information to report a violation.</p> <p>a. Mail submission: YMHQ (Address: No.271, Ming De 1st Road, Cidu District Keelung 20646 Taiwan, R.O.C.) (Recipient: the Audit Committee or Chief Audit Executive.)</p> <p>b. Electronic submission:</p> <p>i. Independent director email: ymtarantang88@hibox.biz (Recipient: the Audit Committee)</p> <p>ii. Independent Whistleblowing email: conduct@yangming.com (Recipient: Chief Audit Executive)</p> <p>(2) The criteria for accepting a whistleblowing case, investigation procedures, subsequent handling following the investigation report, and whistleblower protection are stipulated in the <i>Procedures of whistleblowing cases for Yang Ming Group Members</i>.</p>	No Difference

Items	Implementation		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons	
	Yes	No		
		<p>a. A whistleblowing case will not be accepted in the following situations.</p> <ul style="list-style-type: none"> i. The matter does not meet the prescribed criteria of a complaint, or there is inadequate description or little evidence for substantive investigation. ii. Where a correction is required, the complainant cannot be notified or fails to make any correction within the specified time after being notified. iii. The case is found to be malicious attack, fabrication, not related to the Group, intended for personal attack, running counter to facts, the rules of experience and logic. iv. The case is knowingly being investigated, adjudicated by a judicial authority, or subject to non-prosecution, deferred prosecution, or a decision thereof has been rendered. v. The case is being submitted once again after it was rejected by the case-handling office (or the Audit Committee) or closed. However, re-submission may be allowed if the whistleblower can provide new evidence warranting a re-investigation. <p>b. Investigation procedures:</p> <ul style="list-style-type: none"> i. The investigation should be conducted fairly, justly, and according to relevant laws. The identities of the parties involved and witnesses should be kept confidential and the investigation materials and reports should be kept as classified documents. The persons involved in handling, investigation, review, and approval should keep the relevant documents in strict confidentiality. ii. The investigation and the report thereof should be completed within three months following the day of acceptance. If necessary, the time period may be extended following approval by the Board of Directors or the Chairman. iii. The investigation report should include cause of action, investigation procedures, and suggestions for handling. The job positions of the accused or the severity of the case should also be included in the report to be presented to the Chairman or the Board for review and approval. c. All the persons involved in handling the case should keep the whistleblower letters, investigation report, and other documents in strict confidentiality. The whistleblower or other persons involved in or collaborative in the investigation should be appropriately protected and considered mitigating factors for a lesser penalty to prevent unfavorable treatment. <p>(3) a. The Company has instituted the regulations and procedures governing the handling of complaints and ensured that they are applicable to the YM Group. According to the whistleblower protection system, a whistleblower or any other persons involved or collaborative in the investigation should not be subject to unfavorable treatment, which includes but is not limited to dismissal, demotion, or salary cut that violates the rights and interests stipulated by laws or employment contract.</p>	No Difference	
(3) Does the Company provide proper protection for whistleblowers?	V			No Difference

relevant procedures were amended.

Items	Implementation		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	
4. Strengthening information disclosure Does the Company disclose its ethical corporate management policies and regulations as well as their implementation on its website and the Market Observation Post System (MOPS)?	V	The Company's Ethical Corporate Management Best Practice Principles and relevant information as well as the status of implementation are available on the official website. https://www.yangming.com/CorporateGovernance/RulesandRegulations.aspx StatusofEthicalCorporateManagement.aspx">https://www.yangming.com/CorporateGovernance/Implementation>StatusofEthicalCorporateManagement.aspx	No Difference
5. If the Company has established its corporate social responsibility principles based on the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please describe any discrepancy between the principles and their implementation: There is no difference between the internal conduct and regulations stipulated in the Code of Ethical Management of Yang Ming Marine Transport Corporation.			
6. Other important information to facilitate better understanding of the Company's ethical corporate management policies (such as review and revision of regulations). Yang Ming complies with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, public listing and over-the-counter transaction rules, as well as other laws and regulations regarding commercial activities. Law compliance is the core of the Company's ethical management.			

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

Yang Ming has formulated the following regulations: *The Corporate Governance Best Practice Principles, Rules and Procedures for Board of Directors' Meetings, Rules and Procedures for Shareholders' Meetings, Rules Governing the Scope of Powers of Independent Directors, Audit Committee Charter, Remuneration Committee Charter and Procedures for Election of Directors* in reference of the regulations specified in the *Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies*. These are disclosed on the MOPS. The Company's *Sustainable Development Best Practice Principles, Risk Management Committee Charter, Procedures for Board and Functional Committee Performance Assessments, Codes of Ethical Conduct of Yang Ming Group, Ethical Corporate Management Best Practice Principles of Yang Ming Marine Transport Corporation, Procedures for Ethical Management and Guidelines for Conduct of Yang Ming Marine Transport Corporation, and Procedures of whistleblowing cases for Yang Ming Group Members* are also available on the official website for the reference of investors. Formulated to enhance corporate governance, the *Procedures for Handling Material Inside Information* stipulate a system for handling material inside information and making disclosures. For interested investors, please visit the official website (<http://www.yangming.com>) and corporate ESG website (<https://esg.yangming.com/en/>).

3.4.10 Other significant information that facilitates better understanding of the status of the Company's implementation of corporate governance may also be disclosed:

1. Important financial information is published on the Company's website in the "Investor" section; relevant business information can also be found on the official website.
2. The Company has set up the Internal Control System and the Internal Audit System. Accordingly, an annual audit plan based on risk items is formulated and carried out according to the regulations approved by the Board. The annual audit plan is submitted to the Financial Supervisory Commission (FSC) in accordance with relevant laws. In addition, the Company has also issued summary reports on the self-assessment of the Internal Control System and provided an Internal Control System Statement to the Board for approval before submitting it to the FSC.
3. The Company has established and revised important internal financial regulations, including the *Regulations Governing the Acquisition and Disposal of Assets, Regulations Governing Lending of Funds and Making Endorsements/Guarantees, and Regulations Governing Lending of Funds*, which has been submitted to the Board for approval.
4. The Company has established the *Procedures for Handling Material Inside Information* for the information of all directors, managerial officers, and employees. To prevent insider trading activities, the Company holds relevant training sessions annually.

2.3.11 Internal control system statement

1. Statement of Internal Control System

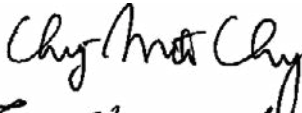
Yang Ming Marine Transport Corp.
Internal Control System Statement


Date : 07 March, 2024

The Company states the following with regard to its internal control system during fiscal year 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, and regulatory compliance of reporting, and compliance with applicable laws, regulations, and bylaws.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the three goals mentioned above. Furthermore, the effectiveness of an internal control system may change along with changes in environment or circumstances. The internal control system of the Company contains self-monitoring mechanisms, however, and the Company takes corrective actions as soon as a deficiency is identified.
3. The Company judges the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (hereinbelow, the "Regulations"). The internal control system judgment criteria adopted by the Regulations divide internal control into five elements based on the process of management control: 1. control environment 2. risk assessment 3. control activities 4. information and communications 5. monitoring activities. Each element further contains several items. Please refer to the Regulations for details.
4. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.
5. Based on the findings of the assessment mentioned in the preceding paragraph, the Company believes that as of 31 December, 2023, its internal control system (including its supervision and management of subsidiaries), encompassing internal controls for knowledge of the degree of achievement of operational effectiveness and efficiency objectives, reliability, timeliness, transparency, and regulatory compliance of reporting, and compliance with applicable laws, regulations, and bylaws, is effectively designed and operating, and reasonably assures the achievement of the above-stated objectives.
6. This Statement will become a major part of the content of the Company's Annual Report and Prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This Statement has been passed by the Board of Directors Meeting of the Company held on 7 March, 2024, where none of the 11 attending directors expressed dissenting opinions, and the remainder all affirmed the content of this Statement.

Yang Ming Marine Transport Corp.

Chairman: Cheng Cheng-Mount  (signature)

President: Tu Shu-Chin  (signature)

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

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

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

1. Shareholders' Meeting

The 2023 annual shareholders' meeting was held on May 26, 2023. At the meeting, shareholders in attendance in person or by proxy reached the following resolutions and the implementation is as follows

Resolution	Implementation
Adoption of 2022 business report and financial statements	Implemented in accordance with the resolutions.
Adoption of 2022 surplus earnings distribution proposal	Implemented in accordance with the resolutions and authorized the Chairman to set the Ex-dividend date as July 10, 2023 and the cash dividend was distributed on August 3, 2023. (Cash dividend per share was TW\$ 20)
By-election of 2 independent directors	The Ministry of Economic Affairs approved the registration on June 21, 2023, which Yang Ming later announced on its official website
Releasing the prohibition on directors (including independent director candidates) from participation in competitive business	Implemented in accordance with the resolutions
Amendment to Regulations Governing the Acquisition and Disposal of Assets of the company	Implemented in accordance with the resolutions and published on Yang Ming's website

2. Board meetings

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

Board Meeting	Important Bills
The 381 st Meeting January 13, 2023	<ol style="list-style-type: none"> 1. Donation to the Yang Ming Culture Foundation 2. 2022 performance bonus for seafarers 3. Chairman and President's remunerations 4. Amendment to directors' remuneration standard
The 382 nd Meeting March 09, 2023	<ol style="list-style-type: none"> 1. Related issues of 2023 shareholders' meeting 2. By-election of 2 independent directors in 2023 shareholders' meeting 3. Nomination and reviewing the list of candidates of 20th independent directors 4. The procedure of shareholders' proposal and nomination of independent director candidates at 2023 shareholders' meeting 5. Releasing the prohibition on directors and independent directors from participation in competitive business 6. Non-Assurance services provided to the Company and subsidiaries by the CPA accounting firms and its global members 7. Authorization for signing Letter of Intent (LOI) on collaboration program 8. Credit term and derivatives trading quota negotiation with financial institutions 9. Release the prohibition on executive officers from participation in competitive business 10. Amendment to directors' remuneration standard

Board Meeting	Important Bills
The 383 rd Meeting May 12, 2023	<ol style="list-style-type: none"> 1. Signing Memorandum of Understanding (MOU) on collaboration program 2. Renewal of Memorandum of Understanding (MOU) with the Silk Alliance 3. Credit term and derivatives trading quota negotiation with financial institutions 4. Release the prohibition on executive officers from participation in competitive business
The 384 th Meeting June 21, 2023	<ol style="list-style-type: none"> 1. Signing Memorandum of Understanding (MOU) on collaboration program 2. Appointment of members for the 5th Compensation Committee 3. Appointment of members for the 1st Risk Management Committee 4. Donation to National Chengchi University 5. Donation to PaperWindmill Theatre, Taiwan 6. Adjustment of executive officers for branch offices
The 385 th Meeting August 11, 2023	<ol style="list-style-type: none"> 1. Amendment to <i>Rules of Procedure for Board of Directors Meetings</i> 2. Donation to Chinese Taipei Badminton Association 3. Release the prohibition on executive officers from participation in competitive business
The 386 th Meeting September 27, 2023	<ol style="list-style-type: none"> 1. Credit term and derivatives trading quota negotiation with financial institutions
The 387 th Meeting November 10, 2023	<ol style="list-style-type: none"> 1. Amendment to remuneration standard and table for native seafarers on group vessels with ROC flag
The 388 th Meeting December 22, 2023	<ol style="list-style-type: none"> 1. 2024 business plan and budget 2. 2024 internal audit plan 3. Lease renewal of branch office 4. Donation to the Yang Ming Culture Foundation 5. Credit term and derivatives trading quota negotiation with financial institutions 6. Signing Memorandum of Understanding (MOU) on telemedicine consultation collaboration program
The 389 th Meeting January 31, 2024	<ol style="list-style-type: none"> 1. Scrubber installations on company-owned container vessels 2. Amendment to Regulations Governing Investment of Financial Instruments and Regulations Governing Operating Procedures for Financial Instruments 3. Increasing the authorization quota for subsidiaries to engage in financial instruments investment 4. Evaluation on the certified CPA's independence and suitability and compensation of CPAs 5. Authorization for signing Letter of Intent (LOI) of collaboration program 6. Donation to the Yang Ming Culture Foundation 7. Credit term and derivatives trading quota negotiation with financial institutions 8. Authorization for signing Letter of Intent (LOI) of collaboration program
The 390 th Meeting March 07, 2024	<ol style="list-style-type: none"> 1. 2023 business report 2. 2023 financial statements 3. 2023 compensation distribution of employees and directors 4. The 21st Election of Directors (including independent directors) in 2024 shareholders' meeting 5. Related issues of 2024 shareholders' meeting 6. The procedure of shareholders' proposal and nomination of director (including independent director) candidates in 2024 shareholders' meeting 7. 2023 self-assessment audit report and statement of internal control system 8. Cash capital reduction to subsidiaries 9. Credit term and derivatives trading quota negotiation with financial institutions 10. Signing Memorandum of Understanding (MOU) of collaboration program 11. 2023 performance bonus for employees

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

Board meeting	Motion	Board resolution
The 382 nd Meeting March 09, 2023	2022 earnings distribution	All the directors in attendance agreed to make recorded vote. Director Keh-Her Shih abstained from voting because the management department should balance sustainable development and shareholders' interests. Director Wen-Ching Liu voted for distributing cash dividend of TW\$ 23 per share. Director Shao-Liang Chen voted for distributing cash dividend within the range of TW\$ 20~23 per share. Independent Director Tar-Shing Tang, Chairman Cheng-Mount Cheng, Director Jiang-Ren Chang, Director Chien-Yi Chang, Director Chih-Li Chen and Director An-Chung Ku voted for distributing cash dividend of TW\$ 20 per share. Reviewed and approved to authorize the management department to distribute cash dividend of TW\$ 20 per share.
	2022 compensation distribution of employees and directors	Director Keh-Her Shih abstained from voting on the employees' compensation installment plan after reviewing suggestions from members Kuang-Hsun Shih and Chiou-Ling Huang in the 46 th Compensation Committee meeting; reviewed and approved by other directors in attendance.
	Amendment to <i>Regulations Governing the Acquisition and Disposal of Assets of the Company</i>	Director Keh-Her Shih abstained from voting and considered that the calculation basis of the authorization limit for the Company's securities, non-operational real estate property and the right-of-use assets should be based on net value. Reviewed and approved by other directors in attendance.
The 383 rd Meeting May 12, 2023	Approval of the primary and secondary shipyards regarding new vessel building and authorization for contract price	All the directors in attendance agreed to make recorded vote. Chairman Cheng-Mount Cheng, Director Chien-Yi Chang, Director Chih-Li Chen, Director Jiang-Ren Chang, Director An-Chung Ku and Director Shao-Liang Chen voted for approval. Director Keh-Her Shih, Director Wen-Ching Liu and Independent Director Tar-Shing Tang abstained from voting. Independent Director Tar-Shing Tang abstained from voting with no objections or reserved opinions for the motion considering rapid changes in environmental regulations, fuel development and geo-economics, considering that the existing information is insufficient to make a decision with positive impact on the Company. Reviewed and approved the primary and secondary shipyard, contract and supplementary price by other directors in attendance.

Board meeting	Motion	Board resolution
The 384 th Meeting June 21, 2023	Purchasing three 14,000 TEU full-container vessels from long-term charter ship owner	All the directors in attendance agreed to make recorded vote. Chairman Cheng-Mount Cheng, Director Chien-Yi Chang, Director Chih-Li Chen, Director Jiang-Ren Chang, Director An-Chung Ku, Director Shao-Liang Chen, Director Wen-Ching Liu, Independent Director Tan Ho-Cheng and Independent Director Jr-Tsung Huang voted for approval. Director Keh-Her Shih and Independent Director Tar-Shing Tang abstained from voting. Independent Director Tar-Shing Tang abstained from voting with no objections or reserved opinions for the motion, considering rapid changes in environmental regulations, fuel development and geo-economics, the existing information is insufficient to make a decision with positive impact on the Company. Reviewed and approved to authorize the management department to implement in accordance with the Board's resolution.
	Donation to National Chengchi University	Independent Director Jr-Tsung Huang recused from discussion and voting to avoid conflict of interest of himself, Director Shao-Liang Chen abstained from voting. Reviewed and approved by other directors in attendance.
	Donation to Paper Windmill Theatre, Taiwan	Director Shao-Liang Chen abstained from voting. Reviewed and approved by other directors in attendance.
The 385 th Meeting August 11, 2023	Donation to Chinese Taipei Badminton Association	Director Shao-Liang Chen abstained from voting. Reviewed and approved by other directors in attendance.
The 388 th Meeting December 22, 2023	Donation to the Yang Ming Culture Foundation	Independent Director Jr-Tsung Huang abstained from voting. Reviewed and approved by other directors in attendance.

3.4.15 A summary of resignation or dismissal of related individuals of the company: None.

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

3.5 CPA Professional Fees

Unit: NT\$Thousand

CPA firm	Name of accountants	Period covered by CPA's audit	Audit fees	Non-audit fees	Total	Remark
Deloitte Touche Tohmatsu Ltd.	Chen-Hsiu Yang and Yu-Mei Hung	01.01.2023 ~ 12.31.2023	9,100	0	9,100	None
	Huei-Ming Chen	01.01.2023 ~ 12.31.2023	0	8,936	8,936	The non-audit fees is for consultation of taxation, audit for Direct Deduction Method of Valued-added tax, audit for Profit-seeking enterprise Income tax, and audit for Transfer Pricing report and change registration

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

3.6 Alternation of CPA

3.6.1 About the former CPA

Replacement date	Adopted by the Board on 01.31.2024		
Replacement reasons and explanations	Due to internal rotation of Deloitte Touche Tohmatsu Ltd., the financial statement was originally audited and certified by Chen-Hsiu Yang and Yu-Mei Hung, from the Q1 of 2024, and replaced by Chin-Tsung Cheng and Chen-Hsiu Yang.		
Describe whether the Company terminated appointment or the CPA did not accept the appointment	Client	CPA	Consignor
	Appointment terminated automatically	-	-
	Appointment rejected (discontinued)	-	-
Other issues (except for qualified issue) in the audit report within the last year	None		
Difference with the Company	None		
Other revealed matters (Disclosure specified in Article 10.6.1.4~7 of the standards)	None		

3.6.2 About the Successor CPA

CPA firm	Deloitte Touche Tohmatsu Ltd.
Name of accountants	Chin-Tsung Cheng, Chen-Hsiu Yang
Date of appointment	Adopted by the Board on 01.31.2024
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the Company's financial reports that the CPA might issue prior to the engagement	None
Succeeding CPA's written opinion of disagreement toward the former CPA	None

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

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

3.8 Evaluation on the independence of the CPA

The Company's Audit Committee evaluates the independence and suitability of the affiliated signing accountants every year. In addition to requesting the signing accountants to provide a Statement of Independence and Audit Quality Indicators (AQIs), the Committee conducts its evaluation on the criteria and 13 AQI indicators in Note 1 and Note 2. After confirming that the accountant has no other financial interests or business relationships with the Company other than those related to signing and taxation matters, and that the accountant's family members do not violate the independence requirement, the evaluation result for the most recent fiscal year was discussed and approved by the independent director on January 31, 2024. The evaluation was also submitted to and approved by the Board of Directors on the same date.

Note 1: Evaluation of the independence and suitability of the accountant.

Item	Evaluation criteria	Result	
		Yes	No
1	The account is affiliated with the accounting firm approved by the Financial Supervisory Commission to carry out the audit certification business for the financial reports of publicly traded companies.	√	
2	Two or more practicing accountants, who are joint or corporate accountants as defined in Article 15 of the <i>Certified Public Accountant Act</i> , an who jointly conduct the audit certification.	√	
3	The practicing accountant has not been subject to any disciplinary action specified by the <i>Certified Public Accountant Act</i> , <i>Securities and Exchange Act</i> , or other laws and regulations and has not yet completed the execution.	√	
4	The accounting firm participates in the peer review held regularly by the CPA Associations of the R.O.C.	√	
5	The practicing accountant currently has no major violations of laws or ethical norms of the accounting profession.	√	
6	There is no direct or significant, indirect financial relationship between the accounting firm and the Company.	√	
7	There is no financing or guarantee relationship between the accounting firm and the Company or directors.	√	
8	There is no confidential business relationship or potential employment relationship between the accounting firm and the Company.	√	
9	The accounting firm's non-audit services provided to the Company do not have significant items that will directly affect the audit case.	√	
10	The members of the audit service team currently or within the past two years have not served as directors, managers, or positions with significant influence on the audit case of the Company.	√	
11	The accounting firm does not promote or mediate the Company's issuance of stocks or other securities.	√	
12	The accounting firm does not serve as the defender of the Company or represent the Company in coordinating conflicts with third parties.	√	
13	There is no family relationship between the accounting firm and the Company's directors, managers, or personnel with significant influence on the audit case.	√	
14	The practicing accountant who has resigned from the accounting firm within one year does not serve as a director, manager, or position with significant influence on the audit case of the Company.	√	
15	The accounting firm has not received significant gifts or gifts from the Company, directors, or managers.	√	
16	The accounting firm does not have any government expenses related to the audit case.	√	
17	The term of the practicing accountant complies with the corporate governance regulations for listed or OTC companies.	√	

Note 2: Evaluation of AQI indicators

Dimension	No.	AQI	Evaluation criteria	Result	
				Yes	No
Profession	1	Audit Experience	Whether auditors possess enough audit experience.	V	
	2	Training Hours	Whether auditors receive enough training.	V	
	3	Attrition Rate	Whether the firm maintains sufficient human resources.	V	
	4	Professional Support	Whether the firm is equipped with sufficient experts, including CAAT specialists and financial appraisers.	V	
Quality Control	5	Workload	Whether partners are loaded with excessive engagements or work overtime.		V
	6	Involvement	Whether the involvement of audit team in each audit phase is appropriate.	V	
	7	EQCR	Whether EQC reviewers spend sufficient time on engagement.	V	
	8	Quality Supporting Capacity	Whether the firm is equipped with sufficient resources to support audit teams.	V	
Independence	9	Non Audit Service (NAS)	Whether the proportion of NAS affects the firm's independence.		V
	10	Familiarity	Whether audit firm tenure affects the firm's independence.		V
Monitoring	11	External Inspection Results & Enforcement	Whether the firm's compliance with quality control system and engagement is satisfactory.	V	
	12	Number of Official Improvement Letters Issued by Authority			
Innovation	13	Innovative Planning or Initiatives	Whether the firm has undertaken appropriate planning or initiatives to improve audit quality.	V	

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

3.9.1 Changes of Directors, Supervisors, Managerial Officers, and Shareholders holding greater than 10% in the Company

Unit: Share

Title	Name	Year 2023		Current year up to 03.26.2024	
		Shareholding increase/decrease	Pledge shares increase/decrease	Shareholding increase/decrease	Pledge shares increase/decrease
Chairman (Major Shareholder)	Representatives of the MOTC: Cheng-Mount Cheng, Jiang-Ren Chang, An-Chung Ku	0	0	0	0
Director (Major Shareholder)	Representatives of the NDF: Keh-Her Shih, Chien-Yi Chang, Chih-Li Chen	0	0	0	0
Director	Representative of the TIPC: Shao-Liang Chen	0	0	0	0
Director	Representatives of the TNC: Wen-Ching Liu	0	0	0	0
Independent Director	Tar-Shing Tang	0	0	0	0
Independent Director	Tan Ho-Cheng	0	0	0	0
Independent Director	Jr-Tsung Huang	0	0	0	0
Chairman	Cheng-Mount Cheng	0	0	0	0
President	Shu-Chin Tu	0	0	0	0
Managerial Officers	Kuen-Rong Pai	0	0	0	0
	Li-Chuan Wang	0	0	0	0
	Der-Shi Tsao	0	0	0	0
	Yu-Wen Su	0	0	0	0
	Jeng-Shong Jeng	(54,000)	0	(9,000)	0
	Ying-Tung Lin	0	0	0	0
	Yi-Ta Wu	0	0	0	0
	Ming- Hui Lee	0	0	0	0
	Tseng-Yu Chiu	0	0	0	0
	Shih-Chou Lee	(3,159)	0	0	0
	Mei-Chi Shih	0	0	0	0
	Chao-Feng Chang	0	0	0	0
	Chien-Chang Tzeng	0	0	0	0
	Shyi-Chang Chang	0	0	0	0
	Tung-Hai Chen	(18,078)	0	0	0

Title	Name	Year 2023		Current year up to 03.26.2024	
		Shareholding increase/decrease	Pledge shares increase/decrease	Shareholding increase/decrease	Pledge shares increase/decrease
Managerial Officers	Ping- Jen Tseng	0	0	0	0
	Leng-Hui Wang	2,283	0	0	0
	Pao-Lin Lee	0	0	0	0
	Chun-Chieh Lu	0	0	0	0
	Men-Huo Tsai	0	0	0	0
	Li-Wen Liu	0	0	0	0
	Mei-Ling Chung	0	0	0	0
	Hann-Sy Hwang	(86,000)	0	0	0
	Lung -Fu Chen	0	0	0	0
	Ting-Yu Lu	0	0	0	0
	Kuan-Sheng Fu	0	0	0	0
	Chia-Wen Chiang	0	0	0	0
	An- Chung Ku	6,000	0	0	0
	Hung-Chung Chien	0	0	0	0
	Chin-Jung Lee	0	0	0	0
	Chen-To Lin	0	0	0	0
	Der-Ren Li	0	0	0	0
	Yi-Jia Su	0	0	0	0
	Chia- Feng Lee	0	0	0	0
	Yen-Pang Chen	0	0	0	0
	Hsin-Wen Chang	0	0	0	0
	Chao Hung Chen	0	0	0	0
	Shu-Hui Ou	0	0	0	0
	Chia-Ju Lin	0	0	0	0
	Wen-Chu Chou	0	0	0	0
	Chun-Chih Wang	0	0	0	0
	Jan-Tsung Lu	0	0	0	0
	Chih-Cheng Chang	0	0	0	0
	Hsieh-Wen Liu (Joined January 1,2024)	Inapplicable	Inapplicable	0	0
	Hung- Lung Chen (Joined February 19,2024)	Inapplicable	Inapplicable	0	0

3.9.2 Equity transfer or equity pledge: the counterparties of equity transfer or equity pledge are not related parties.

3.10 The relationship between top-ten shareholders

The most recent book closure date up to the publication of the Annual Report: 03.26.2024

Name	Shareholding		Spouse & minor current shareholding		Current shareholding in the name of others		Relationship between top-ten shareholders, anyone who is the related party, spouse, or second-degree kinship of another: name and relationship		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relation	
The MOTC	467,682,372	13.39	0	0	0	0	The TNC The TIPC The NDF	Director or both are Government Institutions	None
Representative: Kwo-Tsai Wang	0	0	0	0	0	0	None	None	None
The NDF	460,000,000	13.17	0	0	0	0	The MOTC	Both are Government Institutions	None
Representative: Ming-Hsin Kung	0	0	0	0	0	0	None	None	None
The TIPC	160,438,579	4.59	0	0	0	0	The MOTC	The MOTC is the Director	None
Representative: Hsien-Yi Lee	0	0	0	0	0	0	None	None	None
Labor Pension Fund(The New Fund)	38,252,500	1.1	0	0	0	0	None	None	None
The TNC	37,290,858	1.07	0	0	0	0	The MOTC	The MOTC is the Director	None
Representative: Wen-Ching Liu	0	0	0	0	0	0	None	None	None
Norges Bank	22,611,261	0.65	0	0	0	0	None	None	None
CMC Magnetics Corporation	21,763,000	0.62	0	0	0	0	None	None	None
Representative:Ming-Sen Wong	0	0	0	0	0	0	None	None	None
E.SUN FINANCIAL HOLDING COMPANY, LTD.	14,100,000	0.4	0	0	0	0	None	None	None
Representative:Joseph N.C. Huang	0	0	0	0	0	0	None	None	None
T3EX Global Holdings Corp.	13,625,577	0.39	0	0	0	0	None	None	None
Representative:Yi-Cai Yan	100,000	0.00	0	0	0	0	None	None	None
Government of Singapore	12,590,000	0.36	0	0	0	0	None	None	None

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

12.31.2023 Unit: share; %

Re-Investment corporate (Note1)	The Company's investment		Directors, supervisors, managerial officers, and any controlled directly or indirectly by the Company			Recognized investment	
	Share	%	Related Party Name	Share	%	Share	%
All Oceans Transportation Inc.	1,000	100.00	None	0	0	1,000	100.00
Kuang Ming Shipping Corp.	98,882,111	98.88	None	0	0	98,882,111	98.88
Hong Ming Terminal & Stevedoring Co., Ltd.	10,000,000	100.00	None	0	0	10,000,000	100.00
Jing Ming Transportation Co., Ltd.	8,615,923	50.98	None	0	0	8,615,923	50.98
YES Logistics Corp.	115,630,977	96.36	None	0	0	115,630,977	96.36
Yang Ming Line (Singapore) Pte. Ltd.	2,603,793,000	100.00	None	0	0	2,603,793,000	100.00
Yang Ming (Singapore) Pte. Ltd.	799,342,500	100.00	None	0	0	799,342,500	100.00
Yang Ming Line (B.V.I.) Holding Co., Ltd.	1,757	100.00	None	0	0	1,757	100.00
Yang Ming Line Holding Co.	13,500	100.00	None	0	0	13,500	100.00
Yunn Wang Investment Co., Ltd.	5,211,474	49.75	Taiwan Navigation Co., Ltd.	5,211,474	49.75	10,422,948	99.50
Kao Ming Container Terminal Corp.	323,000,000	47.50	None	0	0	323,000,000	47.50
Taiwan Foundation Internatioanl Pte. Ltd.	3,400,000	34.00	None	0	0	3,400,000	34.00
Yang Ming Line B.V.	2,500	100.00	None	0	0	2,500	100.00
Taiwan Navigation Co., Ltd.	70,793,243	16.96	The MOTC	110,436,379	26.46	181,229,622	43.42
SinoTrans PFS Cold Chain Logistics Co., Ltd.	Note 2	6.67	YES Logistics Corp.	Note 2	13.33	Note 2	20.00

Note1:Equity method is used in the Company's long-term investment.

Note2:Unissued shares.

IV Capital and Shares Overview

4.1 Capital and Shares

4.1.1 Source of capital stock

1. Shares issued

Date	Par value (NT\$)	Authorized capital		Actual capital received		Sources of capital	Notes	
		Shares	Amounts (NT\$)	Shares	Amounts (NT\$)		Deducting shares from property other than cash	Other
Jan.2005	10	2,400,000,000	24,000,000,000	2,268,754,549	22,687,545,490	Convertible bonds transformation 22,016,416 shares	-	01.21. 2005 MOEA grant No.09401008230
May 2005	10	2,400,000,000	24,000,000,000	2,276,103,048	22,761,030,480	Convertible bonds transformation 7,348,499 shares	-	05.30. 2005 MOEA grant No.09401094490
Aug. 2005	10	2,400,000,000	24,000,000,000	2,289,127,926	22,891,279,260	Convertible bonds transformation 13,024,878 shares	-	08.10. 2005 MOEA grant No.09401153980
Nov. 2005	10	2,400,000,000	24,000,000,000	2,289,816,718	22,898,167,180	Convertible bonds transformation 688,792 shares	-	11.14. 2005 MOEA grant No.09401226910
May 2006	10	2,400,000,000	24,000,000,000	2,289,834,417	22,898,344,170	Convertible bonds transformation 17,699 shares	-	05.26.2006 MOEA grant No.09501096220
May 2007	10	2,400,000,000	24,000,000,000	2,294,211,277	22,942,112,770	2007Q1 Convertible bonds transformation 4,376,860 shares	-	06.01.2007 MOEA grant No.09601121010
July 2007	10	2,400,000,000	24,000,000,000	2,299,005,213	22,990,052,130	2007 Q2 Convertible bonds transformation 4,793,936 shares	-	07.19.2007 MOEA grant No.09601165460
Oct. 2007	10	2,400,000,000	24,000,000,000	2,317,397,254	23,173,972,540	2006 Recapitalization new issuance of 18,392,041 shares	-	10.23.2007 MOEA grant No.09601260280
Nov. 2007	10	2,400,000,000	24,000,000,000	2,320,743,953	23,207,439,530	2007 Q3 Convertible bonds transformation 3,346,699 shares	-	11.07.2007 MOEA grant No.09601269630
Jan. 2008	10	2,400,000,000	24,000,000,000	2,328,698,193	23,286,981,930	2007 Q4 Convertible bonds transformation 7,954,240 shares	-	01.29.2008 MOEA grant No.09701022310
May 2008	10	2,400,000,000	24,000,000,000	2,328,962,146	23,289,621,460	2008 Q1 Convertible bonds transformation 263,953 shares	-	05.26.2008 MOEA grant No.09701122050
Aug. 2008	10	2,400,000,000	24,000,000,000	2,329,561,125	23,295,611,250	2008 Q2 Convertible bonds transformation 598,979 shares	-	08.04.2008 MOEA grant No.09701191790
Sep. 2008	10	3,000,000,000	30,000,000,000	2,562,466,476	25,624,664,760	2007 Recapitalization new issuance of 232,905,351 shares	-	09.23.2008 MOEA grant No.09701246760
Oct. 2011	10	3,000,000,000	30,000,000,000	2,818,713,123	28,187,131,230	2010 Recapitalization new issuance of 256,246,647 shares	-	10.06.2011 MOEA grant No.10001227670
Feb. 2015	10	3,600,000,000	36,000,000,000	2,856,379,965	28,563,799,650	2014 Q4 Convertible bonds transformation 37,666,842 shares	-	02.04.2015 MOEA grant No.10401021610
May 2015	10	3,600,000,000	36,000,000,000	2,997,918,707	29,979,187,070	2015 Q1 Convertible bonds transformation 141,538,742 shares	-	05.19.2015 MOEA grant No.10401094490
Aug. 2015	10	3,600,000,000	36,000,000,000	3,004,440,135	30,044,401,350	2015 Q2 Convertible bonds transformation 6,521,428 shares	-	08.27.2015 MOEA grant No.10401179670

Date	Par value (NT\$)	Authorized capital		Actual capital received		Notes		
		Shares	Amounts (NT\$)	Shares	Amounts (NT\$)	Sources of capital	Deducting shares from property other than cash	Other
Mar. 2017	10	3,600,000,000	36,000,000,000	1,565,271,349	15,652,713,490	2017 Q1 Capital Reduction and Private Placement 161,330,000 shares	-	03.16.2017 MOEA grant No.10601027640
Dec. 2017	10	3,600,000,000	36,000,000,000	2,065,271,349	20,652,713,490	2017 the capital increase by cash 500,000,000 shares	-	12.12.2017 MOEA grant No.10601165890
Dec. 2017	10	3,600,000,000	36,000,000,000	2,323,024,791	23,230,247,910	2017 2 nd Private Placement 257,753,442 shares	-	12.12.2017 MOEA grant No.10601171890
Sep. 2019	10	4,500,000,000	45,000,000,000	2,601,335,728	26,013,357,280	2019.6.27 Convertible bonds transformation 278,310,937 shares	-	09.10.2019 MOEA grant No.10801118980
Dec. 2020	10	4,500,000,000	45,000,000,000	2,622,624,180	26,226,241,800	2020 Q3 Convertible bonds transformation 21,288,452 shares	-	12.14.2020 MOEA grant No.10901226070
Feb. 2021	10	4,500,000,000	45,000,000,000	3,167,662,197	31,676,621,970	2020 Q4 Convertible bonds transformation 545,038,017 shares	-	02.23.2021 MOEA grant No.11001028210
Jun. 2021	10	4,500,000,000	45,000,000,000	3,332,104,270	33,321,042,700	2021 Q1 Convertible bonds transformation 164,442,073 shares	-	06.01.2021 MOEA grant No.11001088340
Aug. 2021	10	4,500,000,000	45,000,000,000	3,492,104,270	34,921,042,700	2021 Cash capital increase 160,000,000 shares	-	08.13.2021 MOEA grant No.11001134760

2. Type of stock

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

Note: The number of listed issued shares as of March 26, 2024.

3. General declaration system : None.

4.1.2 Shareholder structure

As of the date of publication, the last time to stop the transfer: 03.26.2024

Shareholder structure Quantity	Government Institutions	Financial Institutions	Other Juridical Persons	Domestic Natural Persons	Foreign Institutions and Foreign Persons	Total
	Number of Shareholders	6	50	660	433,531	1,071
shareholding	1,088,873,392	25,607,274	182,392,930	1,737,182,986	458,047,688	3,492,104,270
Holding Percentage (%)	31.18	0.73	5.23	49.74	13.12	100.00

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

4.1.3 Diffusion of ownership

As of the date of publication, the last time to stop the transfer: 03.26.2024

Class of Shareholding (Unit: Share)			Number of Shareholders	Shareholding (Note)	Percentage (%)
1	~	999	83,682	19,260,111	0.55
1,000	~	5,000	283,839	588,965,759	16.87
5,001	~	10,000	39,136	306,251,352	8.77
10,001	~	15,000	10,689	137,663,437	3.94
15,001	~	20,000	6,631	123,055,662	3.52
20,001	~	30,000	4,781	123,048,410	3.52
30,001	~	40,000	2,102	75,956,639	2.18
40,001	~	50,000	1,255	58,600,361	1.68
50,001	~	100,000	1,914	136,302,274	3.90
100,001	~	200,000	702	98,880,982	2.83
200,001	~	400,000	268	76,091,998	2.18
400,001	~	600,000	92	44,820,587	1.28
600,001	~	800,000	53	36,926,799	1.06
800,001	~	1,000,000	22	20,326,432	0.58
Over 1,000,001			152	1,645,953,467	47.14
Total			435,318	3,492,104,270	100.00

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

4.1.4 Major shareholders :

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

As of the date of publication, the last time to stop the transfer: 03.26.2024

Name of Major Shareholders	Shares	Shareholding	Percentage (%)
Ministry of Transportation and Communication		467,682,372	13.39
National Development Fund, Executive Yuan		460,000,000	13.17
Taiwan International Ports Corporation, Ltd.		160,438,579	4.59
Labor Pension Fund (New Scheme)		38,252,500	1.10
Taiwan Navigation Co., Ltd.		37,290,858	1.07
Norges Bank		22,611,261	0.65
CMC Magnetics		21,763,000	0.62
E.SUN COMMERCIAL BANK, LTD.		14,100,000	0.40
T3EX Global Holdings Corp.		13,625,577	0.39
Government of Singapore		12,590,000	0.36

2. Shareholder list of Major Shareholders being Juridical Persons

Name of Juridical Persons	Main Shareholder of Juridical Persons
Ministry of Transportation and Communications	Government of the Republic of China
National Development Fund, Executive Yuan	Government of the Republic of China
Taiwan International Ports Corporation, Ltd.	Ministry of Transportation and Communications
Labor Pension Fund (New Scheme)	N.A.

Name of Juridical Persons	Main Shareholder of Juridical Persons
Taiwan Navigation Co., Ltd.	Ministry of Transportation and Communications (MOTC), Yang Ming Marine Transport Corp., Yunn Wang Investment Co., Ltd., Central Taiwan Science Park Logistics Co., Ltd, Chen, Chang-Hong, TransGlobe Life Insurance Inc., J.P. Morgan Securities Plc, J.P. Morgan in custody for Japan Securities Finance Co Ltd Securities Investment Fund, Global Growing International Co., Ltd, Mitsubishi UFJ Morgan Stanley Securities Co. Ltd.-Product Support Division (Agency Trading Desk)
Norges Bank	N.A.
CMC Magnetics	Wong, Ming-Sen, Yang, Li-Jung, Concord International Securities Co., Ltd., Zhongyang Investment Co., Ltd., Citibank in custody of Polunin Emerging Markets Fund Investment Account, JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, JPMorgan Chase Bank N.A. Escrow Advanced Starlight Advanced Aggregate International Share Index, Norway Norges Bank investment account (entrusted to Citibank), Tsai, Ruei-Rong, Yang, Ya-Hsiu
E.SUN COMMERCIAL BANK, LTD.	E.SUN FINANCIAL HOLDING COMPANY, LTD.
T3EX Global Holdings Corp.	WPG HOLDINGS, Jin-Hua Investment Ltd, PIN GUAN Investment Ltd., Standard Chartered Custodian i Shares Emerging Markets Dividend Index, Standard Chartered Custodian i Shares V Co., Dynamic Ocean Group Limited, YI-WEI Investment Limited., Jack Lai, CHANG-JIE International Ltd., Chang Long Investment Limited.
Government of Singapore	N.A.

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

Item		Year	2022	2023	Current year to March 26, 2024
Market Price Per Share	Highest price		137.50	72.10	59.20
	Lowest price		56.60	41.10	44.05
	Average price		93.86	53.58	49.09
Net Worth Per Share	Before distribution		98.21	79.32	-
	After distribution (Note 2)		78.21	Have not yet been distributed	-
Earnings per share	Weighted average number of outstanding shares		3,492,104 (1000 shares)	3,492,104 (1000 shares)	-
	Earnings per share		51.71	1.37	-
Dividend	Cash dividend (Note 2)		20.00	Have not yet been resolved	-
	Stock dividend	Stock dividend appropriated from Retained Earnings	-	-	-
		Stock dividend appropriated from Capital Surplus	-	-	-
	Accumulated undistributed dividend (Note 2)		-	-	-
Return on Investment (Note 1)	P/E ratio (Note 2)		1.82	39.11	-
	Price-dividend ratio (Note 2)		4.69	-	-
	Cash dividend yield (Note 2)		0.21	-	-

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

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

Cash dividend yield rate=Cash Dividend per share/average market price

Note 2 : As of the date of publication, the company has not held the Board of Director to resolved on the proposed distribution of dividend per share for the year 2023, once the resolution is approved, it will be disclosed on the Market Observation Post System in accordance with the regulations of Taiwan Stock Exchange. However, the resolution still needs to be approved by the shareholders meeting.

4.1.6 Company dividend policy and implementation status

1. Dividend policy

The Company's annual net profits after tax of final accounts should first make up for the loss carried over from previous years. Secondly, all reserves are legally appropriated and a special reserve is prepared for increasing transportation equipment of and improving financial structure, as well as to distribute dividend for preferred shares. As to surpluses, the common stock dividends are allocated by at least 25% of the current year's distributable earnings. The Board of Directors could include the undistributed earnings at the beginning of the period when taking into account the Company's long-term financial planning, industry competition, capital expenditure, working capital requirements, and shareholders' interests so as to draft an earnings distribution proposal to be discussed at the shareholders' meeting. The common stock dividend could be distributed by cash dividend or stock dividend and the cash dividend should take up at least 20% of the total dividend.

2. The proposed dividend distribution to be discussed at the shareholders' meeting : Have not yet been approved.

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

4.1.8 Employee compensation and directors' compensation

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

For the appropriation of year-end net profit, 1-5% shall go to employees' compensation and no more than 2% to the directors. If there is an accumulated loss, the said net profit shall be appropriated to make up for the loss. The employees' compensation shall be distributed in stocks or cash.

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

(1) The employees' and directors' compensations during the year are estimated according to the Company's Articles of Incorporation.

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

3. The Board of Directors shall publicize employee and director compensations.

According to the resolution at the 390th board meeting, the appropriation of 1%, by cash, shall respectively go to employees' compensation, amounting to NT\$ 103,483,211, and to that of directors, amounting to NT\$ 12,000,000.

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

The Company's 2022 employee compensation and director remuneration stood at NT\$ 2,328,972,723 and NT\$ 80,000,000, respectively. The actual distribution was the same as the estimation.

4.1.9 The Company buying back its shares: None.

4.2 Corporate Bonds (including Overseas Corporate Bonds)

4.2.1 Conditions of issuance of corporate bond

03.26.2024

Bond Category	Eighteenth Debenture Bonds Guaranteed	Nineteenth Debenture Bonds Guaranteed
Date of Issuance	Nov 28, 2019	April 28, 2021
Par Value	NT\$ 10 million	NT\$ 10 million
Place of Issuance and Exchange	R.O.C.	R.O.C.
Issuance Price	100% of par value	100% of par value
Total Amount	NT\$ 5,000 million	NT\$ 5,900 million
Interest Rate	0.74%	5 years, 0.45% 7 years, 0.49%
Terms of Reimbursement	5 years, Date of maturity: Nov 28, 2024	5 years, Date of maturity: April 28, 2026 7 years, Date of maturity: April 28, 2028
Guarantor	A: Bank of Taiwan B: Taiwan Cooperative Bank C: Hua Nan Bank D: Changhua Commercial Bank E: Land Bank of Taiwan	A: Taiwan Cooperative Bank B: Taishin International Bank C: Hua Nan Bank D: Changhua Commercial Bank E: First Commercial Bank F & H: Bank of Taiwan G: Shanghai Commercial and Savings Bank
Trustee	Mega International Commercial Bank	Mega International Commercial Bank
Underwriter	Capital Securities Corporation.	Capital Securities Corporation.
Audit Lawyer	Attorney at Law Jason S. G. Lin	Attorney at Law Zhi-Cheng Li
Audit Accountant	Deloitte & Touche	Deloitte & Touche
Way of Reimbursement	Maturity: 5 years - For 4.5 years, 50%. 50% due respectively	Maturity: 5 years - For 4.5 years, 50%. 50% due respectively Maturity: 7 years - For 6.7 years, 50%. 50% due respectively
Unreimbursed Amount	NT\$ 2,500 million	NT\$ 5,900 million
Conditions of Recall or Recall in Advance	N.A.	N.A.
Conditions of Restriction	N.A.	N.A.
Credit Rating Agency, Rating Date, Rating	Taiwan Ratings Corp, A: Nov 2023 twAAA B: Jan 2023 twAAA C: Jul 2023 twAA+ D: Dec 2023 twAA+ E: Jun 2023 twAA+	Taiwan Ratings Corp, A: Jan 2023 twAAA B: Dec 2023 twAA- C: Jul 2023 twAA+ D: Dec 2023 twAA+ E: Sep 2023 twAA+ F & H: Nov 2023 twAAA G: Dec 2023 twAA
Other Rights	Amount of Converted Common Stock, GDR or other valuable securities	N.A.
	Issuance and conversion (exchange or subscription) methods	N.A.
Issuance and conversion, exchange or subscription method, issuing condition dilution, and impact on existing shareholders' equity		N.A.
Exchange target custody agency		N.A.

4.2.2 Convert corporate bond information: None.

4.3 Preferred Shares: None.

4.4 Global Depository Receipts (GDRs) Issuance : None.

4.5 Employees Shares Option Certificates and Limit on Employee New Bonus Share: None.

4.6 Merger and Acquisitions or Stock Shares Transferred with New Stock Share Issued: None.

4.7 Capital Implementation Plan and Allocation Status:

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

Overview of Business Operation

5.1 Business Activities

5.1.1 Business profile

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

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

2. Structure of liner services for the last two years

See the sales table for the last two years on page 139.

3. The Company's active fleet and business operation

As of December 31, 2023, the Company had in operation 94 full-container vessels (with a capacity of more than 707,000 TEU), amounting to a total of 7.96 million D.W.T. The Company's container liner service routes in 2023 mainly included Asia/US East Coast, Asia/US West Coast, Asia/WCSA, Asia/ECSA, Asia/Northwestern Europe, Asia/Mediterranean, Asia/Red Sea, Asia/ISC, Asia/Middle East, Asia/Australia, US East Coast/Northwestern Europe, and US East Coast/Mediterranean, Indian subcontinent/ Northwestern Europe and Mediterranean, as well as Intra-Europe and Intra-Asia regional trades.

4. Development of New Products/Services

In Q2 2024, the Company will begin operation of 30 east-west service routes (including 1 pendulum service route) with THE Alliance partners. This will require deployment of 263 state-of-the-art vessels. The routes will cover more than 83 ports in Asia, Southern Asia, Northwestern Europe, the Mediterranean, North America, and the Middle East Red Sea. The routes and loop structure with THE Alliance arrangement are as follows.

- (1) Four Asia/Northwestern Europe service routes (including 1 Europe-Asia-America pendulum service route) will continue to offer direct export services for Northeastern Asia, China, Taiwan, and Southeastern Asia as the existing structure.
- (2) Three Asia/Mediterranean service routes will continue to offer respective direct shipping services for Spain, Italy, Israel, and Turkey. With the Greek port directly linking the European regional routes, the Company is able to expand the scope of services.
- (3) Seven Asia/Southwestern US service routes (including 1 Europe-Asia-America pendulum service route) will continue to strengthen the network between Southwestern US and Asian regions, such as Japan, Korea, Taiwan, Southern China, Central China, Northern China, and Southeastern Asia. With the pendulum liner service structure, the Company will align with markets in Europe, Asia, Southwestern US, and the Indian subcontinent. This also includes a CEN service with slot exchanged with COSCO and a PSX service with slot purchased with HMM outside THE Alliance to enhance service coverage between China, Korea, and Southwestern US.

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

5.1.2 Industry overview

1. Current Status and Future Development

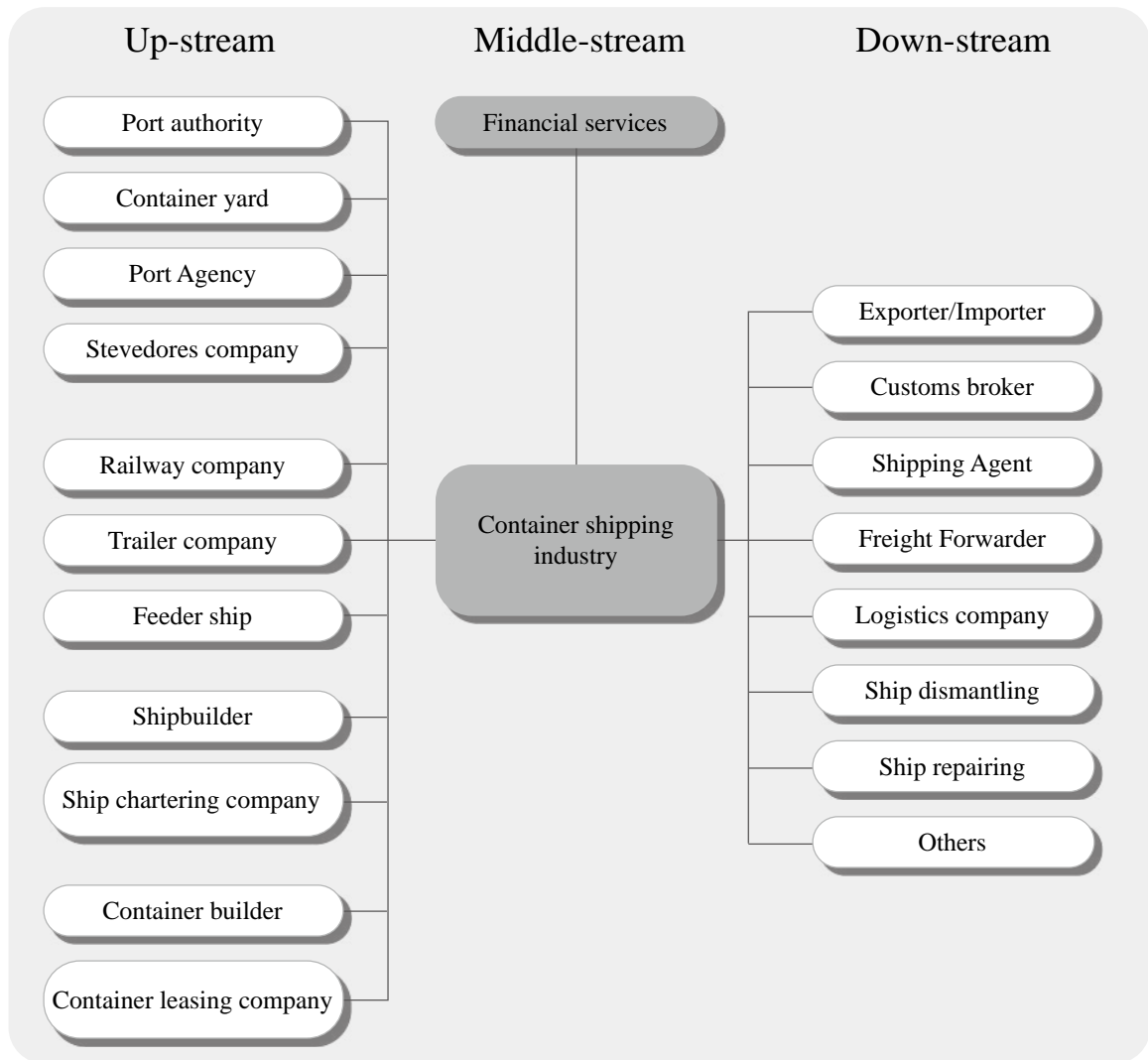
Looking back at 2023, the container shipping industry was faced with a widening supply-demand imbalance, the increasingly competitive market, the ongoing uncertainties in the world's political and economic scenes. According to Alphaliner's latest forecast, container shipping demand in 2023 contracted by 0.3% while supply increased by 8.2%. Clearly, the supply far exceeded the demand in the shipping market. Given ongoing dip in freight rates, many shipping companies suffered losses in overall operation as recorded in their Q4 financial reports. As high inflation continues to impact demand, carriers are proactively performing corresponding measures such as service layout optimization and schedule recovery plan to satisfy the demand.

Looking ahead to 2024, the persistent geopolitical conflict, tight monetary policy against inflation imposed by central banks around the world which are unfavorable to the recovery of global economy, the normalization of container shipping market and the delivery of numerous new-build containerships could continue to widen the gap between supply and demand. According to Alphaliner's latest forecast, the demand for container shipping is expected to grow by 3.0% in 2024 and a 9.7% growth is projected in supply. The blockage in the critical waterway caused by the Red Sea crisis and the low water levels in the Panama Canal transits will also impact the operation and create more uncertainties in the global shipping. Given the increasing concerns over environmental issues, the stricter regulatory scrutiny on shipping companies, and alliance collaborations by major governments such as the EU and the U.S. Federal Maritime Commission, various challenges still remain in shipping industry.

In the dry bulk market, the average BDI in 2023 was 1,378 points, down by 29% from 2022. According to Clarksons' latest report (Dry Bulk Trade Outlook, January 2024), the demand growth rate of bulk shipping in 2023 increased by 4.4%, while the supply growth rate was 3.0%. In 2024, demand and supply are projected to grow respectively by 1.6% and 2.3%, indicating the oversupply may still persist on account of the extent of overall economic recovery and China's uncertain demand for dry bulk.

In the container terminal market, according to Drewry Container Forecaster 2023Q4, the growth rate of loaded container traffic worldwide was 0.1% in 2023, and Drewry predicts a 3.9% growth in 2024, an improvement of 3.8 percentage points. Drewry points out that global port throughput will be better than the flat 2023 despite the real and formidable geopolitical (wars, superpower tensions) and macroeconomic (inflation/interest rates) headwinds.

2. Relationship with up-, mid- and downstream companies



3. Shipbuilding trends and competition

(1) Shipbuilding trends

A. Larger vessels

According to Alphaliner’s latest statistics of February 1, 2024, vessels of 7,500 to 9,999 TEU accounted for 15% of the total capacity, while large vessels of 10,000 TEU or above accounted for 43%. In terms of TEU of new ships to be delivered in 2024, large vessels of 10,000 TEU or above would take up 62% of the total capacity. According to the new vessel orders provided by Alphaliner, vessels of 10,000 TEU or above accounted for 73%. As such, 10,000 TEU class vessels are still in the mainstream.

B. Fleet renewal

According to Alphaliner’s latest statistics of February 1, 2024, container vessels older than 20 years accounted for only 12.2% and 22.1% for those older than 15 years, indicating that the average container vessels are relatively young. The fleet that includes these mid-age and older container vessels are being regularly renewed so as to meet the new environmental requirements of the market.

(2) Competition

A. Concentration and augmenting carrier scale

According to Alphaliner’s latest statistics, the current global container shipment capacity is approximately 28,176,873 TEU, of which the top five carriers accounted for 64.9%, 84.4% from the top ten, and 91.0% from the top twenty (see the chart below).

Rnk	Operator	TEU	Share	Existing fleet	Orderbook
1	Mediterranean Shg Co	5,688,045	19.8%		
2	Maersk	4,178,635	14.6%		
3	CMA CGM Group	3,634,473	12.7%		
4	COSCO Group	3,094,866	10.8%		
5	Hapag-Lloyd	1,998,904	7.0%		
6	ONE (Ocean Network Express)	1,811,584	6.3%		
7	Evergreen Line	1,645,185	5.7%		
8	HMM Co Ltd	785,536	2.7%		
9	Yang Ming Marine Transport Corp.	708,591	2.5%		
10	Zim	655,751	2.3%		
11	Wan Hai Lines	476,022	1.7%		
12	PIL (Pacific Int. Line)	294,821	1.0%		
13	SITC	160,156	0.6%		
14	X-Press Feeder Group	156,711	0.5%		
15	KMTC	150,704	0.5%		
16	Sea Lead Shipping	143,213	0.5%		
17	UniFeeder	141,358	0.5%		
18	IRISL Group	137,720	0.5%		
19	Sinokor Merchant Marine	122,252	0.4%		
20	Zhonggu Logistics Corp.	118,130	0.4%		
21	T3 Lines	94,363	0.3%		
22	Anlong Holdings (QASC)	83,868	0.3%		
23	RCL (Regional Container L.)	77,153	0.3%		
24	Global Feeder Shipping LLC	75,815	0.3%		
25	Ningbo Ocean Shg Co	75,077	0.3%		
26	Emirates Shipping Line	72,188	0.3%		
27	Swire Shipping	71,023	0.2%		
28	Matson	69,235	0.2%		
29	SM Line Corp.	64,109	0.2%		
30	Arkas Line / EMES	58,767	0.2%		

Source: Alphaliner Top 100 February 7, 2024

B. Three major shipping alliances

According to Alphaliner’s latest statistics of February 5, 2024, the three major alliances have a total of 82.1% market share, of which 2M accounted for 34.4%, OCEAN Alliance accounted for 29.2%, and THE Alliance accounted for 18.5%. The three alliances accounted for 91.4% of the main east-west routes, with the OCEAN Alliance leading by 32.9%, followed by 2M Alliance with 32.4%, and THE Alliance with 26.1%.

5.1.3 Technology and R&D overview

In 2023, the Company invested NT\$12.574 billion in R&D on the following projects.

1. Vessels

- (1) Purchase of phase 2 stage 2 of the Smart Ship Center function model.
- (2) Smart Ship Center adopts AIS vessel monitoring proof of concept.
- (3) The purchase of AIS data service is necessary in response to the IMO MEPC78 Carbon Intensity Indicator.

(4) Construction of SPECTEC marine management system.

(5) System digitization of operating vessels.

A. Customize purchase of QC system.

B. Customize purchase of Phase 1 RMS system.

C. Purchase of tablet device (2 tab/vessel) and E/R computer (1 PC/vessel) to enable RMS interface and improve user experience.

2. Engineering

As part of its effort to achieve the net-zero carbon emission goal in 2050, the Company has purchased five 15,500 TEU LNG dual-fuel container ships from HD Hyundai Heavy Industries Co., Ltd. in South Korea. These ships feature high-pressure dual-fuel main engines using both LNG and low-sulfur oil and are equipped with a ballast water treatment system and related energy-saving equipment. This is in line with the latest international environmental protection and carbon reduction regulations.

Following the Energy Efficiency Existing Ship Index (EEXI) environmental regulations that took effect in 2023, Yang Ming has taken inventory of its existing fleet and will set a limit on the engine's maximum output horsepower (Engine Power Limit, EPL), meaning that the maximum ship speed is to be reduced to achieve the EEXI regulatory objectives.

In 2023, SOx scrubbers and ballast water treatment systems were purchased for 12 and 7 vessels respectively. This was carried out to implement the Company's plan and to meet the requirements of the International Ballast Water Convention. Subsequent modifications on each vessel will be done according to respective schedule.

As part of the fleet's scheduled dry-docking maintenance, the hulls of 12 vessels were sprayed with energy-saving and low-friction paint in 2023.

3. Information

Upgraded system features	System features
Better customer experience and e-commerce services	a. Web customer booking b. AI chatbot Service
Enhanced cyber security and operations management	a. Red team exercise for simulated hacking b. ITSM system for monitor and processing c. Replacement network equipment (firewalls, load balancers, switches) d. SERVER Effectiveness upgrade (VMs) e. Complete green data center planning and procurement
Internet of Things	The refer IoT field at Yang Ming's Keelung container yard, which meets the DCSA standard, has been completed, and is scheduled for use in 2024. This is an important breakthrough for the digital transformation of Taiwan's terminals
Service digitalization	a. E-receipt b. Taiwan Pickup Express c. Completed development and construction of eBL API d. Health management platform for onshore staff e. RPA-enabled automation in Kaohsiung's Export Processes f. Paperless container pick-up

5.1.4 Long and short-term development

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

(1) Long-term business plans

The medium and long-term business goal of the Company is stability and sustainability. This is based on THE Alliance's development and mechanism, commencing service, and deployment readjustments. Ship replacement and renewal plan is carried out to continue improving service quality, and key East-West main services are expanded to provide services with greater stability, capacity, and integrity, thereby strengthening the Company's competitiveness. Looking ahead to 2024, the global supply chain disruption due to coronavirus pandemic may dissipate and in its place the balance between supply and demand globally. The new challenge, then, for the liner industry is the pursuit of profitability. Regarding this, the Company is planning ahead by, for instance, taking measures to optimize the alliance network and enhance the shipping schedule's reliability, as well as building new ships to accommodate a gradually growing demand. In addition to existing liner services for Asia/US, Asia/Mediterranean, Asia/Europe, Europe/US, Mediterranean/US, Asia/Middle East, Asia/Red Sea, and Europe/Mediterranean, other regional services for East Mediterranean/Black Sea, Mediterranean/Adriatic Sea, Northwestern Europe/Scandinavia are also being considered. The Company is seeing a great potential in developing niche markets such as Northern Africa and Central and South America.

(2) Short-term business plans

The Company's short-term business plan is to improve service quality maintain sustainable capacity and service frequency, as well as punctuality. Yang Ming is committed to providing a comprehensive and competitive global transportation services to satisfy customers' needs.

2. Long and short-term plans for near-sea shipping services

(1) Long-term business plans

The Company's aims to build a comprehensive transportation network for the near-sea lines that reflects the natural growth of the market. The medium and long-term plans for the near-sea lines are based on existing routes and aimed at developing high-potential markets in emerging countries such as China and the ASEAN region, as well as Japan and Korea. The Company will continue to add new routes to its comprehensive service network, including the Southeast Asian route, the North-South route in Northeast Asia/Southeast Asia, the Far East/India and Pakistan route, the Far East/Australia route, and the Far East/South American East Coast/West Coast route. In addition, measures are being carried out to optimize rationalization of routes and ports, upgrade ships to reduce unit costs, and operate routes efficiently by integrating ship resources to strengthen niche marketing and competitiveness. Yang Ming's line services should ultimately be flexible and profitable.

(2) Short-term business plans

Witnessing the fast-changing Asian market and seeing the potential in the ASEAN market, the Company is strengthening its service network connecting Northeast Asia and ASEAN regions. To consolidate the service layout, the Company will continue to seek opportunities for slot exchange cooperation to optimize delivery service and enhance overall competitiveness.

5.2 Analysis of Existing Markets and Service Lines/Routes

5.2.1 Market analysis

◆ Operating plan for 2024

1. Asia-US Southwest coast service: deploying nineteen full-container ships and partnering with THE Alliance to provide five liner services per week between Asia and the US Southwest coast (including one Northwestern Europe-Asia-US Southwest pendulum route).
2. Asia-US Northwest coast service: deploying nine full-container ships and partnering with THE Alliance to provide four liner services per week between Asia and the US Northwest coast.
3. Asia-US East coast service: deploying six full-container ships and partnering with THE Alliance to provide five liner services per week between Asia and the US East coast.
4. Asia-Northwestern Europe service: partnering with THE Alliance to provide four liner services per week between Asia and the Northwestern Europe (including one Northwestern Europe-Asia-US Southwest pendulum route).
5. Asia-Mediterranean service: deploying six full-container ships and partnering with THE Alliance to provide three liner services per week between Asia and the Mediterranean.
6. Northwestern Europe-Mediterranean trade: deploying one full-container ship and partnering with COSCO to provide weekly service route between Northwestern Europe and the Mediterranean.
7. Intra-Europe regional service: deploying one full-container ship to provide liner service between Hamburg and Poland/Lithuania (IE2) and expand European range services through slot exchange with potential partners.
8. Intra-Mediterranean regional service: One full-container ship was originally deployed. However, due to the war in Ukraine, the Company has suspended this original liner service between Romania, Ukraine (IBX), and formed a new weekly direct Turkey-Israel express service. Through slot exchange with other partners and regional service providers, the Company is expanding the coverage of other Black Sea markets such as Turkey, Romania, Bulgaria, Georgia, and Russia to reduce costs and safeguard vessel operation.
9. Transatlantic service: partnering with THE Alliance to provide three liner services per week between Europe and the US; partnering with ONE/Hapag-Lloyd/CMA CGM/COSCO/OOCL to provide one liner service from West Mediterranean to US East Coast. The overall 4 liner services offer comprehensive and extensive coverage in the transatlantic shipping market.
10. Intra-Asia routes
 - (1) Taiwan-China Express service (TCX): deploying two full-container ships to provide one liner service per week between Northern and Central China and Taiwan.
 - (2) China-Taiwan-Indonesia service (CTI): deploying one full-container ship and partnering with COSCO, GSL, and OOCL to provide one liner service per week between Central China, Taiwan, and Indonesia.
 - (3) China-Thailand Service (CTS): deploying one full-container ship and partnering with OOCL and GSL to provide one liner service per week between Central China, Vietnam, Thailand, and Hong Kong.
 - (4) China-Thailand service (CTX): deploying one full-container ship and partnering with KMTC and TSL to provide one liner service per week between Central China, Thailand, and Hong Kong.

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

- (23) Taiwan Philippines Manila South Port service (TPS): exchanging container space with WHL to provide one liner service per week between Taiwan and the Philippines.
- (24) Taiwan-Indonesia service (TPI): exchanging container space with EMC to provide one liner service per week between Taiwan and Indonesia.
- (25) Taiwan-Hong Kong service (PR5): exchanging container space with KANWAY to provide one liner service per week between Taiwan and Hong Kong.
- (26) Kaohsiung-Fuzhou/Jiangyin Express service (FOC): exchanging container space with SPS to provide one liner service per week between Kaohsiung and Fuzhou.
- (27) Ningbo- Shanghai- Kaohsiung service (NSK): exchanging container space with SITC to provide one liner service per week between Central China and Taiwan.
- (28) Ningbo- Shanghai- Kaohsiung service (SK2): exchanging container space with SITC to provide one liner service per week between Central China and Taiwan.

11. Asia feeder service

- (1) South East Asia service VIII (SE8): deploying two full-container ships to provide one feeder liner service per week between Singapore, Malaysia, and Vietnam.
- (2) Sihanoukville dedicated service (RCX): exchanging container space with RCL to provide one feeder liner service per week between Singapore and Sihanoukville.
- (3) Singapore-Yangon dedicated service (SYM): exchanging container space with RCL to provide one feeder liner service per week between Singapore and Yangon.
- (4) Singapore-Surabaya service (RSU): leasing container space from RCL to provide one feeder liner service per week between Singapore and Surabaya.
- (5) Bohai Express III service-Dalian (BH3): leasing container space from XPF to provide one liner service per week between Northern China (Dalian) and Korea.
- (6) Bohai Express II service-Xingang (BH2): leasing container space from ONE to provide one liner service per week between Northern China (Xingang) and Korea.
- (7) Thailand - Singapore service (TSS): leasing container space from XPF to provide one liner service per week from Bangkok to Singapore.
- (8) Singapore - Jakarta service (IHX): leasing container space from Samudera to provide one liner service per week between Singapore and Indonesia (Jakarta).
- (9) Singapore-Yangon service (SMM): leasing container space from Samudera to provide one feeder liner service per week between Singapore and Myanmar (Yangon).
- (10) Kaohsiung-Cebu service (KMC): leasing container space from BTL to provide one feeder liner service per week between Taiwan and the Philippines (Cebu).

12. Asia-Australia trade

- (1) China-Australia-Taiwan service (CAT): deploying two full-container ships and jointly managing with EMC, SINOTRANS, TSL, and HLC to cover operation in Central China, Taiwan, and Australia.
- (2) China-Australia service (CA2): deploying one full-container ship and jointly managing with TSL, PIL, and SEALEAD to cover operation in Northern-Central-Southern China and Australia.

- (3) Asia Australia alliance service 1 (AA1): providing liner service between Thailand, Singapore, and Australia.
- (4) Asia Australia alliance service 2 (AA2): providing liner service between Singapore, Malaysia, and Australia.

13. Central and South America service routes

- (1) South America service loop-3 (SA3): deploying one full-container ship and managing jointly with EMC, COSCO, and CMA CGM to cover operation in Southern-Central China and Eastern South America.
- (2) South America service loop-6 (SA6): providing liner service to cover operation in Taiwan, Southern-Central China, Mexico, and Central South America west coast.
- (3) South America service loop-8 (SA8) deploying two full-container ships and managing jointly with PIL and WHL to cover operation in Northern-Central China, Mexico, and Central South America west coast.

14. Asia -Middle East/Red Sea trade

- (1) China-Gulf Express service (AG2): deploying seven full-container ships and jointly managing with THE Alliance to cover operation in Central China, Southern China, Singapore, Malaysia, and the Persian Gulf.
- (2) Asia-Gulf Express service (AG3): deploying one full-container ships and jointly managing with THE Alliance to cover operation in Korea, China, Singapore, Malaysia and, the Persian Gulf.
- (3) Asia-Red Sea service (AR1): deploying five full-container ships and jointly managing with THE Alliance and WHL to cover operation in Korea, Southern-Central China, Singapore, and the Red Sea.

15. Asia -India and Pakistan trade

- (1) China - Pakistan Express service (CPX): deploying two full-container ships and jointly managing with OOCL to cover operation in Central China, Southern China, Singapore, Malaysia, and Pakistan.
- (2) East India and Northwest Europe Express service (IEX): deploying one full-container ship and jointly managing with ONE, HLC, COSCO, and OOCL to cover operation in East India through the Mediterranean to Northwestern Europe.

16. Southern Asia feeder service

- (1) South East Asia VI service (SE6): deploying one full-container ship to cover operation in Singapore, Malaysia, and Bangladesh.
- (2) Singapore-Chittagong service (SCS): providing liner service between Singapore, Malaysia, and Chittagong.
- (3) Straits-Bengal-Straits service (SBS): providing liner service between Singapore, Malaysia, and Kolkata.

◆ Prospect of market share and supply, demand, and growth

1. Transpacific trade

According to the Drewry report, the overall volume contraction rate of transpacific trade on the eastbound leg was 5.6% in 2023, and the projection in 2024 is expected to increase by 2.6%. According to Alphaliner, the Company's 2023 market share for deployed containership capacity in the transpacific trade was approximately 9%.

2. Asia-Europe/Mediterranean trade

According to the Drewry Report, the overall volumes on the westbound leg of Asia-Europe trade grew by 1.0% in 2023, and the total westbound volume of Asia-Mediterranean trade also grew by 20.5%. The overall volume will, however, grow by 1.1% and 1.0% on the westbound leg of the Asia-Europe and Asia-Mediterranean trade respectively in 2024. According to Alphaliner, the Company's 2023 market share for deployed containership capacity in the Asia-Europe and Asia- Mediterranean trade was approximately 2.2%.

3. Transatlantic trade

The Company focuses its transatlantic trade on developing the container market between Northwestern Europe/Mediterranean and the US East Coast. According to the Drewry Report, the overall volume on the westbound leg of the transatlantic trade declined by 10.4% in 2023, and the overall volume of the eastbound leg also saw a 2.6% dip. The overall volume on the westbound and eastbound legs of the transatlantic trade, however, are expected to respectively increase by 4.9% and 1.1% in 2024.

4. Intra-Asia trade

According to S&P Global report, the overall volume of the Intra-Asia trade is 34.16 million TEU in 2023. It is expected to reach 35.06 million TEU in 2024, a 2.6% growth from 2023.

5. Asia -Australia trade

According to S&P Global report, the overall volume of the FE-Australia trade decreased by 1.6% in 2023, and the overall volume is expected to increase by 2.2% in 2024. The Company's 2023 market share in the FE-Australia trade was approximately 2.3%.

6. FE-Middle East/Red Sea trade

According to S&P Global report, the overall volume of the FE-Middle East/Red Sea Trade decreased by 3.0% in 2023, and the overall volume is expected to increase by 2.2% in 2024. The Company's 2023 market share in the FE-Middle East/Red Sea Trade was approximately 5.4%.

7. FE- Sub-Continental Trade

According to S&P Global report, the overall volume of the FE- Sub-Continental trade decreased by 2.5% in 2023, and the overall volume is expected to increase by 3.4% in 2024. The Company's 2023 market share in the FE- Sub-Continental trade was approximately 2.4%.

8. FE-Central and South America trade

According to S&P Global report, the overall volume of the FE-Central and South America trade increased by 2.0% in 2023, and the overall volume is expected to increase by 3.1% in 2024. The Company's 2023 market share in the FE-Central and South America trade was approximately 1.5%.

◆ Competitive advantages and business visions

1. Favorable factors

(1) New vessels consecutively delivered, reducing operating costs

To bolster service routes, the Company has begun deployment of twenty new 14,000 TEU long-term chartered and energy-saving vessels. From Q2 2020 to 2022, fourteen new 11,000 TEU long-term chartered and energy-saving vessels, and ten new self-owned 2,800 TEU feeder type vessels were consecutively delivered. Five new 15,000 TEU energy-efficient ships featuring LNG dual-fuel design are scheduled for delivery in 2026. These new energy-saving ships will effectively reduce the unit cost and overall emissions.

(2) Continue Strengthening regional layout and increase loading performance

In addition to the European and American segments, THE Alliance is planning on offering more direct services to side ports and adjusting the intra-Asia service. Within the European and Mediterranean region, the Company is expanding network coverage through operating self-owned regional shuttle services and swapping slot with other carriers in the region. To facilitate effective multi-stage utilization of service routes, the Company is working to secure more way port cargos in the coast to facilitate better synergy of service routes.

(3) Create greater mutual benefits with strategic alliances

In addition to maintaining the existing service routes between Asia, the US (including Gulf coverage), Europe, the Mediterranean and transatlantic, as well as the Middle East and Red Sea, the Company is rationalizing these service routes and optimize shipping service. Through the upsizing of THEA group service, the Company could benefit from maximizing the advantages of the service route layout and effectively lowering costs. The Company is also extending cooperation beyond THE Alliance regarding service layout and vessel deployment. Through a careful product planning, the Company can significantly reduce transportation time and operating unit cost to maintain competitiveness.

2. Unfavorable factors

(1) Uncertainties of environmental regulations add operating cost

The new environmental regulations imposed by IMO and/or other regulatory authorities, such as IMO's EEXI, CII and/or EU's ETS and Fuel EU Maritime, focus on reducing GHG emissions and require global carriers to promptly phase out non-eco design old tonnages, add new energy-efficient vessels, as well as reduce sailing speed and GHG emission. These well-intended regulations, however, are adding operating costs for maritime shipping operators.

(2) Geopolitics

Geopolitical conflicts, energy price fluctuation, and inflation continue to add uncertainties and pressure to the overall economy recovery and outlook.

(3) Climate change

The El Niño phenomenon plunged Panama into a severe drought, causing the water level of the lake that supplies Panama lock to continue to drop. Due to the lack of water level, the Panama Canal authority gradually reduced the number of ships transiting each day. Most shipping liners were unable to book transit slots, causing ships to have to stay outside the canal and wait several days to weeks before passing through, therefore making it difficult to control maritime transportation time. In addition, the severe drought during the winter of 2023 led to record-low water levels in the Rhine River, subsequently disrupting the overall inland supply chain in Europe.

3. Countermeasures

(1) Continue promoting flexible alliance strategies

The merger and acquisition of large shipping companies and their consolidation will continue for some time in the shipping market. Against this backdrop, it is important to strengthen competitiveness by carrying out flexible alliance strategies, reducing operating costs, and improving service route service quality. In 2023, the Company and THE Alliance partners adjusted service routing quickly to minimize the impact of Red Sea disruption and Panama Canal drought.

(2) Develop business in emerging markets

Considering the trend of international trade diversification, the Company is also working to expand its service network and effectively utilize its fleet capacity in the emerging markets, such as Vietnam, the Eastern Mediterranean, the Black Sea, the Baltic, and South America.

(3) Strengthen cost control

In addition to market dynamics and competitor analysis, the Company is also attentive to facilitating well-functioning alliance partnerships, slot exchange, and proper adjustment to service route structure to effectively reduce operation cost (including fuel and port charges). Other strategies to this end include fuel price hedging, chartering market monitoring, flexible operation of ships, and establishing overseas agencies.

(4) Operational safety and service quality

Operational safety is of utmost importance to the shipping service industry. Although the ships have been certified with ISPS certifications, the Company does not spare any effort to improve operational safety and service quality. As integrated information systems are becoming the mainstream in the shipping industry, the Company is speeding up its integration and implementation of information application systems to improve quality service and management efficiency.

(5) Compliance with latest environmental regulations and application of countermeasures

With the carbon emission regulations under IMO and EU structure taking effect respectively, all carriers will be required to build new ships that are energy efficient, run on alternative fuels, and can reduce CO₂ emissions. Operating sustainably is key to strengthening overall competitiveness.

5.2.2 Production procedures and main uses of main products: not applicable.

5.2.3 Supply status of main materials: not applicable.

5.2.4 Clients (suppliers) with 10% of sales (purchase) or more in the last two years: none.

There were no clients with 10% of sales or more in the past two years.

5.2.5 Production in the last two years: not applicable.

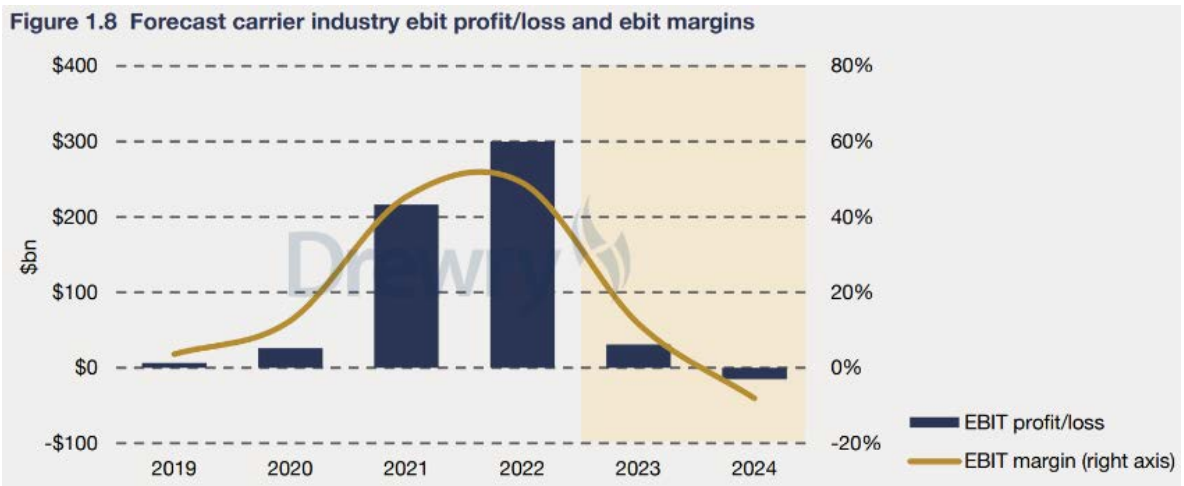
5.2.6 Shipments and sales in the last two years

Unit: NT\$ thousands

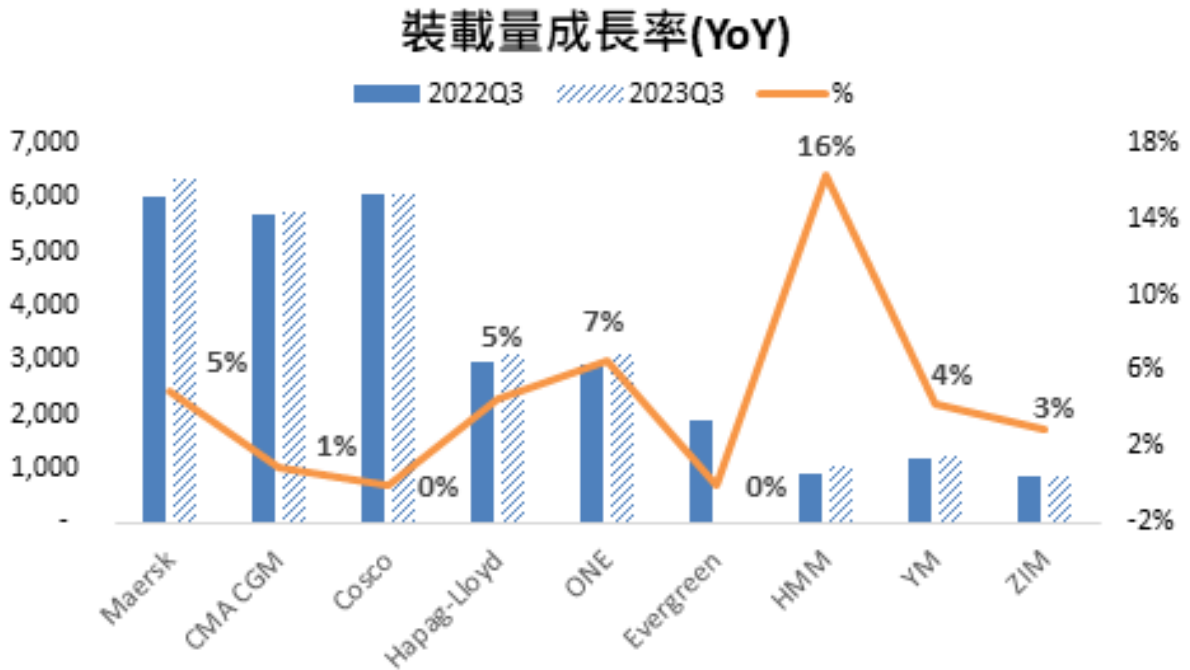
Sales & Volume Items	2023		2022	
	Amount	Volume (TEU)	Amount	Volume (TEU)
Cargo revenue: deep sea	101,102,721	3,236,354	305,884,449	3,129,958
Cargo revenue: short sea	16,682,933	1,472,500	33,827,811	1,482,668
Cargo revenue: others	4,801,853	-	7,977,682	-
Rental revenue on vessel	2,031,190	-	3,382,815	-
Slottage revenue	3,193,068	-	6,300,160	-
Other operating revenue	12,811,948	-	18,526,957	-
Total	140,623,713	4,708,854	375,899,874	4,612,626

5.2.7 Maritime key performance indicator

The container shipping industry in 2023 saw the fluctuating market experiencing downward pressure with widening supply-demand imbalance, increasingly competitive market, the ongoing geopolitical tensions. According to Drewry’s forecast, freight rates continued to move downwards, leading to a substantial decrease in the shipping industry’s earnings before interest and taxes (EBIT) from \$299 billion in 2022 to \$31 billion in 2023. The Company still managed to increase the loading factor to maintain the market ratio despite significant adjustments in freight rates resulting in a decline in operational profits. The growth rate of lifting volume is the key performance indicator of the Company’s achievement. According to Alphaliner’s statistics, the lifting volume grew by 4% in the third quarter compared with the same period of last year.



Source: Drewry Container Forecaster 2023Q4



Source: Alphaliner Monthly Monitor Feb, 2024

5.3 Employee Status from the Two Most Recent Fiscal Years up to the Date of Publication of this Annual Report

Year		2023	2022	03.26.2024
Number of employees	Office service	4,769	4,766	4,738
	Sea service	1,230	1,257	1,230
	Total	5,999	6,023	5,968
Average age		40.4	39.39	40.43
Average service years		11.7	9.91	11.41
Education	Ph.D.	0.10%	0.10%	0.12%
	Master's	11.76%	9.99%	11.73%
	College	73.26%	70.19%	73.23%
	High school	11.85%	16.72%	11.89%
	Middle school and lower	3.03%	3.00%	3.03%

5.4 Expenditure on Environmental Protection

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

5.4.2 The Company's countermeasures for future environmental protection.

Regarding environmental conservation, the Company demands that all the newly-built vessels comply with the international standards and adopt advanced designs to reduce pollution. Yang Ming upholds its environmental policy and is the first shipping company in Taiwan to be certificated with ISM back in 1996, ISO14001 in 2004 and OHSAS 18001 in 2005. In 2006, the Company joined the Business for Social Responsibility (BSR) and the Clean Cargo Working Group (CCWG) for partnerships with other companies to carry out responsible business practices, innovation, and collaboration. In 2007, the Company began publishing its annual environment Performance Report on the official website to enable understanding of the internal environmental measures and practices. In 2009, the Company set up an energy conservation team to study and implement environmental protection actions for energy conservation and resource recovery. In 2013, the Company added the carbon emission calculator of shipping service to its website to work with customers on reducing carbon emissions by means of the door-to-door and green-delivery supply chain.

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

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

- (6) Strict auditing of ISM/ISO14001 codes and corrective measures to safeguard YM personnel, ships, cargoes, and the environment, avoid maritime accident, and minimize pollution.
- (7) Organizing training courses and exercises on environmental protection, risk management, and energy saving for all seafarers to strengthen professionalism for preventing maritime pollution and accidents.
- (8) The Company abides by the latest international environmental regulations and seafaring crew are required to do the same.
- (9) The Company is running the carbon calculator for cargo transportation on the official website to help customers achieve low carbon footprint by means of the door-to-door and green supply chain.
- (10) Since the Inventory of Hazardous Materials (IHM) became effective on December 31, 2020, the Company has brought various samples onboard for testing to facilitate the identification and control of the location and quantity of hazardous substances on ships.
- (11) January 2020 marked the beginning of a transition for the shipping industry moving into a greener future. According to the latest regulations, the level of sulphur content in marine fuels is limited to 0.50%. All of Yang Ming's ships meet the requirement and the sulphur oxide emission has been cut down by 70%, compared to those using high sulphur fuel oil.
- (12) In response to the introduction of environmental protection regulations and standards such as EEXI and CII at the IMO MEPC meeting, Yang Ming is strengthening cooperation with the third parties to conduct real-time monitoring, and is planning to conduct health check for ships (dry-dock and hull performance) every 2.5 years in order to reduce fuel consumption.
- (13) According to the International Convention for the Control and Management of Ships' Ballast Water and Sediments of 2004, a new version of the Ballast Water Management Plan was completed for the vessels YM Upward /YM Utility/YM Uniform in the fiscal year 2023, including the installation of BWTS (Ballast Water Treatment Systems).

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

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

3. Effects of setting up additional equipment

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

5.4.3 The Taiwan Stock Exchange's Letter No.0950007006 dated April 13, 2006 requires disclosure of RoHS Information (EU legislation restricting the use of hazardous substances in electrical and electronic equipment). Due to the characteristics of maritime shipping industry, the Company is not required to abide by the EU RoHS.

5.5 Employee and Employer Relations

5.5.1 Important labor agreements and implementation

1. Employee welfare measures: the Company allocates 0.15% of its revenue into the employee welfare fund, and carries out welfare tax withholding for employees in the amount of 0.5% of each employee’s salary, on a monthly basis. The fund is managed by the Employee Welfare Committee, which organizes a variety of welfare events.

2. Education and training

Unit: NT\$

Training	Main focus	Total hours	Cost
Orientation	The Company organizes orientation, maritime studies, maritime management practices, and other internal and external courses to help new employees to quickly familiarize themselves with their jobs, understand the Company’s operating principles, organization, culture, and overall human resources.	1,901	26,628
Job development	To strengthen employees’ professionalism, the Company’s HR regularly organizes training courses on subjects such as professional knowledge or information dissemination among departments, occupational safety training, and lectures. Employees are encouraged to attend external training or education courses or purchase book to improve their professional skills and foreign language capabilities.	33,005	2,924,910
Managing skills of Supervisors	Training courses are available to strengthen managers’ professional capabilities, such as interviewing skills and KPI management. Managers are also encouraged to attend external training on managerial capabilities and corporate governance. They are also required to take courses to strengthen managing and planning skills.	2,375	2,438,830
Seafarers	YM implements its onboard safety management policies and methods according to ISM CODE, EMQM, and EMFA. Onboard safety is maintained by audit and supervision of the ship or ship-to-ship mechanism. The ISM CODE training courses are conducted every year. Participation by all seafarers is required.	20,782	15,132,424

3. Retirement benefit plans: please refer to Attachment 1 of Notes 23 for details.

4. Other important agreements: None.

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

In the most recent fiscal year and during the current fiscal year up to the date of publication date of the annual report, the Company sustained several losses as a result of labor disputes that incurred mainly legal costs, which took up a very small percentage of the Company’s revenue. The pending litigation cases related to labor disputes are currently being handled by attorneys appointed by the Company. Of these, possible losses are estimated to account for a small percentage of the Company’s revenue, so it has no significant impact on the Company’s finances and business.

5.5.3 Employee code of ethics

1. Employees should be attentive to respective duties, law-abiding, and follow the management’s instruction, as well as carry out assignments from supervisors at all levels.

2. Employees must keep the Company's technical and business data in the strictest confidentiality. The Company's confidential business rights and interests must never be disclosed under any circumstances, with employees' being in charge or providing assistance. Take salary, which is confidential information and as such employees should not inquire, or make comments on the matter, and even disclose their own.
3. When carrying out job duties, employees should, except for emergency or special circumstances, follow administrative protocols and must not go over their immediate supervisors.
4. Employees are not allowed to leave their work unattended without prior approval.
5. When conducting business, employees must not directly or indirectly offer, promise to offer, request, or accept any benefits, including rebates, commissions, palm greasing payments, or offer or accept these in other ways to or from clients, agents, contractors, suppliers, public servants, or other interested parties.
6. Employees must not carry ammunition, knives, dangerous goods, contraband, or other items that can seriously compromise workplace safety.
7. Employees should wear identification cards in the workplace and return it to the relevant personnel when they no longer work for the Company.

5.5.4 Procedures for handling material containing internal information

In order to strengthen corporate governance, the Company has formulated the Procedures for handling materials containing internal information, the internal information processing and disclosure protocol, and published the procedures in the Rules and regulations section under Corporate governance of the official website.

5.5.5 Occupational safety and health policies

Yang Ming Marine Transport Corporation (the Company) considers employees' safety and health to be integral to its sustainable operation and it upholds human values by providing a safety and health workplace to all of the employees and safeguarding their physical and mental well-being. We also have been proactive in forming good relations with government agencies, investors, customers, suppliers, local and foreign associations and initiative groups, as well as stakeholders like our employees and members of the community.

Our Promises and Goals

- Commitment to achieving zero accident, creating optimal healthy workplace, and becoming an exemplary corporation in safety and health, onboard and on shore.
- Facilitating employees' mental and physical well-being and helping them to balance work and life.
- Continuing communication and cooperation with stakeholders to jointly minimize occupational safety and health risks.

Our Implementing Guidelines

- Abiding by or going further on occupational safety and health regulations and standards.
- Paying attention to occupational safety and health is the fundamental responsibility of every employee. Therefore, every employee must follow safety and health work rules, work together to this end, and watch out for each other's safety.
- The Company's top-level management should provide sufficient and necessary resources for the promotion of workplace safety and health and be devoted to supervising the management of safety and health, and auditing the performance regularly.
- Strengthening basic safety design and conducting pre-operation risk assessment and in-operation monitoring of safety and health to prevent accidents from happening.
- To promote safety and health training so as to ensure employees' full awareness of safety and health and to take responsibility of personal safety and health.

- Encouraging employees to actively participate in safety and health events, paying attention to employees' feedback on safety and health issues, and continuing improvement on the management of safety and health.
- Actively working together with clients, suppliers, and outsourcing vendors to collectively improve the safety and health performance in the supply chain.

5.6 Information and Cyber Security Management

5.6.1 Information cyber security policy and objectives.

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

In November of 2022, the Cyber Security Office was established to strengthen the commitment of the management to related stakeholders on information security. The position of Chief Information Security Officer was established to oversee the operation of the information security management system, to reinforce the information security framework, to collect, analyze and respond to information security information and risks, to manage information security incidents and to follow regulations, to enhance overall information security awareness, and to carry out information security work.

Wherever the origin, cyber threats may cause information system failure or compromise internal business information. On the basis of the ISO 27001 Information Security Management System, the Company has established the information security policy to ensure overall information security. Related strategies are as follows.

- ◆ Hardware SCOP - The system hardware is constructed towards standard specifications, consistency, open architecture, and proper-sizing in a way that scales appropriately and at a steady pace.
- ◆ Software and Application System CSCIS – The Data Processing and Information Management System Establishment is developed and built with the common environment, standardization, collaboration compatibility, integration, and signification importance as the elements.
- ◆ Network STAR- This keeps network services running properly, and it achieves a seamless, borderless, transparent, accessible, and reliable network environment, while enabling multiple and automatically converted network connections, and with the ultimate goal of zero missing.
- ◆ Customer Service - Maintains the level of information service supporting business, so that customers can enjoy the aggregate, timely, and accurate information services.
- ◆ Information Security - Safeguards the confidentiality of the Company's business information, improves protection capabilities, effectively handles potential risks, and assists in achieving business sustainability goals.
- ◆ The information security protection capabilities are improved to align with YM Group's security vision and information policy.

Cyber security topics

- ◆ Integrity is ensuring reliability and accuracy of business data.
- ◆ Availability is offering a high level of assurance that business data are accessible to authorized subjects.
- ◆ Confidentiality is ensuring protection of business data and privacy.
- ◆ Business contingency operation is carried out according to government laws and security standards.

5.6.2 Specific management plans

Basic Security Protection	
Cyber security	Segmented network, enhanced firewall, and network control are used to prevent intrusion and malicious software spread. The protection mechanisms are established at each layer of the OSI (Open Systems Interconnection Reference Model) communication system.
Endpoint security	Endpoint protection software is installed and tested to prevent malware from intruding host and personal computers.
Web browsing security	Proxy servers are introduced to strengthen network control and prevent connections to rogue websites and downloads of malware through sandboxes.
Spam prevention	Emails are filtered and detection is enhanced to prevent malicious intrusion.
Patching vulnerabilities	Hardware and software are regularly updated to prevent breaches or privilege escalation through vulnerabilities.
Review and Continuous Improvement Education	
Education and training	Cybersecurity education and training and social engineering exercises are regularly organized to strengthen employees' cybersecurity awareness.
Security assessments	In addition to real-time security monitoring, regular vulnerability scanning and information security assessments are conducted to reduce cybersecurity risks.
Information Security Effectiveness Monitoring	
Security operation center	External experts are commissioned to establish a security operation center to monitor the security status of the organization in real-time. Security information is collected and managed under various circumstances and security incidents are properly handled in accordance with the control mechanism. Security events are analyzed to ensure the security of organizational information.
Information sharing	Joining security organizations and sharing relevant security information enables the Company to be alert to potential threats.

5.6.3 Invest in the resources of capital security management

1. Certification

- (1) Passed ISO27001 annual certification auditing

2. Training/promotion

- (1) Organizes educational and training sessions for new employees
- (2) Publishes information security reports in the Company's monthly publication
- (3) Organizes the Company's annual information security basic education
- (4) Organizes employees' e-mail social engineering drills and related re-education sessions three times a year
- (5) Organizes information security training sessions for overseas employees

3. Execution/monitoring

- (1) Conducts annual vulnerability scan
- (2) Conducts annual off-site backup drill
- (3) Conducts weekly security status tracking

5.6.4 As of the date of publication of the annual report, the Company did not encounter any major information safety incident or suffer related loss.

5.6.5 Information related awards or special events.

- (1) In October 2023, Yang Ming received the Best IT Employer Award from the IMA, being the only recipient in the maritime transport industry. This award recognizes the efforts in nurturing IT talents, creating a healthy workplace, and encouraging employees to innovate.
- (2) The winning entry, Integration of Long-Term Memory Neural Network and Monte Carlo Model to Construct a Ship and Air Pollution Diagnostic Prediction Platform - Kaohsiung Port as an Example, won 2nd place in the 3rd Big Data Creative Application Competition. The winning entry analyzes the impacts of different fuels on air pollution and carbon emissions, which not only helps Kaohsiung Port become more environmentally friendly, but also promotes the development of a green port.
- (3) The Company was granted an invention patent for Container Pickup Method, Container and Carrier Calculator, and Pickup Information System from Taiwan Intellectual Property Office.

5.7 Important Agreements

5.7.1 Joint party contract

03.26.2024

Agreement	Counterparty	Period	Major Contents	Restrictions
Vessel Sharing and Slot Exchange Agreement	Hapag-Lloyd / ONE/HMM	04.01.2020-03.31.2030 Any line shall has the right to issue a written notice of withdrawal 12 months prior. Such notice may not be given before 36 months have elapsed after the commencement date.	Asia/Europe, Asia/Mediterranean, Asia/U.S.West Coast, Asia/U.S.East Coast, Asia/Middle East, Asia/Red Sea, U.S West Coast & East Coast/North Europe, U.S East Coast/Mediterranean	-
Vessel Sharing Agreement	Hapag-Lloyd/ ONE/COSCO/ CMA-CGM/ OOCL	12.04.2018-now Any Line shall has the right to issue a written notice of withdrawal 6 months prior. Minimum validity of this agreement is 24 months.	Mediterranean/ U.S.East Coast	-
Vessel Sharing Agreement	Hapag-Lloyd/ ONE/HMM/EMC	04.05.2021-now Any Line shall has the right to issue a written notice of withdrawal 3 months prior. Such notice may not be given before 9 months have elapsed after the commencement date.	Asia/ U.S.East Coast,Gulf	-
Vessel Sharing Agreement	Hapag-Lloyd/ COSCO/ONE/ OOCL	10.28.2019-now Any Line shall has the right to issue a written notice of withdrawal 6 months prior. Such notice may not be given before 12 months have elapsed after the commencement date of this agreement.	East India/Mediterranean/North Continental Europe	-
Vessel Sharing Agreement	COSCO	11.26.2019-now Any Line shall have the right to issue a written notice of withdrawal 3 months prior. Such notice may not be given before 9 months have elapsed after the commencement date of this agreement.	North Continental Europe/Mediterranean	-
Slot Exchange Agreement	COSCO	04.01.2017-now Any Line shall have the right to issue a written notice of withdrawal 3 months prior. Such notice may not be given before 6 months have elapsed after the commencement date of this agreement.	Intra Europe	-
Vessel Chartering Agreement	HMM	08.01.2023-now Any Line shall have the right to issue a written notice of withdrawal 3 months prior.	Asia/ U.S. West Coast	-
Vessel Sharing Agreement	TSL/KMTC	08.13.2017- indefinite duration Termination of the contract requires a ninety-day pre-notice.	Korea-Taiwan-Hong Kong service	-
Vessel Sharing Agreement	EMC/OOCL	04.04.2006- indefinite duration Termination of the contract requires a ninety-day pre-notice.	Taiwan-Ho Chi Minh service	-
Slot Exchange Agreement	KWY	01.07.2013- indefinite duration Effective after the expiration of the contract. Termination of the contract requires a thirty-day pre-notice.	Intra-Asia service	-
Vessel Sharing Agreement	COSCO/GSL/ OOCL	11.24.2020- indefinite duration Termination of the contract requires a ninety-day pre-notice.	China-Indonesia service	-
Slot Exchange Agreement	EMC	09.06.2009- indefinite duration Termination of the contract requires a sixty-day pre-notice.	Intra-Asia service	-
Slot Exchange Agreement	RCL	09.11.2020- indefinite duration Termination of the contract requires a one-month pre-notice.	Intra-Asia service	-
Slot Exchange Agreement	WHL	10.23.2018- indefinite duration Termination of the contract requires a sixty-day pre-notice.	Intra-Asia service	-
Slot Exchange Agreement	FOS	07.21.2017-indefinite duration Termination of the contract requires a sixty-day pre-notice.	Intra-Asia service	-
Slot Exchange Agreement	NGS	05.27.2017- indefinite duration Termination of the contract requires a ninety-day pre-notice.	Intra-Asia service	-

Agreement	Counterparty	Period	Major Contents	Restrictions
Slot Exchange Agreement	ASL	02.08.2023- indefinite duration Termination of the contract requires a thirty-day pre-notice.	Intra-Asia service	-
Vessel Sharing Agreement	OOCL/GSL	08.13.2016- indefinite duration Termination of the contract requires a three-month pre-notice.	China-Thailand service	-
Vessel Sharing Agreement	WHL/SAS	12.08.2020- indefinite duration Termination of the contract requires a 60-day pre-notice.	China-Thailand-Cambodia service	-
Slot Chartering Agreement	ONE	11.18.2018–indefinite duration Termination of the contract requires a 30-day pre-notice.	China-Korea service	-
Slot Exchange Agreement	PanAsia	05.12.2019- indefinite duration Termination of the contract requires a thirty-day pre-notice.	Intra-Asia service	-
Vessel Sharing Agreement	OOCL/RCL	10.12.2018- indefinite duration Termination of the contract requires a three-month pre-notice.	China-Vietnam service	-
Vessel Sharing Agreement	TSL/KMTC	07.12.2019- indefinite duration Termination of the contract requires a 90-day pre-notice.	China-Thailand service	-
Vessel Sharing Agreement	ONE/SITC/KMTC	11.02.2021- indefinite duration Termination of the contract requires a three-month pre-notice.	Korea-China-Southeast Asia Service	-
Slot Exchange Agreement	SITC	05.01.2021–indefinite duration Termination of the contract requires a 60-day pre-notice.	Intra-Asia service	-
Slot Chartering Agreement	KMTC	07.05.2019–indefinite duration Termination of the contract requires a one-month pre-notice.	China-Vietnam Service	-
Vessel Sharing Agreement	EMC/SNL/TSL/HLC	10.16.2020- indefinite duration Termination of the contract requires a three-month pre-notice.	Asia-Australia service	-
Vessel Sharing Agreement	TSL/PIL/SEALEAD	03.06.2022- indefinite duration Termination of the contract requires a three-month pre-notice.	Asia-Australia service	-
Vessel Sharing and Slot Exchange Agreement	HLC/ONE/WHL	04.06.2018- indefinite duration Termination of the contract requires a three-month pre-notice.	Asia-Red Sea service	-
Slot Exchange Agreement	PIL	07.27.2018- indefinite duration Termination of the contract requires a two-month pre-notice.	Asia-Australia service	-
Vessel Sharing Agreement	OOCL	05.21.2009- indefinite duration Termination of the contract requires a ninety-day pre-notice.	Asia-South Asia service	-
Slot Exchange Agreement	SOL	11.03.2015- indefinite duration Termination of the contract requires a twenty-one days pre-notice.	Asia-Bangladesh/Kolkata service	-
Vessel Sharing Agreement	EMC/COSCO/CMA CGM	01.20.2017- indefinite duration Termination of the contract requires a six-month pre-notice.	Asia-Eastern South America service	-
Slot Chartering Agreement	WHL	05.02.2020- indefinite duration Termination of the contract requires a ninety-day pre-notice.	Asia-Western South America service	-
Vessel Sharing Agreement	PIL/WHL	06.15.2022- indefinite duration Termination of the contract requires a three-month pre-notice.	Asia-Western South America service	-

5.7.2 Long-term Loan Contract

03.26.2024

Agreement	Counterparty	Period	Major Contents	Restrictions
Bank Mortgage Loan	Kuang Ming and Chang Hwa Bank	02.27.2020-02.27.2025	Repayment shall be made in 20 successive quarterly installments effective from the date of initial advance.	-

VI Overview of the Company's Financial Status

6.1 The Consolidated Financial Statement and Information for the Recent Five Fiscal Years

6.1.1 Condensed balance sheet and condensed statement of comprehensive income — IFRSs

1. Condensed consolidated balance sheet — IFRSs

Unit: NT\$ Thousands

Item		Year	Financial Data in the Most Recent Five Years (Note)				
			2019	2020	2021	2022	2023
Current Assets			35,818,085	46,261,219	226,556,919	338,579,023	218,701,443
Property, Plant and Equipment			72,258,682	73,663,236	73,895,469	75,777,886	83,481,541
Intangible Assets			122,234	88,268	80,847	133,157	142,842
Other Assets			82,802,838	74,963,262	83,882,649	93,658,714	90,284,727
Total Assets			191,001,839	194,975,985	384,415,884	508,148,780	392,610,553
Current Liabilities	Before Distribution		61,249,304	59,749,354	73,236,883	75,930,215	52,647,360
	After Distribution		-	-	143,078,968	145,772,301	Note
Non-current Liabilities			112,670,336	98,891,779	76,856,335	88,432,602	62,261,984
Total Liabilities	Before Distribution		173,919,640	158,641,133	150,093,218	164,362,817	114,909,344
	After Distribution		-	-	219,935,303	234,204,903	Note
Equity Attributable to Shareholders of the Parent			16,463,534	35,678,232	233,691,274	342,959,738	276,977,912
Capital Stock			26,013,357	31,676,622	34,921,043	34,921,043	34,921,043
Capital Surplus			1,939,381	384,106	27,975,030	27,975,030	27,975,030
Retained Earnings	Before Distribution		(11,462,514)	1,660,919	169,070,638	280,077,242	214,989,725
	After Distribution		-	-	99,228,553	210,235,156	Note
Other Equity			(26,690)	1,956,585	1,724,563	(13,577)	(907,886)
Treasury Stocks			-	-	-	-	-
Non-controlling Interests			618,665	656,620	631,392	826,225	723,297
Total Equity	Before Distribution		17,082,199	36,334,852	234,322,666	343,785,963	277,701,209
	After Distribution		-	-	164,480,581	273,943,877	Note

2. Condensed consolidated statement of comprehensive income – IFRSs

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

Item	Year	Financial Data in the Most Recent Five Years (Note)				
		2019	2020	2021	2022	2023
Operating Revenue		149,181,262	151,276,683	333,687,395	375,899,874	140,623,713
Gross Profit		6,074,766	26,084,316	213,131,060	230,170,119	6,240,543
Income (Loss) from Operations		(1,014,685)	19,460,192	203,384,516	220,698,167	(1,665,694)
Non-operating income and expenses		(2,573,130)	(3,310,149)	(1,007,771)	12,922,547	12,961,942
Income (Loss) before income tax		(3,587,815)	16,150,043	202,376,745	233,620,714	11,296,248
Net income (loss) of continuing business units		(3,997,896)	12,186,788	165,601,881	181,015,569	5,077,624
Loss of suspended business unit		-	-	-	-	-
Net Income (Loss)		(3,997,896)	12,186,788	165,601,881	181,015,569	5,077,624
Other comprehensive income for the year, net of income tax		950,381	1,448,115	1,785,301	(1,512,483)	(85,776)
Total comprehensive income for the year		(3,047,515)	13,634,903	167,387,182	179,503,086	4,991,848
Net income (loss) attributable to stockholders of the parent		(4,309,957)	11,977,013	165,268,628	180,591,942	4,774,106
Net income attributable to non-controlling interests		312,061	209,775	333,253	423,627	303,518
Total comprehensive income (loss) attributable to stockholders of the parent		(3,330,571)	13,476,092	167,177,697	179,110,549	4,755,146
Total comprehensive income attributable to non-controlling interests		283,056	158,811	209,485	392,537	236,702
Earnings (Loss) per share		(1.66)	4.51	48.73	51.71	1.37

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

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

VI. Overview of the Company's Financial Status

3. Condensed balance sheet — IFRSs

Unit: NT\$ Thousands

Item	Year	Financial Data in the Most Recent Five Years (Note)				
		2019	2020 (Restatement)	2021	2022	2023
Current Assets		25,535,993	29,330,939	198,945,571	232,537,387	106,134,608
Property, Plant and Equipment		34,649,013	40,503,349	43,378,620	47,335,513	47,266,853
Intangible Assets		78,223	62,034	51,479	99,731	108,556
Other Assets		111,116,824	108,775,301	126,091,548	210,438,304	223,295,439
Total Assets		171,380,053	178,671,623	368,467,218	490,410,935	376,805,456
Current Liabilities	Before Distribution	51,826,645	48,782,026	60,970,638	60,084,700	38,251,482
	After Distribution	-	-	130,812,723	129,926,786	Note
Non-current Liabilities		103,089,874	94,211,365	73,805,306	87,366,497	61,576,062
Total Liabilities	Before Distribution	154,916,519	142,993,391	134,775,944	147,451,197	99,827,544
	After Distribution	-	-	204,618,029	217,293,283	Note
Capital Stock		26,013,357	31,676,622	34,921,043	34,921,043	34,921,043
Capital Surplus		1,939,381	384,106	27,975,030	27,975,030	27,975,030
Retained Earnings	Before Distribution	(11,462,514)	1,660,919	169,070,638	280,077,242	214,989,725
	After Distribution	-	-	99,228,553	210,235,156	Note
Other Equity		(26,690)	1,956,585	1,724,563	(13,577)	(907,886)
Treasury Stocks		-	-	-	-	-
Total Equity	Before Distribution	16,463,534	35,678,232	233,691,274	342,959,738	276,977,912
	After Distribution	-	-	163,849,189	273,117,652	Note

4. Condensed statement of comprehensive income – IFRSs

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

Item	Year	Financial Data in the Most Recent Five Years (Note)				
		2019	2020 (Restatement)	2021	2022	2023
Operating revenue		129,368,247	127,808,609	244,723,602	261,012,906	57,094,096
Gross profit (loss)		69,135	18,095,761	153,531,906	171,062,903	9,374,551
Income (Loss) from Operations		(2,266,212)	15,803,865	148,880,036	166,006,501	6,865,008
Non-operating income and expenses		(2,037,710)	(304,754)	51,024,810	64,481,798	3,367,830
Income (Loss) before income tax		(4,303,922)	15,499,111	199,904,846	230,488,299	10,232,838
Net income (loss) of continuing business units		(4,309,957)	11,977,013	165,268,628	180,591,942	4,774,106
Loss of suspended business unit		-	-	-	-	-
Net Income (Loss)		(4,309,957)	11,977,013	165,268,628	180,591,942	4,774,106
Other comprehensive income for the year, net of income (loss) tax		979,386	1,499,079	1,909,069	(1,481,393)	(18,960)
Total comprehensive income (loss) for the year		(3,330,571)	13,476,092	167,177,697	179,110,549	4,755,146
Earnings (Loss) per share		(1.66)	4.51	48.73	51.71	1.37

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

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

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

6.1.2 The names of CPAs and their audit opinions

Year	Name of CPA	Audit Opinion
2019	Chin-Tsung Cheng, Yu-Mei Hung	Unqualified opinion.
2020	Chin-Tsung Cheng, Yu-Mei Hung	Unqualified opinion.
2021	Chen-Hsiu Yang, Yu-Mei Hung	Unqualified opinion.
2022	Chen-Hsiu Yang, Yu-Mei Hung	Unqualified opinion.
2023	Chen-Hsiu Yang, Yu-Mei Hung	Unqualified opinion.

6.2 Financial Analysis for the Recent Five Fiscal Years

6.2.1 Financial analysis in the most recent five years — IFRSs

1. Financial analysis (consolidated) — IFRSs

Item		Year	Financial Analysis in the Most Recent Five Years (Note 2)				
		2019	2020	2021	2022	2023	
Capital Structure Analysis	Debts Ratio (%)	91.06	81.36	39.04	32.35	29.27	
	Long-term Fund to Property, Plant and Equipment (%)	179.57	183.57	421.11	570.38	407.23	
Liquidity Analysis	Current Ratio (%)	58.48	77.43	309.35	445.91	415.41	
	Quick Ratio (%)	51.21	72.90	303.32	438.28	405.50	
	Times Interest Earned (Times)	0.10	5.54	79.67	98.43	5.49	
Operating Performance Analysis	Average Collection Turnover (Times)	16.06	14.20	20.07	22.99	16.53	
	Days sale outstanding	22.72	25.70	18.18	15.87	22.08	
	Average Inventory Turnover (Times) (Note 1)	-	-	-	-	-	
	Average Payment Turnover (Times) (Note 1)	-	-	-	-	-	
	Average Inventory Turnover Days (Note 1)	-	-	-	-	-	
	Property, Plant and Equipment Turnover (times)	1.98	2.07	4.52	5.02	1.77	
	Total Asset Turnover (Times)	0.90	0.78	1.15	0.84	0.31	
Profitability Analysis	Return on Total Assets (%)	(0.49)	7.79	57.87	40.99	1.57	
	Return on Equity (%)	(21.39)	45.63	122.37	62.62	1.63	
	Pre-tax Income to Paid-in Capital Ratio (%)	(13.79)	50.98	579.53	669.00	32.35	
	Net Margin (%)	(2.68)	8.06	49.63	48.16	3.61	
	Earnings (Loss) Per Share (NT\$)	(1.66)	4.51	48.73	51.71	1.37	
Cash Flow	Cash Flow Ratio (%)	18.28	58.65	286.16	276.66	6.42	
	Cash Flow Adequacy Ratio (%)	2.63	164.02	951.40	445.66	274.82	
	Cash Flow Reinvestment Ratio (%)	6.30	19.22	57.88	28.53	(16.17)	
Leverage	Operating leverage	(28.52)	2.51	1.16	1.16	(18.90)	
	Financial leverage	0.20	1.22	1.01	1.01	0.40	

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

- Capital structure ratios changed mainly due to the dividends distribution for earnings generated in the previous year.
- Liquidity analysis ratios changed mainly due to the payment of dividends distribution and corporation income tax generated in the previous year.
- Operating Performance Analysis, Profitability Analysis and Leverage ratios changed mainly due to the decrease in revenue of year 2023 compared with the previous year caused by the market reversal.
- Cash flow ratios changed mainly due to the decrease in cash generated from operations caused by the market reversal.

2. Financial analysis (non-consolidated) – IFRSs

Item		Year	Financial Analysis in the Most Recent Five Years (Note 2)				
			2019	2020 (Restatement)	2021	2022	2023
Capital Structure Analysis	Debts Ratio (%)		90.39	80.03	36.58	30.07	26.49
	Long-term Fund to Property, Plant and Equipment (%)		345.04	320.69	708.87	909.10	716.26
Liquidity Analysis	Current Ratio (%)		49.27	60.13	326.30	387.02	277.47
	Quick Ratio (%)		42.00	56.20	321.22	382.49	273.44
	Times Interest Earned (Times)		(0.36)	6.23	91.70	110.18	5.52
Operating Performance Analysis	Average Collection Turnover (Times)		22.68	25.58	35.96	40.24	23.58
	Days sale outstanding		16.09	14.27	10.15	9.07	15.48
	Average Inventory Turnover (Times) (Note 1)		-	-	-	-	-
	Average Payment Turnover (Times) (Note 1)		-	-	-	-	-
	Average Inventory Turnover Days (Note 1)		-	-	-	-	-
	Property, Plant and Equipment Turnover (times)		3.74	3.40	5.83	5.75	1.21
	Total Asset Turnover (Times)		0.90	0.73	0.89	0.61	0.13
Profitability Analysis	Return on Total Assets (%)		(1.17)	8.25	61.08	42.46	1.52
	Return on Equity (%)		(23.75)	45.94	122.71	62.63	1.54
	Pre-tax Income to Paid-in Capital Ratio (%)		(16.55)	48.93	572.45	660.03	29.30
	Net Margin (%)		(3.33)	9.37	67.53	69.19	8.36
	Earnings (Loss) Per Share (NT\$)		(1.66)	4.51	48.73	51.71	1.37
Cash Flow	Cash Flow Ratio (%)		15.05	59.75	312.18	284.12	8.65
	Cash Flow Adequacy Ratio (%)		-	228.87	951.39	390.82	238.25
	Cash Flow Reinvestment Ratio (%)		5.48	18.81	56.61	21.78	(17.59)
Leverage	Operating leverage		(8.22)	2.31	1.16	1.16	4.45
	Financial leverage		0.42	1.23	1.02	1.01	1.49

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

1. Capital structure ratios changed mainly due to the dividends distribution for earnings generated in the previous year.
2. Liquidity Analysis ratios changed mainly due to the payment of dividends distribution and corporation income tax generated in the previous year.
3. Operating Performance Analysis, Profitability Analysis and Leverage ratios changed mainly due to the decrease in revenue of year 2023 compared with the previous year caused by the market reversal.
4. Cash flow ratios changed mainly due to the decrease in cash generated from operations caused by the market reversal.

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

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

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

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

The formula for financial analysis is as follows:

1. Capital Structure Analysis

(1) Debt Ratio = Total Liabilities / Total Assets

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

2. Liquidity Analysis

(1) Current Ratio = Current Assets / Current Liabilities

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

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

3. Operating Performance Analysis

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

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

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

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

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

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

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

4. Profitability Analysis

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

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

(3) Net Margin = Net Income / Net Sales

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

5. Cash Flow

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

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

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

6. Leverage

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

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

6.3 Audit Committee's Review Report

2023 Audit Committee's Review Report

The Board of Directors has prepared and submitted to the Audit Committee the Company's 2023 business report, stand-alone and consolidated financial statements. The CPA firm of Deloitte & Touche, Taiwan, was retained to audit Yang Ming Marine Transport Corporation's financial statements and has issued an independent auditors' report relating to the financial statements. In accordance with Article 14-4 of Securities and Exchange Act and Article 219 of Company Act, the undersigned hereby certifies the business report, stand-alone and consolidated financial statements after thorough examination.

To: 2024 Annual Shareholders' Meeting
YANG MING MARINE TRANSPORT CORP.

Chairman of the Audit Committee: Tar-Shing Tang



Independent Director: Tar-Shing Tang

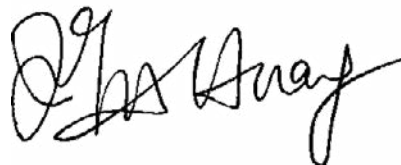


Independent Director: Tan Ho-Cheng

Independent Director: Jr-Tsung Huang



March 7, 2024



6.4 Consolidated Financial Statements 2023

Please refer to attachment 1.

6.5 Parent Company Only Financial Statements 2023

Please refer to attachment 2.

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

VII Review of Financial Position, Financial Performance and Risk Management

7.1 Analysis of Financial Statements

Unit: NT\$ Thousands

Item	Year	2023	2022	Increase/Decrease	
				Amount	%
Current assets		218,701,443	338,579,023	(119,877,580)	(35)
Properties, plants and equipment		83,481,541	75,777,886	7,703,655	10
Intangible assets		142,842	133,157	9,685	7
Other assets		90,284,727	93,658,714	(3,373,987)	(4)
Total assets		392,610,553	508,148,780	(115,538,227)	(23)
Current liabilities		52,647,360	75,930,215	(23,282,855)	(31)
Non-current liabilities		62,261,984	88,432,602	(26,170,618)	(30)
Total liabilities		114,909,344	164,362,817	(49,453,473)	(30)
Capital stock		34,921,043	34,921,043	-	-
Capital surplus		27,975,030	27,975,030	-	-
Retained earnings		214,989,725	280,077,242	(65,087,517)	(23)
Other adjustments		(184,589)	812,648	(997,237)	(123)
Total stockholders' equity		277,701,209	343,785,963	(66,084,754)	(19)

The main reasons for the increase or decrease by more than 20% are as follows:

1. Decrease in current assets is mainly due to the decrease on cash, cash equivalents for payment of income tax and dividends.
2. Decrease in current liabilities and non-current liabilities is mainly due to the decrease in income tax payable and hedging liabilities.
3. Decrease in retained earnings is mainly due to the 2022Y earnings distribution and decline in profit this year.
4. Decrease of other adjustments is mainly due to the fluctuation of exchange rate for the monetary assets and liabilities in derivative for hedging this year.
5. No contingency plan or factor with significant impact.

7.2 Analysis of the Company's Financial Performance

Unit: NT\$ Thousands

Item	Year	2023	2022	Increase/Decrease	
				Amount	%
Operating revenue		140,623,713	375,899,874	(235,276,161)	(63)
Operating costs		134,383,170	145,729,755	(11,346,585)	(8)
Gross profit		6,240,543	230,170,119	(223,929,576)	(97)
Operating expenses		8,109,626	11,375,818	(3,266,192)	(29)
Other income and gains, expenses and loss		203,389	1,903,866	(1,700,477)	(89)
Operating income		(1,665,694)	220,698,167	(222,363,861)	(101)
Non -operating income and expenses		12,961,942	12,922,547	39,395	0
Income before tax		11,296,248	233,620,714	(222,324,466)	(95)
Tax expense		6,218,624	52,605,145	(46,386,521)	(88)
Net income		5,077,624	181,015,569	(175,937,945)	(97)
Cumulative effect of changes in accounting principles		-	-	-	-
Net income for the year		5,077,624	181,015,569	(175,937,945)	(97)

The main reasons for the increase or decrease by more than 20% are as follows:

1. Decrease in operating revenue is mainly due to the decrease in average freight rate.
2. Decrease in operating expenses is mainly due to the difference on employee bonuses and performance bonuses.
3. Decrease in other income and gains, expenses and loss is mainly due to the decrease on gain for subleasing a charter-in vessel in the last year.
4. Decrease in tax expense is mainly due to the decline in profit this year.
5. No contingency plan or factor with significant impact.

7.3 Analysis of Cash Flows

7.3.1 Cash Flow Analysis for the Past Year

Unit: NT\$ Thousands

Cash and cash equivalents beginning balance ①	Net cash flow from operating activities throughout the year ②	Cash outflow from investing and financing activities throughout the year ③	Cash surplus (deficit) ① + ② - ③	Leverage of cash deficit	
				Investment plan	Financing plan
149,427,959	3,379,199	82,885,593	69,921,565	-	-

Analysis of cash flow and liquidity in 2023:

1. Operating activities: net cash inflow from operating activities of NT\$ 3,379,199,000.
2. Investing activities: net cash inflow of NT\$ 16,724,734,000 came from funds and financial assets, container ships and machine equipment.
3. Financing activities: paid off debts, distributed cash dividends, and conducted fundraising for businesses development needs.
4. Remedies for cash deficit: not applicable.

7.3.2 Cash Flow Analysis for the Coming Year (2024)

Unit: NT\$ Thousands

Cash and cash equivalents beginning balance ①	Estimated net cash flow from operating activities throughout the year ②	Estimated cash outflow from investing and financing activities throughout the year ③	Estimated cash surplus (deficit) ① + ② - ③	Leverage of cash deficit	
				Investment plan	Financing plan
69,921,565	13,066,800	27,797,264	55,191,101	-	-

Analysis of cash flow and liquidity for 2024:

1. Operating activities: net cash inflow from operating activities is estimated to be NT\$ 13,066,800,000.
2. Investing activities: net cash outflow of NT\$ 11,416,440,000 was spent to acquire funds and financial assets, container ships and mechanic equipment.
3. Financing activities: paid off debts, distributed cash dividends, and conducted fundraising for businesses development needs.
4. Remedies for cash deficit: not applicable.

7.4 Impact of Major Capital Expenditure on Finance and Business: None.

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

The Company's re-investment policy is focusing on the marine transportation industries, industrial development opportunities, and the following suitable investment targets by considering risk appetite.

1. Expand marine transportation market scale and develop regional services.
2. Create YM Group synergy and improve core competitiveness by vertical and horizontal integration.
3. Expand marine transportation industries, diversify operational risks and increase revenue growth.
4. Focus on low-carbon industries and opportunities for green investment to diversify risks.

In the long term, the Company will continue to strengthen marine transportation development and explore the possibility of business diversification in response to environmental concerns.

In 2023, the consolidated re-investment profit under the equity method was NT\$ 686,545,000, which came mainly from the return on investment in the affiliated company, Taiwan Navigation Co., Ltd.

The Company's main investment plan for the coming year is to develop global investment opportunities in container terminals, depots, warehouses, logistics, and green fuels, as they are in line with the Company's business development strategy, ESG, and corporate social responsibility.

7.6 Risk Management

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

1. Impact on profit and loss

(1) Interest rate risk

The net interest revenue throughout 2023 amounts to NT\$ 9,742,034,000, accounting for 6.93% of operating revenue and 86.24% of net income before tax.

Excluding the interest expense of financial assets and liabilities, the net interest revenue throughout the year then stands at NT\$ 12,008,405,000, accounting for 8.54% of operating revenue and 106.30% for net income before tax.

(2) Foreign exchange rates risk

The Company operates in multiple countries and as such is subject to multi-currency exchange rate risks, coming mainly from US dollars, euro, and pound sterling.

The net foreign exchange gain throughout 2023 amounts to NT\$ 2,236,787,000, accounting for 1.59% of operating revenue and 19.80% of net income before tax.

The Group's hedging strategy is to enter into US\$-denominated lease liabilities as hedging instruments to hedge future volatility of US\$-denominated operating revenue. Also, the Group designated certain US\$-denominated demand deposits and time deposits to avoid exchange rate exposure of highly possible US\$-denominated prepayments for ship and container purchase. Both transactions are designated as cash flow hedges, recognized revenue in other comprehensive income of NT\$ 396,833,000, accounting for 7.95% of other comprehensive income.

(3) Inflation

Fuel oil prices are tied to inflation. The cost of shipping fuel recognized as operating cost for 2023 amounts to NT\$ 23,241,258,000, accounting for 16.53% of operating revenue and 17.29% of operating costs.

2. Future response strategies

(1) Interest rate risk

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

(2) Foreign exchange rate risk

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

(3) Inflation

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

7.6.2 Policies, main causes of profit and loss, and future response strategies with respect to high-risk, high-leveraged investments, lending or endorsement guarantees, and derivatives trading

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

7.6.3 Future R&D plans and estimated expenditures

1. Implement digital processes and systems following eB/L (Electronic Bill of Lading) and OVS (Operational Vessel Schedule) standards of DCSA (Digital Container Shipping Association).
2. Enhanced network and information security measures (including ship-side), combined with cloud-based technologies (MFA, DMARC, VPN) to build the Group's zero-trust security architecture.
3. Upgrade of core computer systems and facilities, including NetApp expansion, U2L upgrade, ORACLE licensing and maintenance, 3Par upgrade and replacement.
4. Build ESG carbon management platform to conduct Carbon Footprint Verification calculation for the Company's site and fleet.
5. Enhance competitive edge through digitization and develop e-EIR, digital CLP, container automatic photography and Automatic number-plate recognition.
6. Build Green Data Center and environmental control system for PUE management for 5% energy saving.
7. Establishment of refer IoT field, which meets the international standard DCSA, was completed this year, and is expected to be put into use in 2024. This is an important breakthrough for the digital transformation of Taiwan terminals.
8. Use AI to provide a convenient inquiry and quotation process, integrate the information required for quotation, improve the efficiency of quotation, and reduce the occurrence of errors.
9. Upgrade the fleet's VSAT and Wi-Fi and other information infrastructure.
10. Build SPECTEC marine management system.
11. Implement R&D and build RMS system .
12. Plan and design the Smart Ship Center II.
13. Improve EAM system.
14. Conduct feasibility evaluation of alternative marine fuels
15. Conduct feasibility evaluation of ship energy-saving design.
16. Conduct feasibility evaluation of smart ship application.
17. Conduct feasibility evaluation of marine carbon capture system application.

The above R&D plans require an estimated investment of NT\$698 million.

7.6.4 Impact of important changes in domestic and international policies and regulations on corporate finance and sales, and response strategies

1. Finance

The Company's finance department keeps a close watch on the changes in corporate laws and securities regulations. There is participation in training, conducting research, and developing contingency plans. As a result of these efforts, the Company is able to maintain financial stability despite the changes in domestic and international policies and regulations.

2. Sales

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

7.6.5 Impact of changes in technology (including the risk of cyber security) and the industry on corporate finance and sales, and response strategies

1. Finance

In response to the fast-changing container shipping industry and stricter environmental laws and regulations, the Company is adjusting its fleet structure. Thanks to its good business performance in recent years, the Company has seen significant improvement in its financial status. There is, in short, no negative impact on the Company's future capital expenditure plans.

2. Sales

- (1) The Company has subsidiaries and agents all over the world. As the need for business development and e-commerce is becoming more urgent than ever, and to increase competitiveness, the Company regularly updates and upgrades its information system and processes so as to collect real-time data, improve operational efficiency and quality, and reduce communication and operational costs.
- (2) Dedicated to environmental protection, the Company abides by international treaties and regulations, and spares no effort to increase energy efficiency, reduce emissions, and protect the ocean in accordance with the requirements from different ports at home and abroad. The Company continues to implement environmental protection and anti-pollution control measures on its fleet. All of the new container ships meet the international standards and regulations of low fuel usage and eco-friendly designs and are therefore competitive in the market. As to anti-terrorism measures at the ports, all of the YM ships are equipped with security and alarm system, the updated Electronic Navigation Chart (EVC) and information system, as well as satellite communication system to ensure shipping security while enabling integration of sailing information.
- (3) The new ship designs focus on energy saving and carbon reduction, with a significant cut in energy consumption as compared to the previous designs of the same segment. To increase global competitiveness, the Company has put into operation 20 chartered 14,000 TEU and 14 chartered 11,000 TEU energy-efficient ships. Soon to be put into operation are the 5 new 15,000 TEU energy-efficient ships with LNG dual-fuel design, all of which will significantly improve fuel consumption. With ongoing effort to reduce fuel consumption and fuel cost, the Company will stay updated in fuel technology, ship-building technology, and engine improvement.

7.6.6 The impact of changes in corporate image on corporate risk management, and the Company's response measures

The Company follows the Regulations Governing Establishment of Internal Control Systems by Public Companies and sets up its own internal control system. This system comprises control environment, risk assessment, control activities, information and communications, and monitoring activities. In all, it enables healthy and efficient operation. In the ceaseless effort to strengthen corporate governance in recent years, the Company is able to manage potential business risks. In this spirit, all the relevant information is disclosed according to relevant regulations. The Company build its corporate image though dedicated effort in environmental protection and fulfillment of social responsibility. In addition to creating the risk-management mechanism, the Company is also implementing a reporting procedure to facilitate unobstructed communication. When a potential risk emerges, all of the relevant departments can promptly engage in careful assessment and come up with appropriate mitigating strategies so as to prevent further damage to the Company's corporate image.

7.6.7 Expected benefits and potential risks of M&A, and response strategies: Not applicable.

7.6.8 Expected benefits and potential risks of expanding fleet and capacity, and response strategies

THE Alliance is carrying out fleet expansion and capacity and it is expected to increase the Company's lifting volume and gross profit on the East-West trade-lanes. The enlargement of ships and re-deploying such resources in best-ship and profiting loops will benefit the Company with lower unit operating costs and increased gross profit. However, as geopolitical conflict continues to escalate, unpredictability and economic instability is keenly felt in the economic prospect. Over the past two years, the shortage of shipping capacity has gradually been eased with the continuous delivery of new ships. However, the Company is continuing the following measures to stabilize the supply and scheduling integrity.

1. Joint operations

Partnership with the THE Alliance for optimizing route planning and ship deployment The benefits are better utilized ship resources, lower shipping cost, broader service coverage, increased marketing competitiveness, and optimal service quality. The Company is welcoming potential business opportunities and collaboration with other competitors in niche markets in order to diversify services and to advance sales performance.

2. Seasonal route adjustments

Route adjustment is carried out during special holidays such as the Lunar New Year, Labor Day holidays and National Day holidays in China, or the Golden Week in Japan. During the off-peak period such as winter, route adjustment is also carried out, as well as vessel cascading and re-allotment of allocation to lower operating costs, enhance punctuality, and increase load factors.

3. Temporary route adjustments

Apart from the seasonal adjustment, the Company is attentive to the status of related industry to carry out additional service adjustment and reduce redundant capacity. By so doing the Company is able to brace itself against uncertain economic prospect such as climate change and geopolitical conflict that have negatively impacted supply-demand balance, loading factors, profitability, and competitiveness.

7.6.9 Risks of purchase or sales concentration, and response strategies

The type of risk is comparatively less significant as the Company does not have a single client with over 10% of total import or export volume.

7.6.10 Impact and risks of mass share transfer of or change of directors, supervisors, or shareholders holding more than 10% of the Company's shares, and response strategies:

The directors or shareholders holding more than 10% of the Company's shares did not have any significant share transfer of or change in the year 2023.

7.6.11 Impact and risks of change of management of the Company, and response Strategies: Not applicable.

7.6.12 Impact of litigations or non-litigation

1. Following the Korea Fair Trade Commission investigation of certain cartel activities allegedly conducted by several marine transportation service providers on the Southeast Asia-Korea routes, an official written decision was sent to the Company on 19 April, 2022. Accordingly, YM was subject to a fine of KRW 2,420 million (approximately NT\$ 56 million). The Company objected to the decision and took several legal actions, including filing an administration lawsuit with the Seoul High Court (hereinafter referred to as the "Court") on 12 August, 2022 in accordance with the applicable laws. The case is currently under review by the Court.
2. The Company is currently in the process of several labor disputes over issues of pension, employees' compensation, and transferred employee's entitlement. The lawsuits filed by employees are currently undergoing legal procedures. Other remaining cases will also be addressed in accordance with the laws and regulations, depending on employees' requests.
3. Most of the cases other than the above involving the Company are claims for damage caused during shipment and operation of ships to goods, ship hull and machinery, and shipowner's responsibility to third party. As these cases are covered by our insurance policy, the damages and expenses will be compensated and therefore they are controllable risks.

7.6.13 Other significant risks and response strategies

1. Please refer to page 73 for the Company's risk management policies.
2. Cyber security risk assessment and analysis:
 - (1) Interruption of host computer communication network

The Company's external network is supported by the two telecom service providers and jointly monitored by a telecom company, with continuous network upgrades overseas. However, due to the magnitude of impact of network interruptions, the risk level cannot be downgraded. At the YMHQ, the domestic leased circuit, the international privately leased circuit, and the internet are all supported by the networks of two telecom service providers. The communication of the main agents with the headquarters is mainly through the leased circuits, with the internet as backup, and with continuous network upgrades overseas. In addition, multiple VPN (Virtual Private Networks) access points are available to common agents. In the event of inevitable large-scale network interruption, the Company's business operation may still be impacted.

(2) Core application system damage

A higher security system has been installed on the host computer of the core database. High availability (HA) is implemented on key host computers, with real-time synchronization of the database at offsite backup centers, and daily backup logs available for later inspection. Firewalls and antivirus software have been installed and regular monitoring and checks are performed. Considering recent cyberattacks and the ever-evolving hacker tactics, the Company needs to constantly step up its cybersecurity measures.

7.6.14 The organizational structure in relation to risk management

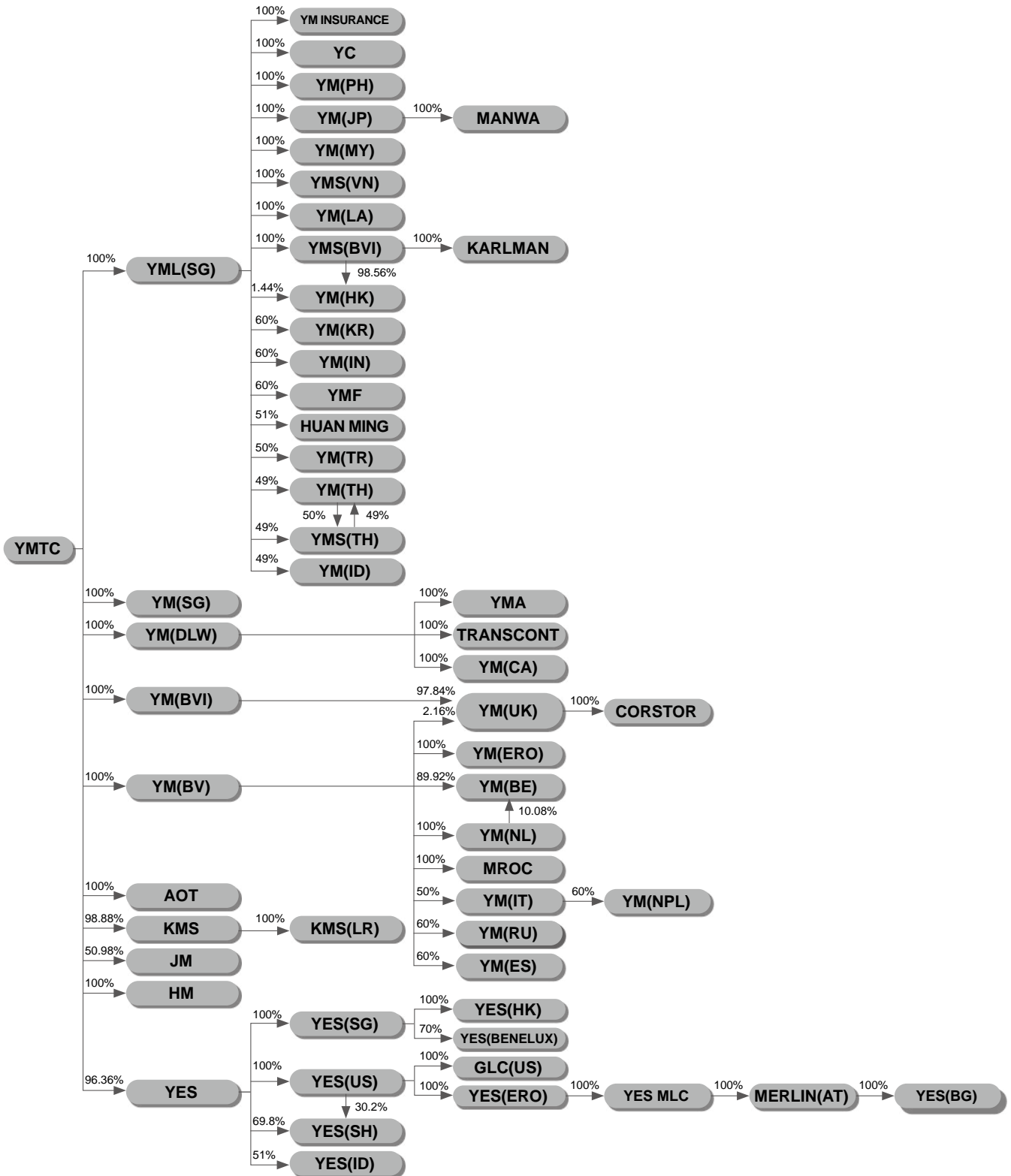
1. On July 1 2004, the Company established the risk management unit. This unit oversees all the risk management matters in the Company. To improve the company's structure and strengthen the risk management function, in March 2022, the risk management related function was separated from the aforementioned unit and a separate risk control office was set up, which was upgraded to be directly under the President.
2. On April 15, 2022, the Board of Directors has decided to establish the Risk Management Committee as a functional committee under the Board of Directors to link the risk management with the Company's strategies and objectives, and to enhance the comprehensiveness, forward-looking and completeness of the risk identification results.
3. The organizational structure of the Company's risk management is based on the characteristics of risks. In addition to the Risk Control Office, which is responsible for the coordination of all risk management related matters, the general operational risks are initially identified, assessed, and controlled by each department. Projects involving significant risks are submitted to the Project Review Group and the Functional Committee for review in accordance with the Company's regulations based on the nature and extent of the risks and are submitted to the Board of Directors for resolution.

7.7 Other Important Matters: None.

VIII Special Disclosures

8.1 Information Related to the Company’s Affiliates

8.1.1 The Chart of the Company’s Affiliates as of December 31, 2023



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



8.1.2 Affiliates

12.31.2023

Unit: Original Currency in Thousand

Company	Date of Incorporation	Address	Paid-in Capital	Business Activities
Yang Ming Line (B.V.I.) Holding Co., Ltd.	08.19.1996	Citico Building, Wickhams Cay, P.O.Box 662, Road Town, Tortola, British Virgin Islands	17,565 USD	Investment, shipping agency, forwarding agency and shipping managers
Yang Ming Line (Singapore) Pte Ltd	08.08.1996	1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632	2,603,793 SGD	Investment, shipping service, sale and purchase of ships, chartering and forwarding agency
All Oceans Transportation Inc.	11.05.1971	80 Broad Street, Monrovia, Republic of Liberia	53,130 USD	Shipping agency, forwarding agency and shipping managers
YES Logistics Corp.	11.11.1999	4-5F, No.243, Sec. 2, Chongqing N. Rd., Datong District, Taipei City	1,200,000 TWD	Sea and air freight forwarding agency and warehouse operation
Kuang Ming Shipping Corp.	05.01.1990	6F, No.243, Sec. 2, Chongqing N. Rd., Datong District, Taipei City	999,991 TWD	Shipping services, shipping agency and forwarding agency
Hong Ming Terminal & Stevedoring Corp.	12.01.1997	No.10, Yatai Rd., Hsiao-Kang District, Kaohsiung City	100,000 TWD	Terminal operation and stevedoring
Jing Ming Transportation Co., Ltd.	08.31.1998	2F, No.999, Sinsheng Rd., Hsiao-Kang District, Kaohsiung City	169,006 TWD	Container transportation
Yang Ming Line Holding Co.	08.23.1996	251 Little Falls Drive, Wilmington DE 19808, New Castle County, USA	4,500 USD	Investment, shipping agency, forwarding agency and shipping managers
Yang Ming Line B.V.	01.28.1997	Albert Plesmanweg 61D, 3088 GB Rotterdam, The Netherlands	1,134 EUR	Investment, shipping agency, forwarding agency and shipping managers
Yang Ming (America) Corp.	07.01.2003	One Newark Center, 1085 Raymond Boulevard, 9 th Floor, Newark, NJ 07102, USA	500 USD	Shipping agency, forwarding agency and shipping managers
Transcont Intermodal Logistics, Inc.	07.18.2007	3250 Briarpark Drive, Suite 201, Houston, TX 77042	10 USD	Inland forwarding agency
Yang Ming Shipping (Canada) Ltd.	06.18.2009	1130 West Pender Street, Suite 1120, Vancouver, British Columbia V6E 4A4, CANADA	100 CAD	Shipping agency, forwarding agency and shipping managers
Yang Ming (UK) Ltd	01.29.1997	2 nd Floor, 210 South Street, Romford, Essex, England, RM1 1TR, U.K.	69,598 GBP	Shipping agency, forwarding agency, shipping managers and shipping lines
Yang Ming Shipping Europe GmbH	06.12.1992	Oberbaumbruecke 1, 20457 Hamburg, Germany	818 EUR	Shipping agency, forwarding agency and shipping managers
Yang Ming (Italy) S.p.A.	12.04.2002	Piazza Galeazzo Alessi 2, 16128 Genova, Italy	250 EUR	Shipping agency
Yang Ming (Belgium) N.V.	06.01.2007	Molenbergstraat Nr 10-Bus 23, 2000-Antwerpen, Belgium	62 EUR	Shipping agency
Yang Ming (Netherlands) B.V.	01.06.2004	Albert Plesmanweg 61D, 3088 GB Rotterdam, The Netherlands	400 EUR	Shipping agency

Company	Date of Incorporation	Address	Paid-in Capital	Business Activities
Yang Ming (Mediterranean) Marine Services Single –Member Limited Liability Company	01.29.2018	4 th Floor, No. 328-330, Leof. Andrea Siggrou, 17673, Kallithea, Greece	EUR 1,100	Shipping agency, forwarding agency and shipping managers
Yang Ming (Russia) LLC	06.23.2015	Zastavskaya street, 22, block 2, lit. A, Office 505, St. Petersburg, 196084, Russia	RUB 10,000	Shipping agency
Yang Ming (Spain), S.L.	06.22.2016	Muelle Príncipe de España s/n Edificio Mestre 1ª Pta 08039 Barcelona, Spain	EUR 100	Shipping agency
Yang Ming (Naples) S.r.l.	07.01.2003	VIA AGOSTINO DEPRETIS N.51 80133, Napoli, Italy	EUR 10	Forwarding agency
Corstor Ltd.	08.27.1999	2 nd Floor, 210 South Street, Romford, Essex, England, RMI ITR, U.K.	GBP 1	Warehouse management and Container haulage services
Yangming (Japan) Co., Ltd.	12.06.1996	8F, Shiba 2Chome Building, 2-28-8 Shiba, Minato-ku, Tokyo, 105-0014 Japan	JPY 150,000	Shipping services, sale and purchase of ships, chartering and forwarding agency
Young-Carrier Company Ltd.	05.11.1994	22 Floor, Ever Gain Plaza, Tower 1, 88 Container Port Road, Kwai Chung, N.T. Hong Kong	HKD 1,000	Investment, shipping agency, forwarding agency and shipping managers
Yang Ming Shipping (B.V.I.) Inc.	03.08.2000	P.O. Box 3174, Road Town, Tortola, British Virgin Islands	USD 1	Forwarding agency and shipping agency
Yang Ming Line (Hong Kong) Ltd.	11.09.1998	22 Floor, Ever Gain Plaza, Tower 1, 88 Container Port Road, Kwai Chung, N.T. Hong Kong	HKD 69,556	Forwarding agency and shipping agency
Yang Ming (Singapore) Pte. Ltd.	11.13.1999	171 CHIN SWEE ROAD, #08-01 CES CENTRE, SINGAPORE 169877	SGD 799,343	Shipping agency, forwarding agency, shipping managers and shipping lines
Yang Ming Line (M) Sdn. Bhd.	11.28.1997	No. 28B, JALAN TAPAH, OFF JALAN GOH HOCK HUAT, 41400 KLANG SELANGOR, MALAYSIA	MYR 1,000	Shipping agency, forwarding agency and shipping managers
Yang Ming Line (India) Pvt. Ltd.	03.29.2004	World Trade Centre, Center 1-13 TH Floor Cuffe Parade, Mumbai 400005 India	INR 5,000	Shipping agency, forwarding agency and shipping managers
Yang Ming (Korea) Co., Ltd	04.01.2006	20 TH Floor, Sebang Bldg, 433, Seolleung-ro, Gangnam-Gu, Seoul, Korea, 06212	KRW 500,000	Shipping agency, forwarding agency and shipping managers
Yang Ming Anatolia Shipping Agency S.A.	09.18.2008	Mistral Ofis Binasi Cinarli Mahallesi, Ankara Asfalti Caddesi, no:15/301 Konak,Izmir, Turkiye	TRY 100	Shipping agency, forwarding agency and shipping managers
Yang Ming Shipping (Vietnam) Co., Ltd	06.15.2015	19 th floor, Ree Tower, No. 9, Doan Van Bo street, Ward 13, District 4, Ho Chi Minh City, Vietnam	USD 300	Forwarding agency and shipping managers
Yang Ming Shipping Philippines, Inc.	11.21.2016	5 th Floor, Double Dragon Center West, 8 Meridian Avenue, DD Meridian Park, Macapagal Avenue corner EDSA Extension, Bay Area, Pasay City, Philippines	PHP 10,000	Forwarding agency and shipping managers
Yang Ming (Latin America) Corp.	03.03.2017	P.H. Torre Global, calle 50, piso 33, oficina 3301, Panamá, República de Panamá	USD 200	Shipping agency, forwarding agency and shipping managers



Company	Date of Incorporation	Address	Paid-in Capital	Business Activities
Yang Ming Line (Thailand) Co., Ltd.	09.25.2017	Singha Complex Bldg., 20 th Floor, Unit 2005-2008, 1788 New Phetchaburi Road, Bangkok, Huai Khwang, Bangkok, 10310	THB 8,000	Shipping agency, forwarding agency and shipping managers
Yang Ming Line shipping (Thailand) Co.,Ltd.	12.18.2017	Singha Complex Bldg., 20 th Floor, Unit 2009, 1788 New Phetchaburi Road, Bangkok, Huai Kwang, Bangkok, 10310	THB 5,000	Shipping agency
Yang Ming Insurance Co., Ltd.	04.05.2019	Power House, 7 Par-La-Ville Road, Hamilton , Bermuda, HM 11	USD 250	Insurance
PT Yang Ming Shipping Indonesia	12.21.2018	Cowell Tower 9 th Floor Suite 901 JI. Senen Raya 135 Jakarta Indonesia 10410	IDR 38,500,000	Shipping agency, forwarding agency and shipping managers
Yang Ming (France) S.A.S.	01.21.2020	156 Rue Victor Hugo 76600 Le Havre	EUR 150	Shipping agency, forwarding agency and shipping managers
Huan Ming (Shanghai) International Shipping Agency Co., Ltd	04.24.2019	Room2301, Floor 23, Harbour Ring Plaza, No. 18 Xi Zang Middle Road, Huangpu District, Shanghai, China	USD 1,000	Shipping agency, forwarding agency and shipping managers
Karlman Properties Limited	03.16.2001	22 Floor, Ever Gain Plaza, Tower 1, 88 Container Port Road, Kwai Chung, N.T. Hong Kong	HKD 24,000	Property agency
Manwa & Company, Ltd.	03.28.2001	8F, Shiba 2Chome Building, 2-28-8 Shiba, Minato-ku, Tokyo, 105-0014 Japan	JPY 10,000	Forwarding agency and shipping agency
Kuang Ming (Liberia) Corp.	07.16.2008	80 Broad Street, Monrovia, Republic of Liberia	USD 129,691	Forwarding agency
YES Logistics Corporation	02.11.2000	1013 Centre Road Wilmington Delaware 19805	USD 2,173	Sea and air freight forwarding agency
YES Yangming Logistics (Singapore) Pte. Ltd.	06.23.2000	171 CHIN SWEE ROAD #08-01 CES CENTRE SINGAPORE 169877	SGD 1,750	Investment and subsidiaries management
YES Logistics (Shanghai) Corp.	12.08.2004	Room 2305, Harbour Ring Plaza, No. 18 Xi Zang Middle Road, Huangpu District, Shanghai, China	USD 4,300	Forwarding agency
Golden Logistics USA Corporation	01.04.2007	3675 E. Huntington Drive Suite 210, Pasadena, CA 91107 USA	USD 10	Container transportation
YES Logistics Europe GmbH	12.12.2002	Kleine Reichenstrasse 7 - 20457 Hamburg, Germany	EUR 1,025	Forwarding agency
Yes Logistics Company Ltd.	07.19.2000	22/F, Ever Gain Plaza, Tower 1, 88 Container Port Rd., Kwai Chung, N.T., Hong Kong	HKD 7,882	Forwarding agency
Yes Logistics Benelux B. V.	03.22.2007	Schillingweg 50, 2153 PL Nieuw Venneep, Netherlands	EUR 18	Forwarding agency
YES MLC GmbH	02.15.2013	Georg-beatzel-Str.15, 55252 Mainz-Kastel, Germany	EUR 805	Import and export, storage and delivery, and other warehousing related business
Merlin Logistics GmbH	06.06.2003	Gluckgasse 3/15; 1010 Vienna Austria	EUR 35	Warehouse operation and logistics

Company	Date of Incorporation	Address	Paid-in Capital	Business Activities
YES Logistics Bulgaria Ltd.	09.24.2007	45 Maria Louisa Blvd., 1202 Sofia, Bulgaria	BGN	Cargo consolidation service and forwarding agency
PT. YES Logistics Indonesia	06.16.2017	Cowell Tower Lt. 9 Suite 9.1003A, Jl. Senen Raya No. 135 Jakarta Pusat 10410, Indonesia	USD	1,000 Forwarding agency

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

8.1.4 Business scope of the Group:

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

8.1.5 Rosters of Directors, Supervisors, and Presidents

12.31.2023

Company	Title	Name or Representative	Shareholding	
			Shares	Share percentage (%)
Yang Ming Line (B.V.I.) Holding Co., Ltd.	Director	Representative of Yang Ming Marine Transport Corp.: Cheng-Mount Cheng, Shu-Chin Tu, Yu-Wen Su	1,757	100.00
Yang Ming Line (Singapore) Pte Ltd	Director	Representative of Yang Ming Marine Transport Corp.: Cheng-Mount Cheng, Shu-Chin Tu, Yu-Wen Su, Tan Cheng Shun	2,603,793,000	100.00
All Oceans Transportation Inc.	Director	Representative of Yang Ming Marine Transport Corp.: Jeng-Shong Jeng, Yen-Pang Chen, Shu-Hui Ou	1,000	100.00
	General Manager	Jeng-Shong Jeng	-	-
YES Logistics Corp.	Director	Representative of Yang Ming Marine Transport Corp.: Kou-Hua Hsu, Jeng-Shong Jeng, Tseng-Yu Chiu, Yi-Ta Wu, Chun-Nan Chou	115,630,977	96.36
	Supervisor	Kuan-Sheng Fu	3,900	0.001
	General Manager	Chun-Nan Chou	4,900	0.001
Kuang Ming Shipping Corp.	Director	Representative of Yang Ming Marine Transport Corp.: Shu-Chin Tu, Kuen-Rong Pai, Jeng-Shong Jeng, Yi-Ta Wu, Chih-Cheng Kuo	98,882,111	98.88
	Supervisor	Kuan-Sheng Fu	-	-
	General Manager	Chih-Cheng Kuo	637	0.001
Hong Ming Terminal & Stevedoring Corp.	Director	Representative of Yang Ming Marine Transport Corp.: Ying-Tung Lin, Ping-Jen Tseng, Cheng-Hsing Yang	10,000,000	100.00
	General Manager	Chu-Yieh Chao	-	-
	Director	Representative of Yang Ming Marine Transport Corp.: Ying-Tung Lin, Ping-Jen Tseng, Tseng-Yu Chiu, Ching-Fa Chang	8,615,923	50.98
	Director	Zhong Yeh	2,138,058	12.65
	Director	Jin-Xing Wang	-	-
	Director	Chi-Fong Peng	11,320	0.07
	Supervisor	Yi-Xing Juang	447,191	2.65
	Supervisor	Chia-Ning Jen	-	-
	General Manager	Ching-Fa Chang	-	-
Yang Ming Line Holding Co.	Director	Representative of Yang Ming Marine Transport Corp.: Cheng-Mount Cheng, Shu-Chin Tu, Yu-Wen Su	13,500	100.00
Yang Ming Line B.V.	Director	Representative of Yang Ming Marine Transport Corp.: Cheng-Mount Cheng, Tzu-Lin Chiu	2,500	100.00
Yang Ming (America) Corp.	Director	Representative of Yang Ming Line Holding Co.: Shu-Chin Tu, Hung-Chung Chien, Chao-Feng Chang	5,000	100.00
	General Manager	Chao-Feng Chang	-	-

Company	Title	Name or Representative	Shareholding	
			Shares	Share percentage (%)
Transcont Intermodal Logistics, Inc.	Director	Representative of Yang Ming Line Holding Co.: Wen-Jin Lee, Hung-Chung Chien, Pao-Lin Lee	200	100.00
	General Manager	Wen-Jin Lee	-	-
Yang Ming Shipping (Canada) Ltd.	Director	Representative of Yang Ming Line Holding Co.: Chao-Feng Chang, Hung-Chung Chien, Chen-Yun Lu	1,000	100.00
	General Manager	Chen-Yun Lu	-	-
Yang Ming (UK) Ltd	Director	Representative of Yang Ming Line (B.V.I.) Holding Co., Ltd.: Ming-Feng Wu, Chin-Jung Lee	68,097,591	97.84
	Director	Representative of Yang Ming Line B.V.: Yen-Pang Chen	1,500,000	2.16
Yang Ming Shipping Europe GmbH	General Manager	Ming-Feng Wu	-	-
	General Manager	Representative of Yang Ming Line B.V.: Chian-Chang Tzeng	(Note 1)	100.00
Yang Ming (Italy) S.p.A.	Director	Representative of Yang Ming Line B.V.: Chao-Hung Chen, Chien-Chang Tzeng, Chi-Hao Lin	125,000	50.00
	Director	Finsea S.p.A. : Aldo Felice Negri	125,000	50.00
	Supervisor	Rosina Antonio, Scotton Massimo, Garelli, Stefanino	-	-
	General Manager	Chi-Hao Lin	-	-
Yang Ming (Belgium) N.V.	Director	Representative of Yang Ming Line B.V.: Ming-Chih Tseng, Hou-Yu Chen	553	89.92
	Director	Representative of Yang Ming (Netherlands) B.V.: Chin-Jung Lee	62	10.08
Yang Ming (Netherlands) B.V.	General Manager	Hou-Yu Chen	-	-
	Director	Representative of Yang Ming Line B.V.: Po-Hung Chen, Chin-Jung Lee, Tzu-Lin Chiu	400,000	100.00
	General Manager	Tzu-Lin Chiu	-	-
	Director	Representative of Yang Ming Line B.V.: Ming-Chih Tseng, Chao-Hung Chen, Wen-Fong Wu	(Note 2)	60.00
Yang Ming (Russia) LLC	Director	Igor Sergeevich Luzinov	20.00	20.00
	Director	Aleksey Sergeevich Luzinov	20.00	20.00
	General Manager	Wen-Fong Wu	-	-
	Director	Representative of Yang Ming Line B.V.: Chao-Hung Chen, Chien-Chang Tzeng, Kuan-Yu Chen	60,000	60.00
Yang Ming (Spain), S.L.	Director	Representative of Catalana Del Mar, S.A.: Carlos Mestre López, Sergio Prat Artal	40,000	40.00
	General Manager	Kuan-Yu Chen	-	-
Yang Ming (Mediterranean) Marine Services Single-member Limited Liability Company	General Manager	Representative of Yang Ming Line B.V.: Chien-Chang Tzeng	11,000	100.00



Company	Title	Name or Representative	Shareholding	
			Shares	Share percentage (%)
Yang Ming (Naples) S.r.l.	Director	Representative of Yang Ming (Italy) S.p.A.: Chi-Hao Lin, Aldo Felice Negri, Luigi Negri	(Note 3)	60.00
	Director	Marinter : Andrea Mastellone	(Note 4)	40.00
Corstor Ltd.	Director	Representative of Yang Ming (UK) Ltd: Po-Hung Chen, Pao-Lin Lee, Ming-Feng Wu, Williams, Simon John	1,000	100.00
	Director	Representative of Yang Ming Line (Singapore) Pte Ltd: Ming-Hui Lee, An-Chung Ku, Tai-Chi Tsai	3,000	100.00
Yangming (Japan) Co., Ltd.	Supervisor	Representative of Yang Ming Line (Singapore) Pte Ltd: Kuan-Sheng Fu	-	-
	President	Tai-Chi Tsai	-	-
Yang Ming Shipping (B.V.I.) Inc.	Director	Representative of Yang Ming Line (Singapore) Pte Ltd: An-Chung Ku, Shun-Ming Lai	1,000	100.00
	Director	Representative of Yang Ming Line (Singapore) Pte Ltd: Cheng-Mount Cheng, Shu-Chin Tu, Ming-Hui Lee, Mei-Chi Shih	1,000,000	100.00
Young-Carrier Company Ltd.	General Manager	Mei-Chi Shih	-	-
	Director	Representative of Yang Ming Line (B.V.I.) Holding Co., Ltd.: (None)	68,556,347	98.56
Yang Ming Line (Hong Kong) Ltd.	Director	Representative of Yang Ming Line (Singapore) Pte Ltd: Der-Shi Tsao, Mei-Chi Shih, Shun-Ming Lai	1,000,000	1.44
	General Manager	Shun-Ming Lai	-	-
Yang Ming (Singapore) Pte. Ltd.	Director	Representative of Yang Ming Marine Transport Corp.: Jeng-Shong Jeng, Shih-Chou Lee, Jan-Der Liou, Chung-Hsien Chan	799,342,500	100.00
	General Manager	Shih-Chou Lee	-	-
Yang Ming Line (M) Sdn. Bhd.	Director	Representative of Yang Ming Line (Singapore) Pte Ltd: Hung-Chung, Chien, Yun-Tyng Yang, Chieh Lee	1,000,000	100.00
	General Manager	Yun-Iyng Yang	-	-
Yang Ming Line (India) Pvt. Ltd.	Director	Representative of Yang Ming Line (Singapore) Pte Ltd: Ming-Hui Lee, Chih-Cheng Chang, Wen-Hua Ho	300,000	60.00
	Director	Marine Container Services (India) Pvt. Ltd. : Avinash Chandler Batra, Somesh Chandler Batra	190,000	38.00
Yang Ming (Korea) Co., Ltd	General Manager	Wen-Hua Ho	-	-
	Director	Representative of Yang Ming Line (Singapore) Pte Ltd: Ming-Hui Lee, An-Chung Ku, Chin-Tui Lin	60,000	60.00
Yang Ming (Korea) Co., Ltd	Supervisor	Representative of Yang Ming Line (Singapore) Pte Ltd: Kuan-Sheng Fu	-	-
	Director	Representative of Sebang Co., Ltd.: Wan-Jae Shin, Sang-Woong Lee	40,000	40.00
Yang Ming (Korea) Co., Ltd	Supervisor	Representative of Sebang Co., Ltd.: Jong-II Choi	-	-
	President	Chin-Tui Lin	-	-

Company	Title	Name or Representative	Shareholding	
			Shares	Share percentage (%)
Yang Ming Anatolia Shipping Agency S.A.	Director	Representative of Yang Ming Line (Singapore) Pte Ltd: Chien-Lu Chang	50,000	50.00
	Director	Chao-Hung Chen	-	-
	Director	Chien-Chang Tzeng	-	-
	Director	Lucien Arkas	2,000	2.00
	Director	Bernard Arkas	1,000	1.00
	General Manager	Chien-Lu Chang	-	-
Yang Ming Shipping (Vietnam) Co., Ltd	Director	Representative of Yang Ming Line (Singapore) Pte Ltd: Der-Shi Tsao, An-Chung Ku, Po-Ting Yeh	(Note 5)	100.00
	General Manager	Po-Ting Yeh	-	-
Yang Ming Shipping Philippines, Inc.	Director	Representative of Yang Ming Line (Singapore) Pte Ltd: Wan-Ting Chang	99,995	100.00
	Director	An-Chung Ku	1	-
	Director	Chia-Wen Chiang	1	-
	Director	Pao-Hsueh Chin	1	-
	Director	Michelle M. Delica	1	-
	General Manager	Wan-Ting Chang	1	-
Yang Ming (Latin America) Corp.	Director	Representative of Yang Ming Line (Singapore) Pte Ltd: Hung-Chung Chien, Chin-Cheng Chang, Hsiang-Chun Cheng	200	100.00
	General Manager	Hsiang Chun Cheng	-	-
Yang Ming Line (Thailand) Co., Ltd.	Director	Representative of Yang Ming Line (Singapore) Pte Ltd: Chia-Wen Chiang, Yu-Hua Chang, Punnada Tuesue	3,920	49.00
	General Manager	Yu-Hua Chang	-	-
Yang Ming Line Shipping (Thailand) Co., Ltd.	Director	Representative of Yang Ming Line (Singapore) Pte Ltd: Chia-Wen Chiang, Yu-Hua Chang, Sa-Ngachart Ruampollert	2,450	49.00
	General Manager	Yu-Hua Chang	-	-
Yang Ming Insurance Co., Ltd.	Director	Representative of Yang Ming Line (Singapore) Pte Ltd: Tseng-Yu Chiu, Shu-Hui Ou, Chia-Ju Lin, Davis Maranga, Tanya Fraser	250,000	100.00
	Director	Representative of Yang Ming Line (Singapore) Pte Ltd: Kuang-Ming Cheng, Chia-Wen Chiang	18,865	49.00
PT Yang Ming Shipping Indonesia	Director	Representative of PT. Spil Investama Satu : Leman Hadi Soetemo	17,325	45.00
	Director	Representative of PT. Kece Nusantara : Lio Kurniawan	2,310	6.00
	General Manager Supervisor	Kuang-Ming Cheng Jo-Ju Ma	-	-



Company	Title	Name or Representative	Shareholding	
			Shares	Share percentage (%)
Huan Ming (Shanghai) International Shipping Agency Co., Ltd	Director	Representative of Yang Ming Line (Singapore) Pte Ltd: Shu-Chin Tu, Kuen-Rong Pai, Ming-Hui Lee, Mei-Chi Shih	(Note 6)	51.00
	Supervisor	Representative of Yang Ming Line (Singapore) Pte Ltd: Yu-Wen Su		
	Director	Representative of Young-Carrier Int'l Logistics (Beijing) Co., Ltd: Xin Feng, Chen Zhou		
	Supervisor	Representative of Young-Carrier Int'l Logistics (Beijing) Co., Ltd: Yong-Qian Wang		
	General Manager	Mei-Chi Shih		
Yang Ming (France) S.A.S.	Manager Director	Representative of Yang Ming Line (Singapore) Pte Ltd: Chih-Hui Ka	90,000	60.00
Karlman Properties Limited	Director	Representative of Yang Ming Shipping (B.V.I.) Inc.: Shun-Ming Lai, Chun-Chin Wang	24,000,000	100.00
Manwa & Company, Ltd.	Director	Representative of Yangming (Japan) Co., Ltd.: Lung-Fu Chen, Tai-Chi Tsai, Ryo Yonekura	200	100.00
	Supervisor	Representative of Yangming (Japan) Co., Ltd.: Mikiyo Fujiwara		
	President	Representative of Yangming (Japan) Co., Ltd.: Tai-Chi Tsai		
Kuang Ming (Liberia) Corp.	Director	Representative of Kuang Ming Shipping Corp.: Chih-Cheng Kuo, Po-Chung Ke, Hung-Tzu Chen, Ke-Yun Tai	5	100.00
Yes Logistics Corporation	Director	Representative of YES Logistics Corp.: Ying-Tung Lin, Ming-Chih Tseng, Helen Mei-Feng Chao	2,173,411	100.00
YES Yangming Logistics (Singapore) Pte. Ltd.	Director	Representative of YES Logistics Corp.: Cheng-Chih Hsu, Shih-Chou Lee, Chun-Nan Chou	1,750,784	100.00
	General Manager	Shih-Chou Lee	-	-
Yes Logistics (Shanghai) Corp.	Director	Representative of Yes Logistics Corporation.: Chun-Nan Chou, Ming-Hua Chen	(Note 7)	69.80
	Director	Representative of YES Logistics Corp.: Mei-Chi Shih, Yung-Chieh Chang, Chih-Chung Chang		
	Supervisor	Representative of YES Logistics Corp.: Cheng-Chih Hsu		
	General Manager	Chih-Chung Chang		
Golden Logistics USA Corporation	Director	Representative of Yes Logistics Corporation: Wen-Pingn Chen, Chun-Nan Chou, Cheng-Chih Hsu	100	100.00
	General Manager	Chun-Nan Chou	-	-
YES Logistics Europe GmbH	General Manager	Chun-Nan Chou	(Note 8)	100.00
Yes Logistics Company Ltd.	Director	Representative of YES Yangming Logistics (Singapore) Pte. Ltd.: Chun-Nan Chou, Cheng-Chih Hsu	7,882,278	100.00

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

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

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

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

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

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

Note 6. Yang Ming Line (Singapore) Pte Ltd held 51% shares, which amounted to USD510,000; Young-Carrier Int'l Logistics (Beijing) Co.,Ltd held 49% shares, which amounted to USD490,000. Notwithstanding, considering the economic substance in respect of the joint venture agreement, Yang Ming Line (Singapore) Pte Ltd shares 100% of the its interests.

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

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



8.1.6 Operational Highlights of the Company's Affiliates

12.31.2023

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

Company	Capital Stock	Asset	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Earnings (Loss) Per Share	Note
All Oceans Transportation Inc.	1,500,181	4,316,056	2,581,839	1,734,217	3,295,133	386,801	374,824	374,824.00	
Hong Ming Terminal & Stevedoring Corp.	100,000	671,153	492,263	178,890	776,078	41,142	36,076	3.61	
Jing Ming Transportation Co., Ltd.	169,006	453,395	185,540	267,855	829,334	6,194	6,117	0.36	
Yang Ming Line (Singapore) Pte Ltd	60,393,038	64,063,383	9,144	64,054,239	0	(18,181)	2,795,772	1.72	
Yang Ming Line Holding Co.	140,175	4,333,538	98,394	4,235,144	0	(4,767)	231,606	17,156.00	
Yang Ming Line (B.V.I.) Holding Co., Ltd.	547,151	14,627,965	0	14,627,965	0	(177)	490,235	279,097.14	
Kuang Ming Shipping Corp.	999,991	7,641,816	4,683,978	2,957,838	2,653,255	223,479	121,173	1.21	
YES Logistics Corp.	1,200,000	2,739,858	1,017,721	1,722,137	2,021,141	194,384	130,916	1.09	
Yang Ming Shipping (B.V.I.) Inc.	31	94,747	79	94,668	0	(145)	10,532	10,532.00	
Yang Ming Line (Hong Kong) Ltd.	276,765	162,731	197,121	(34,390)	163,531	6,302	7,816	7.82	
Karlman Properties Limited	95,496	90,926	2,322	88,604	0	(9,267)	114	0.00	
Yang Ming Line (India) Pvt. Ltd.	1,886	152,749	108,044	44,705	136,437	33,963	26,512	53.02	
Yang Ming (Korea) Co., Ltd.	11,917	113,034	42,297	70,737	197,507	20,613	23,261	232.61	
Young-Carrier Company Ltd.	3,979	24,419	4,806	19,613	0	(450)	(377)	(0.38)	
Yangming (Japan) Co., Ltd.	33,249	269,857	223,076	46,781	269,598	54,062	42,931	14,310.33	
Manwa & Company, Ltd.	2,217	8,882	6,635	2,247	1,405	291	159	795.00	
Yang Ming (Singapore) Pte. Ltd.	18,540,154	41,038,757	12,944,586	28,094,171	109,769,228	(10,499,505)	(9,142,981)	(11.44)	
Yang Ming Line (M) Sdn. Bhd.	6,830	223,871	161,342	62,529	75,723	4,308	2,659	2.66	
Yang Ming Shipping (Vietnam) Co., Ltd.	8,233	330,284	293,710	36,574	98,187	7,436	4,908		Note 1
Yang Ming Anatolia Shipping Agency S.A.	131	620,544	324,058	296,486	988,304	315,470	371,959	3,719.59	
Yang Ming Shipping Philippines, Inc.	5,599	121,176	122,124	(948)	51,008	9,820	4,400	44.00	
Yang Ming (Latin America) Corp.	6,230	14,107	5,334	8,773	28,933	380	276	1,380.00	
Yang Ming Line (Thailand) Co., Ltd.	7,160	249,608	196,070	53,538	89,291	5,935	6,387	798.38	
Yang Ming Line Shipping (Thailand) Co., Ltd.	4,475	34,596	1,402	33,194	16,753	1,283	4,244	848.80	
Yang Ming Insurance Co., Ltd.	7,788	608,653	471,356	137,297	336,272	83,729	92,830	371.32	
PT Yang Ming Shipping Indonesia	78,711	296,451	188,957	107,494	122,594	14,096	8,235	213.90	
Huan Ming (Shanghai) International Shipping Agency Co., Ltd	31,150	2,991,895	3,156,274	(164,379)	951,620	119,132	90,060		Note 1
Yang Ming (France) S.A.S.	5,053	172,495	119,700	52,795	134,532	21,364	24,417	162.78	
Yang Ming (America) Corp.	15,575	816,530	483,014	333,516	1,420,343	42,727	38,460	7,692.00	
Transcont intermodal Logistics, Inc.	312	215	0	215	0	(10)	(10)	(50.00)	

Company	Capital Stock	Asset	Liabilities	Net Worth	Net Revenues	Income (Loss) from Operation	Net Income (Loss)	Earnings (Loss) Per Share	Note
Yang Ming Shipping (Canada) Ltd.	2,308	62,752	36,295	26,457	53,535	605	(476)	(476.00)	
Yang Ming Line B.V.	38,215	2,357,837	11,405	2,346,432	0	(3,043)	273,012	109,204.80	
Yang Ming (Belgium) N.V.	2,072	150,245	100,151	50,094	155,535	15,767	10,979	17,852.03	
Yang Ming (Netherlands) B.V.	13,474	298,672	146,654	152,018	199,425	67,149	105,243	263.11	
Yang Ming (Italy) S.p.A.	8,421	410,320	341,230	69,090	277,163	33,645	24,559	98.24	
Yang Ming (Naples) S.r.l.	337	28,868	20,438	8,430	19,326	(457)	(323)		Note 1
Yang Ming (UK) Ltd	2,694,704	6,752,130	2,987,661	3,764,469	3,563,946	(152,927)	432,160	6.21	
Yang Ming Shipping Europe GmbH	27,557	493,827	283,924	209,903	398,899	39,891	29,135		Note 1
Yang Ming (Russia) LLC	3,648	9,156	1,219	7,937	13	(6,029)	(3,619)		Note 1
Yang Ming (Spain), S.L.	3,368	603,584	193,151	410,433	634,839	231,238	162,376	1,623.76	
Yang Ming (Mediterranean) Marine Services Single-member Limited Liability Company	37,053	52,397	8,642	43,755	71,351	2,141	1,285	116.82	
Corstor Ltd.	39	27,514	5,141	22,373	51,217	4,726	3,633	3,633.00	
Kuang Ming (Liberia) Corp.	4,039,882	3,643,175	174,401	3,468,774	988,574	1,474	(8,646)	(1,729,200.00)	Note 2
YES Logistics Europe GmbH	34,527	57,677	116,810	(59,133)	292,675	(5,271)	(14,287)		Note 1
YES Logistics Corporation	67,702	299,954	48,208	251,746	647,312	(16,342)	(21,992)	(10.12)	
YES Yangming Logistics (Singapore) Pte. Ltd.	40,608	48,839	24	48,815	21	(612)	(5,420)	(3.10)	
Yes Logistics Company Ltd.	31,364	64,223	46,586	17,637	5,899	(2,581)	(2,350)	(0.30)	
Yes Logistics Benelux B.V.	606	41,740	16,959	24,781	213,505	3,143	2,572	142.89	
Yes Logistics (Shanghai) Corp.	133,945	956,130	499,736	456,394	2,370,796	(691)	3,596		Note 1
Golden Logistics USA Corporation	312	7,356	1,760	5,596	16,050	1,178	1,178	11,780.00	
YES MLC GmbH	27,120	316,336	331,327	(14,991)	245,671	(664)	(7,225)		Note 1
Merlin Logistics GmbH	1,179	448	76	372	0	(164)	871		Note 1
YES Logistics Bulgaria Ltd.	86	14	220	(206)	0	(66)	(66)	(132.00)	
PT YES Logistics Indonesia	31,150	35,106	11,190	23,916	114,043	(5,380)	(4,192)	(4.19)	

Note 1 : Unissued shares.

Note 2 : Issued five shares

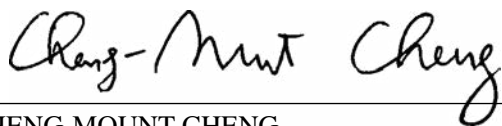
8.1.7 Declaration of Consolidation of Financial Statements of Affiliates**DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES**

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2023 are the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard No. 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies as of and for the year ended December 31, 2023. Hence, we did not prepared a separate set of consolidated financial statements of affiliates.

Very truly yours,

YANG MING MARINE TRANSPORT CORPORATION

By:



CHENG-MOUNT CHENG

March 7, 2024

8.1.8 Affiliated Companies Report: None.

8.2 Private Securities in the past year and as of the Date of Publication of the Annual Report: None.

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

8.4 Other Necessary Supplementary Notes: None.

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



Attachment 1 Consolidated Financial Statements 2023

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Yang Ming Marine Transport Corporation

Opinion

We have audited the accompanying consolidated financial statements of Yang Ming Marine Transport Corporation and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 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 International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the 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 Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the consolidated financial statements of the Group for the year ended December 31, 2023 are as follows:

Audit of the Percentage-of-completion

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

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

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

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

Other Matter

We have audited the parent company only financial statements of Yang Ming Marine Transport Corporation as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

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 International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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



Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 7, 2024

Notice to Readers

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

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

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES
**CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)**

ASSETS	2023		2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4, 6 and 32)	\$ 69,921,565	18	\$ 149,427,959	30
Financial assets at fair value through profit or loss (FVTPL) - current (Notes 4 and 7)	94,795	-	4,302,945	1
Financial assets at amortized cost - current (Notes 4, 9, 31, 32 and 33)	115,208,702	29	133,484,952	26
Financial assets for hedging - current (Notes 4, 6, 31 and 32)	17,269,769	5	30,710,000	6
Contract assets, net (Notes 4, 25 and 32)	1,560,716	-	1,853,463	1
Notes receivable, net (Notes 4 and 10)	10,666	-	4,262	-
Trade receivables, net (Notes 4, 10 and 25)	6,150,777	2	10,298,914	2
Trade receivables from related parties (Notes 4, 10, 25, and 32)	214,168	-	339,219	-
Finance lease receivables, net (Notes 4 and 11)	20,747	-	766,403	-
Current tax assets (Notes 4 and 27)	1,578,957	1	110,543	-
Shipping fuel (Notes 4 and 12)	4,535,017	1	4,503,947	1
Prepayments (Note 32)	447,866	-	746,081	-
Prepayments to shipping agents (Note 32)	231,639	-	542,406	-
Other current assets (Note 32)	1,456,059	-	1,487,929	-
Total current assets	218,701,443	56	338,579,023	67
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss (FVTPL) - non-current (Notes 4 and 7)	355,828	-	353,165	-
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 4 and 8)	491,901	-	506,847	-
Financial assets at amortized cost - non-current (Notes 4, 9, 31, 32 and 33)	4,742,457	1	2,138,776	-
Investments accounted for using equity method (Notes 4 and 14)	8,797,221	2	8,742,640	2
Property, plant and equipment (Notes 4, 15, 32, 33 and 34)	83,481,541	21	75,777,886	15
Right-of-use assets (Notes 4, 16 and 32)	56,044,654	15	73,362,475	15
Investment properties (Notes 4, 17 and 32)	7,220,132	2	7,146,807	1
Other intangible assets (Note 4)	142,842	-	133,157	-
Deferred tax assets (Notes 4 and 27)	899,525	-	784,153	-
Prepayments for equipment (Notes 32 and 34)	11,343,872	3	222,605	-
Refundable deposits	257,720	-	219,399	-
Finance lease receivables - non-current (Notes 4 and 11)	85,795	-	106,542	-
Other financial assets - non-current (Note 4)	26,058	-	23,744	-
Other non-current assets (Note 32)	19,564	-	51,561	-
Total non-current assets	173,909,110	44	169,569,757	33
TOTAL	\$ 392,610,553	100	\$ 508,148,780	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 18 and 32)	\$ 1,955,000	-	\$ 2,430,000	-
Short-term bills payable (Notes 18 and 32)	1,098,357	-	1,098,548	-
Financial liabilities for hedging - current (Notes 4, 16 and 31)	10,380,140	3	8,371,948	2
Contract liabilities - current (Notes 4 and 25)	304,854	-	532,259	-
Notes payable (Note 32)	33,821	-	35,317	-
Trade payables (Note 20)	14,101,232	4	15,571,592	3
Trade payables to related parties (Notes 20 and 32)	676,812	-	347,105	-
Other payables (Notes 21 and 32)	5,950,080	2	8,651,744	2
Current tax liabilities (Notes 4 and 27)	9,783,057	2	29,771,775	6
Provisions - current (Notes 4 and 22)	36,018	-	-	-
Lease liabilities - current (Notes 4, 16 and 32)	4,666,192	1	5,157,412	1
Other advance account	89,129	-	178,512	-
Current portion of long-term liabilities (Notes 4, 18, 19, 32 and 33)	2,579,706	1	2,560,364	1
Other current liabilities	992,962	-	1,223,639	-
Total current liabilities	52,647,360	13	75,930,215	15
NON-CURRENT LIABILITIES				
Financial liabilities for hedging - non-current (Notes 4, 16 and 31)	21,401,129	6	36,816,306	7
Bonds payable (Notes 4, 19 and 32)	5,878,396	2	8,351,220	2
Long-term borrowings (Notes 4, 18, 32 and 33)	288,477	-	305,070	-
Provisions - non-current (Notes 4 and 22)	4,955	-	3,559	-
Deferred tax liabilities (Notes 4 and 27)	7,235,954	2	10,787,845	2
Lease liabilities - non-current (Notes 4, 16 and 32)	24,445,367	6	28,824,524	6
Other advance account - non-current	30,706	-	56,287	-
Net defined benefit liabilities - non-current (Notes 4 and 23)	1,762,453	-	1,971,067	-
Other non-current liabilities	1,214,547	-	1,316,724	-
Total non-current liabilities	62,261,984	16	88,432,602	17
Total liabilities	114,909,344	29	164,362,817	32
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital - ordinary shares	34,921,043	9	34,921,043	7
Capital surplus	27,975,030	7	27,975,030	6
Retained earnings				
Legal reserve	34,991,933	9	16,907,064	3
Special reserve	3,988,772	1	3,713,230	1
Unappropriated earnings	176,009,020	45	259,456,948	51
Total retained earnings	214,989,725	55	280,077,242	55
Other equity	(907,886)	-	(13,577)	-
Total equity attributable to owners of the Company	276,977,912	71	342,959,738	68
NON-CONTROLLING INTERESTS	723,297	-	826,225	-
Total equity	277,701,209	71	343,785,963	68
TOTAL	\$ 392,610,553	100	\$ 508,148,780	100

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

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 5, 16, 25 and 32)	\$ 140,623,713	100	\$ 375,899,874	100
OPERATING COSTS (Notes 4, 12, 16, 26 and 32)	<u>134,383,170</u>	<u>95</u>	<u>145,729,755</u>	<u>39</u>
GROSS PROFIT	<u>6,240,543</u>	<u>5</u>	<u>230,170,119</u>	<u>61</u>
OPERATING EXPENSES (Notes 4, 9, 10, 16, 25, 26, 31 and 32)				
Selling and marketing expenses	6,999,808	5	9,292,950	2
General and administrative expenses	1,130,065	1	2,160,903	1
Expected credit gain	<u>(20,247)</u>	<u>-</u>	<u>(78,035)</u>	<u>-</u>
Total operating expenses	<u>8,109,626</u>	<u>6</u>	<u>11,375,818</u>	<u>3</u>
OTHER OPERATING INCOME AND EXPENSES (Notes 4, 16, 26 and 32)	<u>203,389</u>	<u>-</u>	<u>1,903,866</u>	<u>1</u>
(LOSS) PROFIT FROM OPERATIONS	<u>(1,665,694)</u>	<u>(1)</u>	<u>220,698,167</u>	<u>59</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 16, 26 and 32)				
Interest income	12,260,223	9	4,032,635	1
Other income	97,696	-	86,800	-
Other gains and losses	2,435,667	2	9,967,164	3
Finance costs	(2,518,189)	(2)	(2,397,791)	(1)
Share of profit or loss of associates and joint ventures	<u>686,545</u>	<u>-</u>	<u>1,233,739</u>	<u>-</u>
Total non-operating income and expenses	<u>12,961,942</u>	<u>9</u>	<u>12,922,547</u>	<u>3</u>
PROFIT BEFORE INCOME TAX	11,296,248	8	233,620,714	62
INCOME TAX EXPENSE (Notes 4 and 27)	<u>(6,218,624)</u>	<u>(4)</u>	<u>(52,605,145)</u>	<u>(14)</u>
NET PROFIT FOR THE YEAR	<u>5,077,624</u>	<u>4</u>	<u>181,015,569</u>	<u>48</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 6, 16, 23, 24 and 27)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(29,567)	-	333,961	-
Unrealized (loss) gain on investments in equity instruments at FVTOCI	(14,946)	-	8,916	-

(Continued)



YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
Share of the other comprehensive loss of associates and joint ventures accounted for using the equity method	\$ (43,259)	-	\$ (402,171)	-
Income tax related to items that will not be reclassified subsequently to profit or loss	<u>5,866</u>	-	<u>(66,407)</u>	-
	<u>(81,906)</u>	-	<u>(125,701)</u>	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(608,404)	-	1,526,896	1
Gain (loss) on hedging instruments	396,833	-	(3,365,547)	(1)
Income tax related to items that may be reclassified subsequently to profit or loss	<u>207,701</u>	-	<u>451,869</u>	-
	<u>(3,870)</u>	-	<u>(1,386,782)</u>	-
Other comprehensive loss for the year, net of income tax	<u>(85,776)</u>	-	<u>(1,512,483)</u>	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 4,991,848</u>	<u>4</u>	<u>\$ 179,503,086</u>	<u>48</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 4,774,106	4	\$ 180,591,942	48
Non-controlling interests	<u>303,518</u>	-	<u>423,627</u>	-
	<u>\$ 5,077,624</u>	<u>4</u>	<u>\$ 181,015,569</u>	<u>48</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 4,755,146	4	\$ 179,110,549	48
Non-controlling interests	<u>236,702</u>	-	<u>392,537</u>	-
	<u>\$ 4,991,848</u>	<u>4</u>	<u>\$ 179,503,086</u>	<u>48</u>
EARNINGS PER SHARE (Note 28)				
Basic	<u>\$ 1.37</u>		<u>\$ 51.71</u>	
Diluted	<u>\$ 1.37</u>		<u>\$ 51.15</u>	

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

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company										
	Share Capital (Notes 4 and 24)		Capital Surplus (Notes 4 and 24)		Retained Earnings (Note 24)		Other Equity		Non-controlling Interests (Note 24)		Total Equity
	Shares (In Thousands)	Amount	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchanges on Translation of the Financial Statements of Foreign Operations (Notes 4 and 24)	Unrealized Valuation Gain (Loss) on Financial Assets Through Other Comprehensive Income (Notes 4 and 24)	Gain (Loss) on Hedging Instruments (Notes 4 and 24)	Total		
BALANCE AT JANUARY 1, 2022	3,492,104	\$ 34,921,043	\$ 27,975,030	\$ 1,494,827	\$ 167,409,719	\$ (1,253,998)	\$ (299,493)	\$ 3,278,054	\$ 233,691,274	\$ 63,1392	\$ 234,322,666
Appropriation of 2021 earnings	-	-	-	-	(16,740,972)	-	-	-	-	-	-
Legal reserve	-	-	-	2,218,403	(2,218,403)	-	-	-	-	-	-
Special reserve	-	-	-	-	(69,842,085)	-	-	-	(69,842,085)	-	(69,842,085)
Cash dividends to shareholders (NT\$20 per share)	-	-	-	-	180,591,942	-	-	-	180,591,942	423,627	181,015,569
Net profit for the year ended December 31, 2022	-	-	-	-	264,487	1,340,181	(393,623)	(2,692,438)	(1,481,393)	(31,090)	(1,512,483)
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	180,856,429	1,340,181	(393,623)	(2,692,438)	179,110,549	392,537	179,503,086
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	(7,740)	-	7,740	-	-	-	-
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (loss) by associates	-	-	-	-	-	-	-	-	-	(197,704)	(197,704)
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2022	3,492,104	\$ 34,921,043	\$ 27,975,030	\$ 3,713,230	\$ 259,456,948	\$ 86,183	\$ (685,376)	\$ 585,616	\$ 342,959,738	\$ 826,225	\$ 343,785,963
Appropriation of 2022 earnings	-	-	-	-	(18,084,869)	-	-	-	-	-	-
Legal reserve	-	-	-	18,084,869	(18,084,869)	-	-	-	-	-	-
Special reserve	-	-	-	275,542	(275,542)	-	-	-	-	-	-
Cash dividends to shareholders (NT\$20 per share)	-	-	-	-	(69,842,086)	-	-	-	(69,842,086)	-	(69,842,086)
Net profit for the year ended December 31, 2023	-	-	-	-	4,774,106	-	-	-	4,774,106	303,518	5,077,624
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	(24,060)	(433,119)	(58,224)	496,443	(18,960)	(66,816)	(85,776)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	4,750,046	(433,119)	(58,224)	496,443	4,755,146	236,702	4,991,848
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (loss) by associates	-	-	-	-	4,523	-	(4,523)	-	-	-	-
Basis adjustment to loss on hedging instruments	-	-	-	-	-	-	-	(894,886)	(894,886)	-	(894,886)
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	(339,630)	(339,630)
BALANCE AT DECEMBER 31, 2023	3,492,104	\$ 34,921,043	\$ 27,975,030	\$ 3,988,772	\$ 176,009,020	\$ (346,936)	\$ (748,123)	\$ 187,173	\$ 276,977,912	\$ 723,297	\$ 277,701,209

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



YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 11,296,248	\$ 233,620,714
Adjustments for:		
Depreciation expenses	20,450,140	20,010,747
Amortization expenses	77,773	66,984
Expected credit loss reversed	(20,247)	(78,035)
Net (gain) loss on fair value change of financial assets/liabilities at FVTPL	(54,719)	18,502
Finance costs	2,518,189	2,397,791
Interest income	(12,260,223)	(4,032,635)
Dividend income	(8,030)	(2,109)
Share of profit of associates and joint ventures	(686,545)	(1,233,739)
Gain on disposal of property, plant and equipment	(55,934)	(18,251)
Impairment loss recognized on associates	6,957	1,935,456
(Reversal gain) impairment loss recognized on right-of-use assets	(17,096)	98,036
Write-downs of shipping fuel	245,270	19,221
Net gain on foreign currency exchange	(1,045,745)	(2,060,281)
Gain on changes in fair value of investment properties	(73,325)	(152,739)
Loss (gain) on lease modification	17,593	(3,621)
Gain on sublease of right-of-use assets	-	(1,188,133)
Recognition of provisions	37,604	1,983
Ineffective portion of cash flow hedges	(67,770)	-
Other items	-	(329,828)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at FVTPL	4,260,206	(4,582,507)
Contract assets	305,972	3,656,389
Notes receivable	(6,404)	862
Trade receivables	4,266,696	11,853,833
Trade receivables from related parties	120,686	72,836
Shipping fuel	(274,608)	(1,115,029)
Prepayments	274,019	(209,150)
Prepayments to shipping agents	310,767	(79,966)
Other current assets	389,480	6,971
Financial liabilities held for trading	-	(2,186)
Contract liabilities	(227,405)	(371,194)
Notes payable	(1,496)	1,465
Trade payables	(1,596,491)	(5,128,720)
Trade payables to related parties	335,106	(29,849)
Other payables	(3,415,989)	1,358,901
Provisions	-	(56,307)
Other advance account	(114,964)	(68,343)
Other current liabilities	(225,423)	120,972
Net defined benefit liabilities	(238,181)	(523,318)
Cash generated from operations	24,522,111	253,975,723
Interest received	11,856,678	3,765,508

(Continued)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)**

	2023	2022
Dividends received	\$ 596,633	\$ 1,586,742
Interest paid	(2,479,602)	(2,479,525)
Income tax paid	<u>(31,116,621)</u>	<u>(46,781,188)</u>
Net cash generated from operating activities	<u>3,379,199</u>	<u>210,067,260</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(262,384,991)	(303,510,305)
Proceeds from sale of financial assets at amortized cost	281,085,370	308,794,751
Purchase of financial assets for hedging	-	(33,217,784)
Proceeds from sale of financial assets for hedging	12,018,168	3,608,784
Acquisition of associates and joint ventures	(473)	(2,431)
Payments for property, plant and equipment	(2,490,474)	(8,270,050)
Proceeds from disposal of property, plant and equipment	104,160	58,668
Increase in refundable deposits	(38,321)	(290)
Payments for intangible assets	(87,490)	(118,550)
Payments for investment property	-	(434,368)
Decrease in financial lease receivables	755,008	723,335
Increase in other financial assets	(2,314)	(2,040)
Decrease (increase) in other non-current assets	5,052	(24,988)
Increase in prepayments for equipment	<u>(12,238,961)</u>	<u>(184,129)</u>
Net cash generated from (used in) investing activities	<u>16,724,734</u>	<u>(32,579,397)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayments of) proceeds from short-term borrowings	(475,000)	1,036,240
Proceeds from short-term bills payable	-	662,500
Repayments of bonds payable	(2,500,000)	-
Proceeds from long-term borrowings	300,000	-
Repayments of long-term borrowings	(298,330)	(6,273,209)
Repayments of the principal portion of lease liabilities	(26,003,503)	(12,805,062)
(Decrease) increase in other non-current liabilities	(102,177)	465,648
Dividends paid to owners of the Company	(69,842,086)	(69,842,085)
Net change in non-controlling interests	<u>(339,630)</u>	<u>(197,704)</u>
Net cash used in financing activities	<u>(99,260,726)</u>	<u>(86,953,672)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	<u>(349,601)</u>	<u>1,445,090</u>
		(Continued)



YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)**

	2023	2022
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	\$ (79,506,394)	\$ 91,979,281
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>149,427,959</u>	<u>57,448,678</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 69,921,565</u>	<u>\$ 149,427,959</u>

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

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

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

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

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

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by YMTC’s board of directors on March 7, 2024.

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

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

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

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

When applying the amendments, the Group refers to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Moreover:

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



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

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

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

Refer to Note 4 for related accounting policy information.

2) Amendments to IAS 8 “Definition of Accounting Estimates”

The Group has applied the amendments since January 1, 2023, which defines accounting estimates as monetary amounts in financial statements that are subject to measurement uncertainty. In applying accounting policies, the Group may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Group uses measurement techniques and inputs to develop accounting estimates to achieve the objective. The effects on an accounting estimate of a change in a measurement technique or a change in an input are changes in accounting estimates unless they result from the correction of prior period errors.

3) Amendments to IAS 12 “International Tax Reform - Pillar Two Model Rules”

The amendments introduce a temporary exception to the requirements in IAS 12 by stipulating that the Group should neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The amendments also require the Group to disclose that it has applied the exception and separately disclose its current tax expense (income) related to Pillar Two income taxes. In addition, for periods in which Pillar Two legislation is enacted or substantively enacted but not yet in effect, the Group should disclose qualitative and quantitative information that helps users of financial statements understand the Group’s exposure to Pillar Two income taxes. The requirement that the Group apply the exception and the requirement to disclose that fact are applied immediately and retrospectively upon issuance of the amendments. The remaining disclosure requirements apply for annual reporting periods beginning on or after January 1, 2023, but not for any interim period ending on or before December 31, 2023.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
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 (Note 3)

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

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

Amendments to IAS 1 “Classification of Liabilities as Current or Non-current” (referred to as the “2020 amendments”) and “Non-current Liabilities with Covenants” (referred to as the “2022 amendments”)

The 2020 amendments clarify that for a liability to be classified as non-current, the Group shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights exist at the end of the reporting period, the liability is classified as non-current regardless of whether the Group will exercise that right.

The 2020 amendments also stipulate that, if the right to defer settlement is subject to compliance with specified conditions, the Group must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date. The 2022 amendments further clarify that only covenants with which an entity is required to comply on or before the reporting date should affect the classification of a liability as current or non-current. Although the covenants to be complied with within twelve months after the reporting period do not affect the classification of a liability, the Group shall disclose information that enables users of financial statements to understand the risk of the Group, which may have difficulty complying with the covenants and repaying its liabilities within twelve months after the reporting period.

The 2020 amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Group’s own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that, at the option of the counterparty, result in its settlement by a transfer of the Group’s own equity instruments, and if such an option is recognized separately as equity in accordance with IAS 32 “Financial Instruments: Presentation”, the aforementioned terms would not affect the classification of the liability.

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



- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

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

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

- a. Statement of compliance

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

- b. Basis of preparation

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

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

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

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

Current assets include:

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

Current liabilities include:

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

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

d. Basis of consolidation

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

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

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

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

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

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



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

e. Foreign currencies

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

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

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

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

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

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

f. Shipping fuel

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

g. Investments in associates and joint ventures

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

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

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

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

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

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

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

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

h. Property, plant and equipment

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

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

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

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



i. Investment properties

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

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

For a transfer of classification from investment properties to property, plant and equipment, the deemed cost of an item of property for subsequent accounting is its fair value at the commencement of development for owner-occupation.

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

j. Intangible assets

1) Intangible assets acquired separately

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

2) Derecognition of intangible assets

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

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

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

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

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

1. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 31.

ii. Financial assets at amortized cost

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

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

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

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

- i) Significant financial difficulty of the issuer or the borrower;



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

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

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets and contract assets

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

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

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

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

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

c) Derecognition of financial assets

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

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

2) Equity instruments

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

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

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity, and its carrying amounts are calculated based on weighted average by share types. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

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

i. Financial liabilities at FVTPL

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

Financial liabilities held for trading are stated at fair value, and any gains or losses on such financial liabilities are recognized in other gains or losses. Fair value is determined in the manner described in Note 31.

ii. Financial guarantee contracts

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

i) The amount of the loss allowance reflecting expected credit losses; and

ii) The amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with the revenue recognition policies.



b) Derecognition of financial liabilities

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

4) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to oil price variation risks, mainly for oil swap option.

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

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

m. Hedge accounting

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

Cash flow hedges

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

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

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

n. Provisions

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

o. Revenue recognition

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

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

1) Revenue from container shipping service

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

2) Other operating revenue

a) Terminal operating revenue

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

b) Forwarding agency revenue

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

c) Other service revenue

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

p. Leases

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

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

1) The Group as lessor

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



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

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

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

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

2) The Group as lessee

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

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

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

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

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

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

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

q. Government grants

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

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

Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

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

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

r. Employee benefits

1) Short-term employee benefits

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



2) Retirement benefits

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

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

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

3) Other long-term employee benefits

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

4) Termination benefits

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

s. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

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

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

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

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

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

The Group has applied the exception from the recognition and disclosure of deferred tax assets and liabilities relating to Pillar Two income taxes. Accordingly, the Group neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

3) Current and deferred taxes

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

When developing material accounting estimates, the Group considers the possible impact of European Union environmental policies and regulations, the economic environment implications of the military conflict between Russia and Ukraine and inflation on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.



Key Sources of Estimation Uncertainty

Revenue recognition

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

6. CASH AND CASH EQUIVALENTS

	<u>December 31</u>	
	2023	2022
Cash on hand	\$ 8,929	\$ 10,791
Checking accounts and demand deposits	13,410,811	28,649,263
Cash equivalents (investments with original maturities of 3 months or less)		
Time deposits	56,328,600	114,991,201
Repurchase agreements	-	5,600,000
Call deposits	<u>173,225</u>	<u>176,704</u>
	<u>\$ 69,921,565</u>	<u>\$ 149,427,959</u>

The market rate intervals of time deposits, repurchase agreements and call deposits at the end of the reporting period were as follows:

	<u>December 31</u>	
	2023	2022
Time deposits	0.50%-41.00%	0.10%-20.00%
Repurchase agreements	-	1.57%
Call deposits	1.75%	1.75%

Financial assets designated as hedging

The Group designated certain USD-denominated demand deposits and time deposits as hedging instruments to hedge future volatility of USD-denominated prepayments for ship and container purchase, and the accounting treatment is applied to cash flow hedges. The information on the transactions is summarized as follow:

	Maturity Period	Account	Carrying Amount
December 31, 2023	2024/01/03-2024/11/29	Financial assets for hedging	<u>\$ 17,269,769</u>
December 31, 2022	2023/03/29	Financial assets for hedging	<u>\$ 30,710,000</u>

Impact on comprehensive income (loss):

	Recognized In Other Comprehensive Income	Amount Reclassified
For the year ended December 31, 2023	<u>\$ 507,500</u>	<u>\$ (67,770)</u>
For the year ended December 31, 2022	<u>\$ 1,101,000</u>	<u>\$ (61,000)</u>

For the year ended December 31, 2023, the amount of hedging instrument settlements recognized as prepayments for equipment was \$(894,886) thousand.

7. FINANCIAL INSTRUMENTS AT FVTPL

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Financial assets at FVTPL - current</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic listed shares	\$ 94,795	\$ 64,192
Mutual funds	<u>-</u>	<u>4,238,753</u>
	<u>\$ 94,795</u>	<u>\$ 4,302,945</u>
<u>Financial assets at FVTPL - non-current</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic listed shares	\$ 272,000	\$ 274,400
Mutual funds	54,717	49,176
Domestic limited partnership	<u>29,111</u>	<u>29,589</u>
	<u>\$ 355,828</u>	<u>\$ 353,165</u>

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

The Group did not have outstanding oil derivatives contracts for the years ended December 31, 2023 and 2022.

8. FINANCIAL ASSETS AT FVTOCI - NON-CURRENT

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Domestic investments in equity instruments</u>		
Unlisted shares		
Ordinary shares - Taipei Port Container Terminal Co., Ltd.	\$ 472,113	\$ 489,102
Ordinary shares - United Stevedoring Corp.	4,684	4,495
Ordinary shares - United Raw Material Solutions Inc.	1,602	1,626
Ordinary shares - Pro-Ascentek Investment Corporation	<u>13,502</u>	<u>11,624</u>
	<u>\$ 491,901</u>	<u>\$ 506,847</u>



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

Dividends of \$1,238 thousand and \$1,724 thousand were recognized during 2023 and 2022, respectively.

9. FINANCIAL ASSETS AT AMORTIZED COST

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Time deposits with original maturity of more than 3 months (a)	\$ 115,114,366	\$ 133,355,775
Restricted bank balance (Note 33)	121,406	161,640
Corporate bonds (b)	4,716,563	2,106,313
Less: Allowance for impairment loss	<u>(1,176)</u>	<u>-</u>
	<u>\$ 119,951,159</u>	<u>\$ 135,623,728</u>
Current	<u>\$ 115,208,702</u>	<u>\$ 133,484,952</u>
Non-current	<u>\$ 4,742,457</u>	<u>\$ 2,138,776</u>

- a. The ranges of interest rates for time deposits with original maturities of more than 3 months were approximately 0.20%-7.00% and 0.13%-6.85% per annum as of December 31, 2023 and 2022, respectively.
- b. In 2023 and 2022, the Group bought 3-year to 7-year corporate bonds issued at a par value of US\$92,000 thousand and 3-year to 5-year corporate bonds issued at a par value of US\$71,000 thousand, respectively. The coupon rate and the effective interest rate of the corporate bonds were approximately 0.45%-6.09%, 1.96%-3.31%, 0.45%-5.50% and 1.96%-3.03% per annum as of December 31, 2023 and 2022, respectively.
- c. Refer to Note 31 for information relating to the credit risk management and impairment of investments in financial assets at amortized cost.

10. NOTES RECEIVABLE AND TRADE RECEIVABLES

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Notes receivable - operating</u>	<u>\$ 10,666</u>	<u>\$ 4,262</u>
<u>Trade receivables</u>		
At amortized cost		
Trade receivables - non-related parties	\$ 6,203,718	\$ 10,401,687
Trade receivables - related parties	214,168	339,219
Less: Allowance for impairment loss	<u>(52,941)</u>	<u>(102,773)</u>
	<u>\$ 6,364,945</u>	<u>\$ 10,638,133</u>

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

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

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

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

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

December 31, 2023

	No Signs of Default by Client					Signs of Default by Client	Total
	Less than 60 Days	61 to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days		
Expected credit loss rate	0.00%-0.65%	0.50%-1.65%	0.50%-5.15%	0.50%-10.15%	0.50%-20.15%	100.00%	
Gross carrying amount	\$ 6,118,569	\$ 150,896	\$ 126,012	\$ 17,590	\$ 15,140	\$ 345	\$ 6,428,552
Loss allowance (Lifetime ECLs)	<u>(47,525)</u>	<u>(528)</u>	<u>(1,548)</u>	<u>(787)</u>	<u>(2,208)</u>	<u>(345)</u>	<u>(52,941)</u>
Amortized cost	<u>\$ 6,071,044</u>	<u>\$ 150,368</u>	<u>\$ 124,464</u>	<u>\$ 16,803</u>	<u>\$ 12,932</u>	<u>\$ -</u>	<u>\$ 6,375,611</u>

December 31, 2022

	No Signs of Default by Client					Signs of Default by Client	Total
	Less than 60 Days	61 to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days		
Expected credit loss rate	0.00%-0.88%	0.50%-1.88%	0.50%-5.38%	0.50%-10.38%	0.50%-20.38%	100.00%	
Gross carrying amount	\$ 10,424,625	\$ 189,315	\$ 85,916	\$ 29,670	\$ 15,068	\$ 574	\$ 10,745,168
Loss allowance (Lifetime ECLs)	<u>(95,380)</u>	<u>(1,084)</u>	<u>(3,008)</u>	<u>(1,409)</u>	<u>(1,318)</u>	<u>(574)</u>	<u>(102,773)</u>
Amortized cost	<u>\$ 10,329,245</u>	<u>\$ 188,231</u>	<u>\$ 82,908</u>	<u>\$ 28,261</u>	<u>\$ 13,750</u>	<u>\$ -</u>	<u>\$ 10,642,395</u>



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

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ 102,773	\$ 136,577
Less: Net remeasurement of loss allowance	(8,037)	(31,537)
Less: Amounts written off	(12,939)	(6,708)
Less: Reclassified to allowance of overdue receivables	(26,955)	-
Add: Reclassified from allowance of overdue receivables	-	202
Foreign exchange gains and losses	<u>(1,901)</u>	<u>4,239</u>
Balance at December 31	<u>\$ 52,941</u>	<u>\$ 102,773</u>

11. FINANCE LEASE RECEIVABLES

The composition of finance lease receivables was as follows:

	December 31	
	2023	2022
<u>Undiscounted lease payments</u>		
Year 1	\$ 22,011	\$ 771,437
Year 2	22,011	22,011
Year 3	22,011	22,011
Year 4	22,010	22,011
Year 5	22,010	22,011
Year 6 onwards	<u>-</u>	<u>22,010</u>
	110,053	881,491
Less: Unearned finance income	<u>(3,511)</u>	<u>(8,546)</u>
Net investment in leases presented as finance lease receivables	<u>\$ 106,542</u>	<u>\$ 872,945</u>
Current	<u>\$ 20,747</u>	<u>\$ 766,403</u>
Non-current	<u>\$ 85,795</u>	<u>\$ 106,542</u>

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

The Group has been subleasing its ship since May 2022 with daily fixed lease payments of US\$112 thousand. As the Group subleases the ship for all the remaining lease term of the main lease to the sublessee, the sublease contract is classified as a finance lease.

The interest rates inherent in leases are fixed at the contract dates for the entire term of the lease. The interest rate inherent in the finance lease were approximately 1.33% and 1.33%-1.80% as of December 31, 2023 and 2022, respectively.

The Group measures the loss allowance for finance lease receivables at an amount equal to lifetime ECLs. The respective leased equipment served as collateral for the finance lease receivables. As of December 31, 2023, no finance lease receivable was past due. The Group has not recognized a loss allowance for finance lease receivables after taking into consideration the historical default experience and the future prospects of the industries in which the lessees operate, together with the value of collateral held over these finance lease receivables.

12. SHIPPING FUEL

	December 31	
	2023	2022
Shipping fuel	\$ 4,535,017	\$ 4,503,947

The cost of shipping fuel recognized as operating cost for the years ended December 31, 2023 and 2022 was \$23,241,258 thousand and \$27,240,327 thousand, respectively.

The cost of shipping fuel recognized as operating cost for the years ended December 31, 2023 and 2022 included shipping fuel write-downs of \$245,270 thousand and \$19,221 thousand, respectively.

13. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership Interests (%)		Note
			December 31		
			2023	2022	
Yang Ming Marine Transport Corporation	Yang Ming Line (B.V.I.) Holding Co., Ltd. (YML-BVI)	Investment, shipping agency, forwarding agency and shipping managers	100.00	100.00	
"	Yang Ming Line B.V.	Investment, shipping agency, forwarding agency and shipping managers	100.00	100.00	
"	Yang Ming Line (Singapore) Pte Ltd (YML-Singapore)	Investment, shipping service, sale and purchase of ships, chartering and forwarding agency	100.00	100.00	Note a
"	All Oceans Transportation Inc. (AOT)	Shipping agency, forwarding agency and shipping managers	100.00	100.00	
"	Yes Logistics Corp. (Yes Logistics)	Sea and air freight forwarding agency and warehouse operation	96.36	96.36	
"	Kuang Ming Shipping Corp. (Kuang Ming)	Shipping service, shipping agency and forwarding agency	98.88	98.88	
"	Hong Ming Terminal & Stevedoring Corp.	Terminal operation and stevedoring	100.00	100.00	
"	Jing Ming Transportation Co., Ltd.	Container transportation	50.98	50.98	
"	Yang Ming Line Holding Co. (YML Holding)	Investment, shipping agency, forwarding agency and shipping managers	100.00	100.00	
"	Yang Ming (Singapore) Pte. Ltd. (YM-Singapore)	Shipping agency, forwarding agency, shipping managers and shipping lines	100.00	100.00	Note b
YML Holding	Yang Ming (America) Corp.	Shipping agency, forwarding agency and shipping managers	100.00	100.00	
"	Transcont Intermodal Logistics, Inc.	Inland forwarding agency	100.00	100.00	
"	Yang Ming Shipping (Canada) Ltd.	Shipping agency, forwarding agency and shipping managers	100.00	100.00	
YML-BVI	Yang Ming Line N.V. (YML-NV)	Investment, shipping agency, forwarding agency and shipping managers	-	100.00	Note c
"	Yang Ming (UK) Ltd (Yangming-UK)	Shipping agency, forwarding agency, shipping managers and shipping lines	97.84	97.84	

(Continued)



Investor	Investee	Nature of Activities	Proportion of Ownership Interests (%)		Note
			December 31		
			2023	2022	
YML-BV	Yangming-UK	Shipping agency, forwarding agency, shipping managers and shipping lines	2.16	2.16	
"	Yang Ming Shipping Europe GmbH	Shipping agency, forwarding agency and shipping managers	100.00	100.00	
"	Yang Ming Italy S.P.A. (Yang Ming-Italy)	Shipping agency	50.00	50.00	
"	Yang Ming (Netherlands) B.V.	Shipping agency	100.00	100.00	
"	Yang Ming (Belgium) N.V.	Shipping agency	89.92	89.92	
"	Yang Ming (Russia) LLC	Shipping agency	60.00	60.00	Note d
"	Yang Ming (Spain), S.L.	Shipping agency	60.00	60.00	
"	Yang Ming (MEDITERRANEAN) Marine Services Single-Member Limited Liability Company	Shipping agency, forwarding agency and shipping managers	100.00	100.00	
Yang Ming (Netherlands) B.V.	Yang Ming (Belgium) N.V.	Shipping agency	10.08	10.08	
Yang Ming-Italy	Yang Ming (Naples) S.r.l.	Forwarding agency	60.00	60.00	
Yangming-UK	Corstor Ltd.	Warehouse management and container haulage services	100.00	100.00	
YML-Singapore	Young-Carrier Company Ltd.	Investment, shipping agency, forwarding agency and shipping managers	100.00	100.00	
"	Yang Ming Shipping (B.V.I.) Inc.	Forwarding agency and shipping agency	100.00	100.00	
"	Yangming (Japan) Co., Ltd. (Yangming-Japan)	Shipping services, sale and purchase of ships, chartering and forwarding agency	100.00	100.00	
"	Sun-Baked Pte. Ltd.	Insurance	-	-	Note e
"	Yang Ming Line (Hong Kong) Ltd. (YML-HK)	Forwarding agency and shipping agency	1.44	1.44	
"	YM-Singapore	Shipping agency, forwarding agency, shipping managers and shipping lines	-	-	Note b
"	Yang Ming Line (M) Sdn. Bhd.	Shipping agency, forwarding agency and shipping managers	100.00	100.00	
"	Yang Ming Line (India) Pvt. Ltd.	Shipping agency, forwarding agency and shipping managers	60.00	60.00	
"	Yang Ming (Korea) Co., Ltd	Shipping agency, forwarding agency and shipping managers	60.00	60.00	
"	Yang Ming Anatolia Shipping Agency S.A. (Yang Ming Anatolia)	Shipping agency, forwarding agency and shipping managers	50.00	50.00	
"	Yang Ming Shipping (Vietnam) Co., Ltd	Forwarding agency and shipping managers	100.00	100.00	
"	Yang Ming Shipping Philippines, Inc.	Forwarding agency and shipping managers	100.00	100.00	
"	Yang Ming (Latin America) Corp.	Shipping agency, forwarding agency and shipping managers	100.00	100.00	
"	Yang Ming Line (Thailand) Co., Ltd. (YML-Thailand)	Shipping agency, forwarding agency and shipping managers	49.00	49.00	
"	Yang Ming Line shipping (Thailand) Co., Ltd.	Shipping agency	49.00	49.00	
"	Yang Ming Insurance Co., Ltd.	Insurance	100.00	100.00	
"	PT Yang Ming Shipping Indonesia (PT Yang Ming Indonesia)	Shipping agency, forwarding agency and shipping managers	49.00	49.00	
"	Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	Shipping agency, forwarding agency and shipping managers	100.00	100.00	Note f
"	Yang Ming (France) SAS	Shipping agency, forwarding agency and shipping managers	60.00	60.00	
YML-Thailand	Yang Ming Line shipping (Thailand) Co., Ltd.	Shipping agency	50.00	50.00	
Yang Ming Line shipping (Thailand) Co., Ltd.	YML-Thailand	Shipping agency, forwarding agency and shipping managers	49.00	49.00	
Yangming (Japan)	Manwa Co., Ltd.	Forwarding agency and shipping agency	100.00	100.00	

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership Interests (%)		Note
			December 31		
			2023	2022	
YMS-BVI	Karlman Properties Limited	Property agency	100.00	100.00	
"	YML-HK	Forwarding agency and shipping agency	98.56	98.56	
Kuang Ming	Kuang Ming (Liberia) Corp.	Forwarding agency	100.00	100.00	
Yes Logistics Corp	Yes Logistics Corporation (USA) (Yes-USA)	Sea and air freight forwarding agency	100.00	100.00	
"	Yes Yangming Logistics (Singapore) Pte. Ltd. (Yes-Singapore)	Investment and subsidiaries management	100.00	100.00	
"	Yes Logistics (Shanghai) Corp. (Yes-Shanghai)	Forwarding agency	69.80	69.80	
"	PT. YES Logistics Indonesia	Forwarding agency	51.00	51.00	
Yes-USA	Yes-Shanghai	Forwarding agency	30.20	30.20	
"	Golden Logistics USA Corporation	Container transportation	100.00	100.00	
"	Yes Logistics Europe GmbH (Yes-ERO)	Forwarding agency	100.00	100.00	
Yes-Singapore	Yes Logistics Company Ltd.	Forwarding agency	100.00	100.00	
"	Yes Logistics Benelux B.V.	Forwarding agency	70.00	70.00	
Yes-ERO	Yes MLC GmbH	Import and export, storage and delivery, and other warehousing related business	100.00	100.00	
Yes MLC GmbH	Merlin Logistics GmbH	Warehouse operation and logistics	100.00	100.00	
Merlin Logistics GmbH	YES Logistics Bulgaria Ltd.	Cargo consolidation service and forwarding agency	100.00	100.00	

(Concluded)

Note a: The Group's board of directors resolved in July 2022 and again in November 2022 to process the cash capital increase of YML-Singapore with a limit amount of US\$1,100,000 thousand. As of November 2022, there was a cash capital increase of US\$1,070,000 thousand. The Group's board of directors resolved in June 2023 to process the cash capital increase of YML-Singapore with a limit amount of US\$800,000 thousand. As of December 2023, there was a cash capital increase of US\$800,000 thousand.

Note b: Due to the consideration of operational strategies and management purposes, the Group's board of directors approved an organizational restructuring in January 2022 to acquire 100% shareholding of YM-Singapore from YML-Singapore for the amount of US\$16,061 thousand, and the registration was completed in February 2022.

Note c: The Group's board of directors resolved in August 2021 to liquidate Yang Ming Line N.V. The liquidation was completed in April 2023.

Note d: The Group's board of directors resolved in August 2023 to liquidate Yang Ming (Russia) LLC.

Note e: The Group's board of directors resolved in January 2020 to liquidate Sun-Baked Pte. Ltd. The liquidation was completed in October 2022.

Note f: The Group contributed 51% of capital in terms of cash input, but de facto holds 100% of the equity based on terms stipulated in the joint venture agreement.



Although YMTC directly or indirectly owns no more than 50% of shares with voting rights of Yang Ming-Italy, Yang Ming Anatolia and PT Yang Ming Indonesia, it should regard the investees as its subsidiaries and incorporate the investees into the consolidated group under certain premises which are as follows:

- a. The Company has the right of control through owning more than 50% of the voting rights of the boards of directors of the investees, and the boards of directors have control over the Company, or
- b. The Company has the right of control over the investees' finances, operations or human resources.

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Investment in associates	\$ 8,414,332	\$ 8,343,367
Investments in joint ventures	<u>382,889</u>	<u>399,273</u>
	<u>\$ 8,797,221</u>	<u>\$ 8,742,640</u>

- a. Investment in associates

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Associates that are not individually material		
Kao Ming Container Terminal Corp.	\$ 3,594,068	\$ 3,598,892
Taiwan Navigation Co., Ltd.	2,700,252	2,676,199
West Basin Container Terminal LLC	1,194,303	1,254,411
United Terminal Leasing LLC	321,989	311,913
Sino Trans PFS Cold Chain Logistics Co., Ltd.	47,758	61,789
Yunn Wang Investment Co., Ltd.	218,400	179,490
Taiwan Foundation International Pte. Ltd.	115,371	108,555
Shanghai United Cold Chain Logistics Co., Ltd.	29,366	42,156
Yang Ming Shipping (Egypt) S.A.E	70,902	46,572
Yang Ming (U.A.E.) LLC	60,210	10,462
Yang Ming (Australia) Pty. Ltd.	54,806	46,386
PT. Formosa Sejati Logistics	<u>6,907</u>	<u>6,542</u>
	<u>\$ 8,414,332</u>	<u>\$ 8,343,367</u>

Refer to Table G and Table H for main business and locations of the associates.

All the associates are accounted for using the equity method.

Aggregate information of associates that are not individually material

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
The Group's share of:		
Net profit for the year	\$ 685,754	\$ 1,219,168
Other comprehensive loss	<u>(43,259)</u>	<u>(402,171)</u>
Total comprehensive income for the year	<u>\$ 642,495</u>	<u>\$ 816,997</u>

As of December 31, 2023, some of the equity investments that are not individually material and accounted for using the equity method, showed signs of impairment. The management of the Group carried out the impairment tests individually for each equity investment by comparing its recoverable amounts with its carrying amounts. The recoverable amount of an investment in an associate is assessed individually for each associate. In determining the value in use of the investments, the Group estimated the present value of the estimated future cash flows expected to arise from the operations of the invested companies and from the ultimate disposal by using discount rates 12.40%. Based on the assessments, the total recoverable amounts of the Group's equity investments of those associates of \$77,124 thousand (on the basis of their value-in-use) were less than their carrying amounts as of December 31, 2023.

As of December 31, 2022, some of the equity investments that are not individually material and accounted for using the equity method, their carrying amounts were significantly higher than their market values based on their closing prices on December 31, 2022, or showed other signs of impairment. The management of the Group carried out the impairment tests individually for each equity investment by comparing its recoverable amounts with its carrying amounts. The recoverable amount of an investment in an associate is assessed individually for each associate. In determining the value in use of the investments, the Group estimated the present value of the estimated future cash flows expected to arise from the operations of the invested companies and from the ultimate disposal by using discount rates ranging from 7.00% to 13.80%. Based on the assessments, the total recoverable amounts of the Group's equity investments of those associates of \$6,379,036 thousand (on the basis of their value-in-use) were less than their carrying amounts as of December 31, 2022.

Hence, an impairment loss of \$6,957 thousand and \$1,935,456 thousand on those associates that are not individually material was recognized in profit or loss for the years ended December 31, 2023 and 2022, respectively.

b. Investments in joint ventures

	December 31	
	2023	2022
Joint ventures that are not individually material		
Chang Ming Logistics Company Limited	\$ 276,459	\$ 280,796
YES LIBERAL Logistics Corp.	76,454	80,661
LogiTrans Technology Private Limited	13,522	16,421
Jambatan Merah Formosa Depot Sdn Bhd	3,032	4,919
YES And HQL Logistics Company	13,164	14,873
Yes Easyway Logistics (Thailand) Co., Ltd (Note)	<u>258</u>	<u>1,603</u>
	<u>\$ 382,889</u>	<u>\$ 399,273</u>

Note: The Group's board of directors resolved in October 2020 to establish a joint-venture Yes Easyway Logistics (Thailand) Co., Ltd and completed the Step1 capital injection in October 2022. YMTC directly or indirectly owns 48.6% of its shares. After the Group completed the Step2 capital injection in January 2023, YMTC directly or indirectly owns 49% of its shares.

All the joint ventures are accounted for using the equity method.



Aggregate information of joint ventures that are not individually material

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
The Group's share of:		
Net profit for the year	\$ 791	\$ 14,571
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>\$ 791</u>	<u>\$ 14,571</u>

15. PROPERTY, PLANT AND EQUIPMENT

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Assets used by the Group	\$ 77,544,112	\$ 69,483,708
Assets leased under operating leases	<u>5,937,429</u>	<u>6,294,178</u>
	<u>\$ 83,481,541</u>	<u>\$ 75,777,886</u>

a. Assets used by the Group

<u>Cost</u>	<u>Land</u>	<u>Buildings</u>	<u>Container and Chassis</u>	<u>Ships</u>	<u>Leasehold Improvements</u>	<u>Miscellaneous Equipment</u>	<u>Total</u>
Balance at January 1, 2023	\$ 751,708	\$ 1,573,665	\$ 33,887,202	\$ 95,684,633	\$ 346,453	\$ 2,959,756	\$ 135,203,417
Additions	-	-	2,201,719	301,356	15,823	609,703	3,128,601
Disposals	-	-	(220,314)	(283,770)	(4,295)	(112,401)	(620,780)
Reclassification (Note 16-c)	-	-	-	16,843,220	(272)	197,518	17,040,466
Effects of foreign currency exchange differences	<u>86</u>	<u>(4,501)</u>	<u>1</u>	<u>3,670</u>	<u>127</u>	<u>1,625</u>	<u>1,008</u>
Balance at December 31, 2023	<u>\$ 751,794</u>	<u>\$ 1,569,164</u>	<u>\$ 35,868,608</u>	<u>\$ 112,549,109</u>	<u>\$ 357,836</u>	<u>\$ 3,656,201</u>	<u>\$ 154,752,712</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2023	\$ -	\$ 647,503	\$ 17,036,056	\$ 45,360,769	\$ 274,873	\$ 2,400,508	\$ 65,719,709
Disposals	-	-	(174,889)	(283,770)	(4,285)	(105,595)	(568,539)
Depreciation expenses	-	33,754	1,921,719	4,870,443	25,784	184,356	7,036,056
Reclassification (Note 16-c)	-	-	-	5,021,619	-	-	5,021,619
Effects of foreign currency exchange differences	<u>-</u>	<u>(1,172)</u>	<u>-</u>	<u>102</u>	<u>54</u>	<u>771</u>	<u>(245)</u>
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 680,085</u>	<u>\$ 18,782,886</u>	<u>\$ 54,969,163</u>	<u>\$ 296,426</u>	<u>\$ 2,480,040</u>	<u>\$ 77,208,600</u>
Balance at December 31, 2023, net value	<u>\$ 751,794</u>	<u>\$ 889,079</u>	<u>\$ 17,085,722</u>	<u>\$ 57,579,946</u>	<u>\$ 61,410</u>	<u>\$ 1,176,161</u>	<u>\$ 77,544,112</u>
<u>Cost</u>							
Balance at January 1, 2022	\$ 696,590	\$ 1,492,991	\$ 26,929,194	\$ 92,622,106	\$ 311,829	\$ 2,798,834	\$ 124,851,544
Additions	-	139	7,052,379	822,948	25,374	273,818	8,174,658
Disposals	-	-	(33,492)	(272,106)	-	(132,959)	(438,557)
Transfers from assets leased under operating leases	-	-	-	2,202,678	-	-	2,202,678
Transfers from investment properties	54,924	34,734	-	-	-	-	89,658
Reclassification	-	-	(61,000)	249,426	2,351	2,812	193,589
Effects of foreign currency exchange differences	<u>194</u>	<u>45,801</u>	<u>121</u>	<u>59,581</u>	<u>6,899</u>	<u>17,251</u>	<u>129,847</u>
Balance at December 31, 2022	<u>\$ 751,708</u>	<u>\$ 1,573,665</u>	<u>\$ 33,887,202</u>	<u>\$ 95,684,633</u>	<u>\$ 346,453</u>	<u>\$ 2,959,756</u>	<u>\$ 135,203,417</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2022	\$ -	\$ 593,675	\$ 15,321,569	\$ 40,566,789	\$ 250,915	\$ 2,379,045	\$ 59,111,993
Disposals	-	-	(24,903)	(272,106)	-	(129,532)	(426,541)
Transfers from assets leased under operating leases	-	-	-	364,643	-	-	364,643
Depreciation expenses	-	32,760	1,739,390	4,688,364	21,276	137,365	6,619,155
Effects of foreign currency exchange differences	<u>-</u>	<u>21,068</u>	<u>-</u>	<u>13,079</u>	<u>2,682</u>	<u>13,630</u>	<u>50,459</u>
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 647,503</u>	<u>\$ 17,036,056</u>	<u>\$ 45,360,769</u>	<u>\$ 274,873</u>	<u>\$ 2,400,508</u>	<u>\$ 65,719,709</u>
Balance at December 31, 2022, net value	<u>\$ 751,708</u>	<u>\$ 926,162</u>	<u>\$ 16,851,146</u>	<u>\$ 50,323,864</u>	<u>\$ 71,580</u>	<u>\$ 559,248</u>	<u>\$ 69,483,708</u>

The above items of property, plant and equipment used by the Group are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	53-56 years
Container and chassis	6-10 years
Ships	20-25 years
Dry dock	2.5-5 years
Leasehold improvements	2-10 years
Miscellaneous equipment	3-18 years

The dry dock is a significant component of ships.

Property, plant and equipment used by the Group and pledged as collateral for bank borrowings are set out in Note 33.

b. Assets leased under operating leases

	Ship
<u>Cost</u>	
Balance at January 1, 2023	\$ 10,168,509
Additions	82,039
Disposals	(51,061)
Effects of foreign currency exchange differences	<u>341</u>
Balance at December 31, 2023	<u>\$ 10,199,828</u>
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2023	\$ 3,874,331
Disposals	(51,061)
Depreciation expenses	442,881
Effects of foreign currency exchange differences	<u>(3,752)</u>
Balance at December 31, 2023	<u>\$ 4,262,399</u>
Balance at December 31, 2023, net value	<u>\$ 5,937,429</u>
<u>Cost</u>	
Balance at January 1, 2022	\$ 11,687,888
Additions	85,762
Disposals	(53,962)
Transfers to assets used by the Group	(2,202,678)
Reclassification	2,592
Effects of foreign currency exchange differences	<u>648,907</u>
Balance at December 31, 2022	<u>\$ 10,168,509</u>

(Continued)



Ship

Accumulated depreciation and impairment

Balance at January 1, 2022	\$ 3,531,970
Disposals	(53,962)
Transfers to assets used by the Group	(364,643)
Depreciation expenses	468,519
Effects of foreign currency exchange differences	<u>292,447</u>
Balance at December 31, 2022	<u>\$ 3,874,331</u>
Balance at December 31, 2022, net value	<u>\$ 6,294,178</u> (Concluded)

The maturity analysis of lease payments receivable under operating lease payments was as follows:

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Year 1	\$ 879,515	\$ 1,032,307
Year 2	9,568	1,844
Year 3 onwards	<u>-</u>	<u>-</u>
	<u>\$ 889,083</u>	<u>\$ 1,034,151</u>

At the end of the lease terms of ships under operating leases, the Group assessed the demand for voyage line deployment to determine whether they should be reclassified to freehold or should be adjusted based on the market rent to continue leasing to reduce the risk of the residual assets of the lease assets.

In addition to fixed lease payments, the lease contracts also indicate that the leases should make variable payments which shall be determined daily at the Baltic Dry Index average daily rent. The rate was 95%-111% as of December 31, 2023 and 2022.

The above items of property, plant and equipment leased under operating leases are depreciated on a straight-line basis over their estimated useful lives as follows:

Ships	20-25 years
Dry dock	2.5-5 years

The dry dock is a significant component of ships.

Property, plant and equipment leased under operating leases and pledged as collateral for bank borrowings are set out in Note 33.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2023	2022
<u>Carrying amount</u>		
Land	\$ 25,388	\$ 34,361
Buildings	1,657,439	1,799,999
Container and chassis	4,481,720	5,371,965
Ships	49,813,507	66,070,753
Miscellaneous equipment	<u>66,600</u>	<u>85,397</u>
	<u>\$ 56,044,654</u>	<u>\$ 73,362,475</u>
	For the Year Ended December 31	
	2023	2022
Additions to right-of-use assets	<u>\$ 7,889,107</u>	<u>\$ 23,162,595</u>
Depreciation charge for right-of-use assets		
Land	\$ 8,973	\$ 8,928
Buildings	509,296	473,453
Container and chassis	890,245	796,170
Ships	11,519,731	11,604,268
Miscellaneous equipment	<u>42,968</u>	<u>40,254</u>
	<u>\$ 12,971,203</u>	<u>\$ 12,923,073</u>
Income from the subleasing of right-of-use assets (presented in operating revenue and other income)	<u>\$ 438,596</u>	<u>\$ 890,322</u>

Foreseeing the recoverable in bulk shipping market price in 2023, the Group expected the future cash flows from right-of-use assets of bulk shipping department to increase. Therefore, the recoverable amount will be higher than the carrying amount after recognizing an impairment loss. The review led to the recognition of an impairment reversal gain of \$17,096 thousand which was recognized as a reduction of operating costs for the year ended December 31, 2023. The Group determined the recoverable amounts of the relevant right-of-assets on the basis of their value in use. The range of discount rate used in measuring the value in use was 7.83% per annum in 2023.

Foreseeing the decline in bulk shipping market price in 2022, the Group expected the future cash flows from right-of-use assets of bulk shipping department to decrease. Therefore, the recoverable amount will be lower than the carrying amount. The review led to the recognition of an impairment loss of \$98,036 thousand which was recognized as operating costs for the year ended December 31, 2022. The Group determined the recoverable amounts of the relevant right-of-assets on the basis of their value in use. The range of discount rate used in measuring the value in use was 7.79%-8.57% per annum in 2022.

Refer to Note 11 for information on subleasing of right-of-use assets in 2022.



b. Lease liabilities

	December 31	
	2023	2022
Carrying amount		
Current	<u>\$ 4,666,192</u>	<u>\$ 5,157,412</u>
Non-current	<u>\$ 24,445,367</u>	<u>\$ 28,824,524</u>
Lease liabilities designated as hedging (presented in financial liabilities for hedging)		
Current	<u>\$ 10,380,140</u>	<u>\$ 8,371,948</u>
Non-current	<u>\$ 21,401,129</u>	<u>\$ 36,816,306</u>

Financial liabilities designated as hedging

The Group designated certain USD-denominated lease liabilities as hedging instruments to hedge future volatility of USD-denominated operating revenue, and the accounting treatment is applied to cash flow hedges. The information on the contracts is summarized as follow:

	Maturity Period	Account	Carrying Amount
December 31, 2023	2024/01/09-2031/01/31	Financial liabilities for hedging	<u>\$ 31,781,269</u>
December 31, 2022	2027/04/30-2031/01/31	Financial liabilities for hedging	<u>\$ 45,188,254</u>

Impact on comprehensive income (loss):

	Recognized in Other Comprehensive Income	Amount Reclassified to Profit or Loss
For the year ended December 31, 2023	<u>\$ (232,803)</u>	<u>\$ 189,906</u>
For the year ended December 31, 2022	<u>\$ (4,166,722)</u>	<u>\$ (238,825)</u>

The range of discount rate for lease liabilities (including USD-denominated lease contracts designated as hedge instruments) was as follows:

	December 31	
	2023	2022
Land	1.12%-1.49%	1.12%-1.49%
Buildings	0.89%-10.00%	0.89%-10.00%
Container and chassis	0.43%-2.16%	0.18%-2.16%
Ships	0.45%-7.65%	0.09%-7.24%
Miscellaneous equipment	0.84%-8.64%	0.84%-8.64%

c. Material leasing activities and terms

Many of the ship leases across the Group contain extension options, some of them also contain purchase options. These terms are used to maximize operational flexibility in terms of managing contracts. When the rents are lower than the market price of lease market, the Group will extend the lease term; when the purchase option prices are better than the market price, the Group will consider if the purchase options are exercised or not. These terms are not reflected in measuring lease liabilities in many cases because the options are not reasonably certain to be exercised. The table below summarizes potential future rental payments relating to periods following the exercise dates of extension and purchase options.

Containership Department	Lease Liabilities Recognized (Discounted)	Potential Future Lease Payments and Purchase Option Not Included in Lease Liabilities (Discounted)	Historical Rate of Exercise Extension and Purchase Options
<u>December 31, 2023</u>			
Ships	\$ 32,094,109	\$ 10,283,805	31.07%
<u>December 31, 2022</u>			
Ships	\$ 46,347,185	\$ 18,762,939	31.59%

The Group's board of directors resolved in June 2023 to buy back 3 chartered-in ships with extension and purchase options to replace current lease contracts. The ship purchase contracts had been signed in July 2023 with a total price of US\$302,000 thousand, which had been fully delivered and settled. And the ships had been transferred to property, plant and equipment. The Group's board of directors resolved in November 2023 to buy back 2 chartered-in ships again with extension and purchase options to replace current lease contracts. The ship purchase contracts had been signed in November 2023 with a total price of US\$199,000 thousand, which had been fully delivered and settled in December 2023 and January 2024, respectively. And the ships had been transferred to property, plant and equipment.

For the purpose of managing the storage, reforming, processing, transfer and distribution of goods, YMTC collaborated with the Port of Kaohsiung, Taiwan International Ports Corporation, Ltd. on the construction and operation of the First and Second Logistics Centers of the Kaohsiung Third Container Center. YMTC is entitled to the use of the First and Second Logistics Centers for 30 years and 28 years and 9 months, respectively, based on the initial investment made by YMTC. The Centers are amortized over the period in use. Furthermore, in accordance with the requirements, YMTC should pay land-use fees and administration fees for every month of the lease term (based on the actual volume of cargo stevedored). Administration fees depend on the lowest guaranteed volumes for each respective logistics center are 1 million and 0.85 million tons. If YMTC is unable to reach the lowest guaranteed volumes, it should calculate the payment for the administration fees based on the volumes of 1 million and 0.85 million tons, respectively, and the administration fees will be adjusted according to the annual Wholesale Price Index in Taiwan.



d. Subleases

In addition to the sublease transactions described in Note 11, the other sublease transactions are set out below.

Sublease of right-of-use assets

The Group subleases its right-of-use assets for property, plant and equipment under operating leases with lease terms of 1 to 2 years. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The leases do not have bargain purchase options to acquire the assets at the expiry of the lease periods.

In addition to fixed lease payments, the lease contracts also indicate that the leases should make variable payments which shall be determined daily at the Baltic Dry Index average daily rent. The rate was 95%-111% as of December 31, 2023 and 2022.

The maturity analysis of lease payments receivable under operating subleases was as follows:

	December 31	
	2023	2022
Year 1	\$ 142,744	\$ 578,813
Year 2	130,907	366
Year 3 onwards	<u>-</u>	<u>-</u>
	<u>\$ 273,651</u>	<u>\$ 579,179</u>

e. Other lease information

	For the Year Ended December 31	
	2023	2022
Expenses relating to short-term leases	<u>\$ 266,202</u>	<u>\$ 1,172,620</u>
Expenses relating to low-value asset leases	<u>\$ 2,826,811</u>	<u>\$ 3,225,571</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 264</u>	<u>\$ (247,941)</u>
Expenses relating to service cost payments not included in the measurement of lease liabilities	<u>\$ 4,260,451</u>	<u>\$ 4,161,632</u>
Total cash outflow for leases	<u>\$ (35,721,081)</u>	<u>\$ (23,092,489)</u>

The Group has elected to apply the recognition exemption of short-term leases and low-value asset leases and thus, did not recognize right-of-use assets and lease liabilities for these leases.

The amounts of lease commitments for short-term leases and low-value asset lease for which the recognition exemption is applied were \$6,736,427 thousand and \$3,590,682 thousand as of December 31, 2023 and 2022, respectively.

The amounts of lease commitments for future service cost which was recognized as non-lease components of contracts were \$17,276,754 thousand and \$24,671,562 thousand as of December 31, 2023 and 2022, respectively.

17. INVESTMENT PROPERTIES

	Completed Investment Property
Balance at January 1, 2022	\$ 7,083,726
Transfers to property, plant and equipment	(89,658)
Gain on change in fair value of investment properties	<u>152,739</u>
Balance at December 31, 2022	7,146,807
Gain on change in fair value of investment properties	<u>73,325</u>
Balance at December 31, 2023	<u>\$ 7,220,132</u>

The Group's properties located in Zhongzheng District, Taipei City were offered to Chunghwa Post Co., Ltd. for construction of Zhongnan Post Office. The Group needs to obtain approval from Chunghwa Post Co., Ltd. and Ministry of Transportation and Communication for reclaiming the property in the future. The Group had negotiated with Chunghwa Post Co., Ltd. on the value of the property that would be ceded, which was \$449,368 thousand. The two parties had agreed to proceed in accordance with approved procedures. In February 2022, the two parties completed negotiations and signed an agreement to implement related matters such as the allocation and the return of the property.

The investment properties are leased out for 1 to 10 years. All lease contracts contain market review clauses in the event that the lessees exercise their option to extend. The lessees do not have a bargain purchase option to acquire the investment property at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating lease of investment properties at December 31, 2023 and 2022 was as follows:

	December 31	
	2023	2022
Year 1	\$ 65,482	\$ 71,684
Year 2	49,322	54,643
Year 3	29,687	39,549
Year 4	8,037	23,474
Year 5	3,852	2,759
Year 6 onwards	<u>1,371</u>	<u>2,286</u>
	<u>\$ 157,751</u>	<u>\$ 194,395</u>

To reduce the residual asset risk related to investment properties at the end of the relevant lease, the lease contract includes lessee's use limitation, guarantee deposit, punishment of breaching contracts, and responsibilities of maintenance, and the Group follows its general risk management strategy.

The fair values of investment properties measured on a recurring basis were as follows:

	December 31	
	2023	2022
Independent valuation	<u>\$ 7,220,132</u>	<u>\$ 7,146,807</u>



As of December 31, 2023, the fair value was based on the valuations carried out on March 1, 2024, by independent qualified professional valuers, Mr. Hong-Kai Zhang, Ms. Yu-Fen Yeh, Mr. Yi-Zhi Zhang, Mr. Shi-Yu Yeh and Mr. Cheng-Yeh Wu, certified real estate appraisers in the ROC and real estate appraisal firm from Savills (Taiwan) Limited and Mr. Zhi-Hau Wu, certified real estate appraisers in the ROC and real estate appraisal firm from China Credit Information Service Limited.

As of December 31, 2022, the fair value was based on the valuations carried out on January 13, 2023, by independent qualified professional valuers, Mr. Zhi-Hau Wu, Mr. Wei-Ru Li and Mr. Zhi-Jia Zhang, certified real estate appraisers in the ROC and real estate appraisal firm from China Credit Information Service Limited.

The movements in the fair value of investment properties within Level 3 of the hierarchy were as follows:

	Keelung	Taipei	Kaohsiung	Total
Balance at January 1, 2022	\$ 382,530	\$ 6,010,446	\$ 690,750	\$ 7,083,726
Recognized in profit or loss (gain (loss) from the change in fair value of investment properties)	(5,599)	126,993	31,345	152,739
Transfers to property, plant and equipment	<u>(89,658)</u>	<u>-</u>	<u>-</u>	<u>(89,658)</u>
Balance at December 31, 2022	287,273	6,137,439	722,095	7,146,807
Recognized in profit or loss (gain (loss) from the change in fair value of investment properties)	<u>(6,634)</u>	<u>71,460</u>	<u>8,499</u>	<u>73,325</u>
Balance at December 31, 2023	<u>\$ 280,639</u>	<u>\$ 6,208,899</u>	<u>\$ 730,594</u>	<u>\$ 7,220,132</u>

The fair value of investment properties, except for undeveloped land, is measured using the income approach. The significant assumptions used were stated below. An increase in estimated future net cash inflows or a decrease in discount rates would result in an increase in the fair value.

	December 31	
	2023	2022
Expected future cash inflows	\$ 6,022,742	\$ 5,735,886
Expected future cash outflows	<u>(368,431)</u>	<u>(341,489)</u>
Expected future cash inflows, net	<u>\$ 5,654,311</u>	<u>\$ 5,394,397</u>
Discount rates	3.345%-3.845%	2.250%-4.145%

The market rentals in the area where the investment property is located were between \$0.5-\$2.5 thousand and \$0.4-\$2.5 thousand per ping (35.59 square feet) in 2023 and 2022, respectively. The market rentals for comparable properties were between \$0.4-\$2.2 thousand and \$0.4-\$3.0 thousand per ping (35.59 square feet) in 2023 and 2022, respectively.

The expected future cash inflows generated by investment property included rental income, interest income on rental deposits and disposal value. The rental income was extrapolated using the Group's current rental rate, taking into account the annual rental growth rate; the income analysis covers a 2-year to 10-year period, the interest income on rental deposits was extrapolated using the average deposit interest rate of the top five banks announced by the Central Bank of the Republic of China for a year; the disposal value was determined using the direct capitalization method under the income approach. The expected future cash outflows incurred by investment property included expenditure such as land value taxes, house taxes, insurance premium, and maintenance costs. The expenditure was extrapolated on the basis of the current level of expenditure, taking into account the future adjustment to the government-announced land value, the tax rate promulgated under the House Tax Act.

The discount rate was determined using the interest rate for 2-year time deposits as posted by Chunghwa Post Co., Ltd., plus 0.75%, and any asset-specific risk premiums of 1.00%-1.50% and 0.03%-2.30% in 2023 and 2022, respectively.

The fair value of undeveloped land located in area Keelung, Taipei, and Kaohsiung was measured by land development analysis. The increase in estimated total sale price, the increase in rate of return, or the decrease in overall capital interest rate would result in increase in the fair value. The significant assumptions used were as follows:

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Estimated total sales price	\$ <u>7,929,902</u>	\$ <u>8,260,366</u>
Rate of return	13%-20%	12%-20%
Overall capital interest rate	1.89%-8.05%	1.31%-4.58%

The rate of returns was determined by reference to the annual profit rate and construction period of the similar product constructed by competitors. Overall capitalization rate referred to current average benchmark interest rate and deposit interest rate of the top five banks, and to the proportion of equity funds and borrowed funds. The cost of the equity funds and borrowed funds is determined by the deposit and benchmark interest rate, respectively.

The total sale price is estimated on the basis of the most effective use of land or property available for sale after development is completed, taking into account the related regulations, domestic macroeconomic prospects, local land use, and market rates.

All of the Group's investment property was held under freehold interests.

18. BORROWINGS

a. Short-term borrowings

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Unsecured borrowings</u>		
Line of credit borrowings	\$ 1,405,000	\$ 1,800,000
Loans from related parties (Note 32)	<u>550,000</u>	<u>630,000</u>
	<u>\$ 1,955,000</u>	<u>\$ 2,430,000</u>



- 1) The range of weighted average effective interest rate on credit borrowings was 2.01%-2.05% and 1.83%-2.17% per annum as of December 31, 2023 and 2022, respectively.
- 2) Loans from related parties of the Group were the amounts repayable to government-related entities. Interest rates were 1.98%-1.99% and 1.70%-2.11% per annum as of December 31, 2023 and 2022, respectively.

b. Short-term bills payable

	December 31	
	2023	2022
Commercial paper	\$ 600,000	\$ 600,000
Less: Unamortized discount on bills payable	<u>638</u>	<u>307</u>
	<u>599,362</u>	<u>599,693</u>
Loans from related parties (Note 32)	500,000	500,000
Less: Unamortized discount on bills payable	<u>1,005</u>	<u>1,145</u>
	<u>498,995</u>	<u>498,855</u>
	<u>\$ 1,098,357</u>	<u>\$ 1,098,548</u>

Interest rates of the outstanding short-term bills payable were 2.04%-2.05% and 1.97%-2.02% per annum as of December 31, 2023 and 2022, respectively.

Interest rates of the outstanding related parties' short-term bills payable were 2.04% per annum as of December 31, 2023 and 2022.

c. Long-term borrowings

	December 31	
	2023	2022
<u>Secured borrowings (Note 33)</u>		
Secured bank loans	\$ -	\$ 7,149
Loans from related parties (Note 32)	<u>92,200</u>	<u>364,672</u>
	<u>92,200</u>	<u>371,821</u>
<u>Unsecured borrowings</u>		
Line of credit borrowings	180,000	18,645
Loans from related parties (Note 32)	<u>120,000</u>	<u>-</u>
	<u>300,000</u>	<u>18,645</u>
	392,200	390,466
Less: Current portion	<u>103,723</u>	<u>85,396</u>
Long-term borrowings	<u>\$ 288,477</u>	<u>\$ 305,070</u>

Bank loans are repayable in installments at varying amounts or fully repaid at maturity in New Taiwan dollars, U.S. dollars, and MYR. The Group's loan features and terms are as follows:

	December 31	
	2023	2022
<u>NT\$</u>		
Amount	\$ 392,200	\$ 364,672
Interest rate	1.98%-2.04%	1.85%-1.91%
Contract term	2020/02/27- 2026/06/07	2020/02/27- 2031/03/12
<u>US\$</u>		
Foreign currency amount	-	600
New Taiwan dollar amount	\$ -	\$ 18,645
Interest rate	-	7.73%
Contract term	-	2019/11/21- 2024/11/21
<u>MYR</u>		
Foreign currency amount	-	1,023
New Taiwan dollar amount	\$ -	\$ 7,149
Interest rate	-	4.25%
Contract term	-	2019/08/26- 2034/04/01

Secured borrowings

1) Secured bank loans

The secured bank loans of the Group will be repaid in MYR. The loans were fully repaid in advance on October 25, 2023. Interest rate was 4.25% on December 31, 2022. The Group's buildings are pledged as collaterals for the secured loans.

2) Loans from related parties

The Group's loans from related parties are borrowings repaid in New Taiwan dollars from government-related entities. The loans are repayable in installment at varying amounts before February 27, 2025. Interest rates were 1.98% and 1.85%-1.91% on December 31, 2023 and 2022, respectively. The Group's ships are pledged as collaterals for the secured loans.

Unsecured borrowings

1) Line of credit borrowings

The Group's unsecured bank loans will be repaid in New Taiwan dollars and U.S. dollars in installments at very amounts or repaid in one-lump sum payment at maturity as the borrowing terms. The loans are expected to be fully repaid before January 4, 2025. Interest rates were 2.03% and 7.73% on December 31, 2023 and 2022, respectively.



2) Loans from related parties

The Group's unsecured loans from related parties are borrowings repaid in New Taiwan dollars from government-related entities, and will be repaid in installments as the borrowing terms. The loans are expected to be fully repaid before June 7, 2026. Interest rate was 2.04% on December 31, 2023.

19. BONDS PAYABLE

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Secured domestic bonds	\$ 8,354,379	\$ 10,826,188
Less: Current portion	<u>2,475,983</u>	<u>2,474,968</u>
	<u>\$ 5,878,396</u>	<u>\$ 8,351,220</u>

Secured domestic bonds

YMTC issued five-year secured domestic bonds with an aggregate par value of \$5,000,000 thousand on November 28, 2019 (the November 2019 Bonds).

The bond features and terms are as follows:

Bonds issued in November 2019:	Type A - aggregate par value: \$1,000,000 thousand; repayments: 50% - November 28, 2023 and 50% - November 28, 2024, an annual simple interest rate of 0.74%.
	Type B - aggregate par value: \$1,500,000 thousand; repayments: 50% - November 28, 2023 and 50% - November 28, 2024, an annual simple interest rate of 0.74%.
	Type C - aggregate par value: \$1,000,000 thousand; repayments: 50% - November 28, 2023 and 50% - November 28, 2024, an annual simple interest rate of 0.74%.
	Type D - aggregate par value: \$1,000,000 thousand; repayments: 50% - November 28, 2023 and 50% - November 28, 2024, an annual simple interest rate of 0.74%.
	Type E - aggregate par value: \$500,000 thousand; repayments: 50% - November 28, 2023 and 50% - November 28, 2024, an annual simple interest rate of 0.74%.

YMTC issued five-year to seven-year secured domestic bonds with an aggregate par value of \$5,900,000 thousand on April 28, 2021 (the April 2021 bonds).

The bond features and terms are as follows:

Bonds issued in April 2021:	Type A - aggregate par value: \$1,000,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.
	Type B - aggregate par value: \$1,000,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.
	Type C - aggregate par value: \$500,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.
	Type D - aggregate par value: \$500,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.
	Type E - aggregate par value: \$500,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.
	Type F - aggregate par value: \$500,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.
	Type G - aggregate par value: \$500,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.
	Type H - aggregate par value: \$400,000 thousand; repayments: 50% - April 28, 2027 and 50% - April 28, 2028, an annual simple interest rate of 0.49%.
	Type I - aggregate par value: \$1,000,000 thousand; repayments: 50% - April 28, 2027 and 50% - April 28, 2028, an annual simple interest rate of 0.49%.

The bonds are guaranteed by banks, of which \$5,000,000 thousand and \$4,400,000 thousand, respectively are guaranteed by government-related banks.

20. TRADE PAYABLES

	<u>December 31</u>	
	2023	2022
<u>Trade payables - operating</u>		
Trade payables - non-related parties	\$ 14,101,232	\$ 15,571,592
Trade payables - related parties	<u>676,812</u>	<u>347,105</u>
	<u>\$ 14,778,044</u>	<u>\$ 15,918,697</u>
Payable for cost of voyage in sailing	\$ 9,861,791	\$ 11,483,569
Payable for fuel	2,171,958	2,401,576
Payable for space hire	2,482,442	1,663,481
Payable for freight expenses	181,440	281,428
Payable for stevedoring expenses	75,607	83,752
Payable for management expenses	<u>4,806</u>	<u>4,891</u>
	<u>\$ 14,778,044</u>	<u>\$ 15,918,697</u>



21. OTHER PAYABLES

	December 31	
	2023	2022
Payable for container lease	\$ 436,639	\$ 634,911
Payable for salary and bonus	2,525,469	5,430,781
Payable for interest expenses	22,486	31,086
Payable for equipment M&R expenses	201,782	214,009
Payable for annual leave	135,258	145,398
Payable for vessel charter hire	118,665	66,049
Payable for equipment	803,625	83,459
Others	<u>1,706,156</u>	<u>2,046,051</u>
	<u>\$ 5,950,080</u>	<u>\$ 8,651,744</u>

22. PROVISIONS

	December 31	
	2023	2022
Restoration cost for leased assets (a)	\$ 4,955	\$ 3,559
Others (b)	<u>36,018</u>	<u>-</u>
	<u>\$ 40,973</u>	<u>\$ 3,559</u>
Current	\$ 36,018	\$ -
Non-current	<u>4,955</u>	<u>3,559</u>
	<u>\$ 40,973</u>	<u>\$ 3,559</u>

- a. When returning right-of-use assets, lessees have legal or construction obligation to restore right-of-use assets to original status. Lessees need to accrue restoration costs provision over the lease term on a straight-line basis.
- b. Other provisions have been evaluated conservatively, under relevant regulations possible violation decision with a total of \$36,018 thousand were based on the advice of lawyers.

23. RETIREMENT BENEFIT PLANS

- a. Defined contribution plans

YMTC and domestic subsidiaries' pension plans under the Labor Pension Act (LPA) for onshore employees and shipping crews are defined contribution schemes. Starting on July 1, 2005, the Group makes monthly contributions to the employees' individual pension accounts in the Bureau of Labor Insurance at 6% of employees' salaries every month.

For domestic crews providing service in foreign ships, pension plan is based on hiring contracts, the Group makes monthly contributions to the employees' account together with salaries.

Some consolidated subsidiaries, which are mainly for investment holding purpose, have either very few or no staff. These subsidiaries have no pension plans and thus do not contribute to pension funds and do not recognize pension costs.

Except for these companies, the consolidated subsidiaries all contribute to pension funds and recognize pension costs based on local government regulations.

b. Defined benefit plans

1) Pension plan of the Group

YMTC has adopted three pension plans since it was privatized on February 15, 1996. Before YMTC's privatization, qualified employees received pension payments for service years before the start of the privatization. The service years of the employees who received pre-privatization pension payments and continued to work in YMTC after privatization will be excluded from the calculation of pension payments after privatization. These plans are as follows:

The pension plan under the Labor Standards Law for onshore employees is a defined benefit plan. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contributed amounts equal to 3% of salaries every month. The pension fund is administered by the pension fund monitoring committee and deposited in the committee's name in the Bank of Taiwan. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is insufficient to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the Bureau); the Group has no right to influence the investment policy and strategy.

Pension plan under the Maritime Labor Law for shipping crews is a defined benefit plan. Before the adoption of the ROC Maritime Labor Law, benefits were based on the amounts stated in the crew's hiring contracts. Under the Law, benefits are based on service years and average basic salary of the six months before retirement.

Pension plan for retired employees of China Merchants Steamship Navigation Company (CMSNC) provides benefits based on service years and level of monthly basic salary at the time of retirement.

Because of spin-off, the service years of the employees transferred to Kuang Ming Shipping Corp. are continued from the service years in YMTC. Benefits are based on the proportion of service years between YMTC and Kuang Ming Shipping Corp. and are paid by individual pension accounts.

2) Pension plan of subsidiaries

Domestic subsidiaries' pension plan under the Labor Standards Act is a defined benefit scheme. Benefits are based on service years and average basic salary of the six months before retirement. The Subsidiaries contribute certain percentage of total salaries and wages every month, to each pension fund, which is administered by each pension plan committee and deposited in each committee's name in the Bank of Taiwan.

The Yangming (Japan) Co., Ltd.'s pension plan is a defined benefit plan. Pension benefits are calculated on the basis of the length of service and the basic salary of the month before retirement. Employees can accumulate two base points for every service year within the first 12 years and one base point for every service year thereafter. Employees can accumulate up to 40 base points.

The PT Yang Ming Shipping Indonesia and the PT. YES Logistics Indonesia's pension plan is a defined benefit plan. Pension benefits are calculated on the basis of the length of service and the monthly salary at the time of approved retirement. Pension benefits are divided into two parts: One part is severance benefit. Employees can accumulate one base point for every service year, and employees can accumulate up to 9 base points. Another part is service payment. Employees can accumulate two base points every three years, and employees can accumulate up to 10 base points.



All Oceans Transportation Inc., Yang Ming (UK) Ltd and Yang Ming (Singapore) Pte. Ltd.'s pension plan under the Maritime Labor Law for shipping crews are defined benefit plans. Before the adoption of the ROC Maritime Labor Law, benefits were based on the amounts stated in the crews hiring contracts. Under the Law, benefits are based on service years and average monthly salary of the six months before retirement.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31	
	2023	2022
Present value of defined benefit obligation	\$ 3,157,854	\$ 3,345,960
Fair value of plan assets	<u>(1,395,401)</u>	<u>(1,374,893)</u>
Net defined benefit liabilities	<u>\$ 1,762,453</u>	<u>\$ 1,971,067</u>

Movements in net defined benefit liabilities (assets) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2022	<u>\$ 3,746,590</u>	<u>\$ (918,244)</u>	<u>\$ 2,828,346</u>
Service cost			
Current service cost	82,419	-	82,419
Past service cost	292	-	292
Net interest expense (income)	<u>29,204</u>	<u>(7,421)</u>	<u>21,783</u>
Recognized in profit or loss	<u>111,915</u>	<u>(7,421)</u>	<u>104,494</u>
Remeasurement			
Return on plan assets	-	(72,223)	(72,223)
Actuarial gain - changes in financial assumptions	(187,646)	-	(187,646)
Actuarial gain - experience adjustments	<u>(74,092)</u>	<u>-</u>	<u>(74,092)</u>
Recognized in other comprehensive income	<u>(261,738)</u>	<u>(72,223)</u>	<u>(333,961)</u>
Contributions from the employer	-	(490,598)	(490,598)
Benefits paid	(247,520)	113,593	(133,927)
Exchange differences on foreign plans	<u>(3,287)</u>	<u>-</u>	<u>(3,287)</u>
Balance at December 31, 2022	<u>3,345,960</u>	<u>(1,374,893)</u>	<u>1,971,067</u>
Service cost			
Current service cost	70,674	-	70,674
Net interest expense (income)	<u>46,152</u>	<u>(19,565)</u>	<u>26,587</u>
Recognized in profit or loss	<u>116,826</u>	<u>(19,565)</u>	<u>97,261</u>
Remeasurement			
Return on plan assets	-	(9,658)	(9,658)
Actuarial loss - changes in financial assumptions	68,591	-	68,591
Actuarial gain - experience adjustments	<u>(29,366)</u>	<u>-</u>	<u>(29,366)</u>
Recognized in other comprehensive (income) loss	<u>39,225</u>	<u>(9,658)</u>	<u>29,567</u>
Contributions from the employer	-	(179,076)	(179,076)

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Benefits paid	\$ (337,624)	\$ 187,791	\$ (149,833)
Exchange differences on foreign plans	<u>(6,533)</u>	<u>-</u>	<u>(6,533)</u>
Balance at December 31, 2023	<u>\$ 3,157,854</u>	<u>\$ (1,395,401)</u>	<u>\$ 1,762,453</u> (Concluded)

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Year Ended December 31	
	2023	2022
Current service cost	\$ 70,674	\$ 82,419
Past service cost	-	292
Net interest expense	<u>26,587</u>	<u>21,783</u>
	<u>\$ 97,261</u>	<u>\$ 104,494</u>
An analysis by function		
Operating costs	\$ 44,210	\$ 55,188
Selling and marketing expenses	41,365	40,759
General and administrative expenses	<u>11,686</u>	<u>8,547</u>
	<u>\$ 97,261</u>	<u>\$ 104,494</u>

Through the defined benefit plans under the Labor Standards Act, the Group is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations are as follows:

	December 31	
	2023	2022
Discount rates	1.25%-6.90%	1.30%-7.23%
Expected rates of salary increase	2.00%-7.00%	1.50%-6.00%



If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2023	2022
Discount rates		
0.25%-1.00% increase	<u>\$ (138,888)</u>	<u>\$ (142,254)</u>
0.25%-1.00% decrease	<u>\$ 149,104</u>	<u>\$ 158,530</u>
Expected rates of salary increase		
0.25%-1.00% increase	<u>\$ 148,751</u>	<u>\$ 156,216</u>
0.25%-1.00% decrease	<u>\$ (138,796)</u>	<u>\$ (141,591)</u>

The above sensitivity analysis may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2023	2022
Expected contributions to the plans for the next year	<u>\$ 78,356</u>	<u>\$ 177,681</u>
Average duration of the defined benefit obligation	5.1-19.44 years	5.6-19.57 years

- c. In an effort to encourage employee retirement, improve human resource structure and enhance vitality within organization, the Group calculates favorable retirement benefits according to the retirement policies. The Group recognized pension cost of \$50,713 thousand and \$33,670 thousand for the years ended December 31, 2023 and 2022, respectively.

24. EQUITY

- a. Share capital

	December 31	
	2023	2022
Numbers of shares authorized (in thousands)	<u>4,500,000</u>	<u>4,500,000</u>
Shares authorized	<u>\$ 45,000,000</u>	<u>\$ 45,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>3,492,104</u>	<u>3,492,104</u>
Shares issued	<u>\$ 34,921,043</u>	<u>\$ 34,921,043</u>

Fully paid ordinary shares, which have a par value at \$10, carry one vote per share and carry a right to dividends.

The board of directors resolved to convert the privately placed ordinary shares of 697,394 thousand into publicly placed shares on November 11, 2021. The above transaction was approved by the FSC on December 28, 2021 and was listed on January 3, 2022.

b. Capital surplus

	December 31	
	2023	2022
May be used to offset a deficit, distributed as <u>cash dividends, or transferred to share capital</u>		
Issuance of ordinary shares	<u>\$ 27,975,030</u>	<u>\$ 27,975,030</u>

Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company’s capital surplus and to once a year).

c. Retained earnings and dividends policy

The shareholders of the Company held their regular meeting on May 27, 2022 and in that meeting, resolved the amendments to the Company’s Articles of Incorporation (the “Articles”).

Under the dividend policy as set forth in the amended Articles, when Company makes profit in a fiscal year, at least 25% of the remaining profit should be distributed as dividends after the profit has been utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the expansion of transportation equipment and improvement of financial structure, and distributing dividends for preference shares. The Company’s board of directors should consider long-term financial plans, the change in the environment of the industry, capital expenditures, the working capital for operation and the shareholders’ interests as the basis for proposing a distribution plan, which should be resolved in the shareholders’ meeting. At least 20% of the amount declared as dividends for ordinary shares should be in the form of cash as opposed to stock.

Under the dividend policy as set forth in the Articles before the amendments, when the Company makes a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the expansion of transportation equipment and improvement of financial structure, and then any remaining profit together with any undistributed retained earnings, distributed at least 25%, shall be used by the Company’s board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders’ meeting for the distribution of dividends and of bonus of shareholders.

For the policies on the distribution of compensation of employees and remuneration of directors before and after amendment, refer to Note 26-h. compensation of employees and remuneration of directors.

Appropriation of earnings to legal reserve shall at least be made until the legal reserve equals the Company’s paid-in capital. The legal reserve may be used to offset a deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company’s paid-in capital, the excess may be transferred to capital or distributed in cash.

The shareholders of the Company held their regular meeting on May 27, 2022 and in that meeting, resolved the amendments to the Articles. The amendments explicitly stipulate that when a special reserve is appropriated for cumulative net debit balance reserves from the prior period and cumulative net increases in fair value measurement of investment properties from the prior period, the sum of net profit for the current period and items other than the net profit that are included directly in the unappropriated earnings for the current period is used if the prior unappropriated earnings are not sufficient. Before the Articles are amended, the special reserve is appropriated from the prior unappropriated earnings.



The appropriation of earnings for 2022 and 2021 approved in the shareholders' meeting on May 26, 2023 and May 27, 2022, respectively, were as follows:

	For the Year Ended December 31	
	2022	2021
Legal reserve	<u>\$ 18,084,869</u>	<u>\$ 16,740,972</u>
Special reserve	<u>\$ 275,542</u>	<u>\$ 2,218,403</u>
Cash dividends	<u>\$ 69,842,086</u>	<u>\$ 69,842,085</u>
Cash dividends per share (NT\$)	\$ 20	\$ 20

d. Special reserve

Special reserve should be appropriated for the amount equal to the net debit balance reserves. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and thereafter distributed.

On the initial application of fair value model to investment properties, the Company appropriated for a special reserve at the amount that were the same as the net increase arising from fair value measurement and transferred to retained earnings. Additional special reserve should be appropriated for subsequent net increase in fair value. The amount appropriated may be reversed to the extent that the cumulative net increases in fair value decrease or on the disposal of investment properties. If the Company offsets the deficit with special reserves before the reason for appropriating special reserves eliminated, the Company should compensate the special reserves before appropriating earnings.

e. Others equity items

1) Exchange differences on translation of the financial statements of foreign operations

	For the Year Ended December 31	
	2023	2022
Balance at January 1	<u>\$ 86,183</u>	<u>\$ (1,253,998)</u>
Recognized for the year		
Exchange differences on translation of the financial statements of foreign operations	(541,089)	1,561,193
Related income tax	<u>107,970</u>	<u>(221,012)</u>
Other comprehensive (loss) income recognized for the year	<u>(433,119)</u>	<u>1,340,181</u>
Balance at December 31	<u>\$ (346,936)</u>	<u>\$ 86,183</u>

2) Unrealized valuation gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ (685,376)	\$ (299,493)
Recognized for the year		
Unrealized (loss) gain		
Equity instruments	(14,945)	8,940
Share from associates and joint ventures accounted for using the equity method	<u>(43,279)</u>	<u>(402,563)</u>
Other comprehensive loss recognized for the year	<u>(58,224)</u>	<u>(393,623)</u>
Cumulative unrealized (loss) gain of equity instruments transferred to retained earnings due to disposal by associates	<u>(4,523)</u>	<u>7,740</u>
Balance at December 31	\$ (748,123)	\$ (685,376)

3) Gain (loss) on hedging instruments

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ 585,616	\$ 3,278,054
Recognized for the year		
Gain (loss) on changes in the fair value of hedging instrument		
Foreign currency risk - lease liabilities	(232,803)	(4,166,722)
Foreign currency risk - demand and time deposits	507,500	1,101,000
Related income tax	99,610	673,109
Reclassification adjustments		
Hedged items affects profit or loss		
Foreign currency risk - operating revenue	189,906	(238,825)
Hedged items no longer expected to occur		
Foreign currency risk - prepayments for equipment	(67,770)	-
Others	<u>-</u>	<u>(61,000)</u>
Other comprehensive income (loss) recognized for the year	<u>496,443</u>	<u>(2,692,438)</u>
Transferred to initial carrying amount of hedged items		
Foreign currency risk - prepayments for equipment	<u>(894,886)</u>	<u>-</u>
Balance at December 31	\$ 187,173	\$ 585,616



f. Non-controlling interests

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ 826,225	\$ 631,392
Share of profit for the year	303,518	423,627
Other comprehensive income (loss) during the year		
Exchange difference on translating the financial statements of foreign entities	(67,315)	(34,297)
Unrealized loss on financial assets at FVTOCI	(1)	(24)
Remeasurement of the defined benefit plans	496	4,275
Related income tax	4	(1,044)
Cash dividends distributed by subsidiaries	<u>(339,630)</u>	<u>(197,704)</u>
Balance at December 31	<u>\$ 723,297</u>	<u>\$ 826,225</u>

25. REVENUE

	For the Year Ended December 31	
	2023	2022
Revenue from contracts with customers		
Cargo revenue	\$ 122,587,507	\$ 347,689,942
Slottage revenue	3,193,068	6,300,160
Rental income		
Rental revenue on vessel	2,031,190	3,382,815
Other operating revenue	<u>12,811,948</u>	<u>18,526,957</u>
	<u>\$ 140,623,713</u>	<u>\$ 375,899,874</u>

a. Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Trade receivables (Note 10)	<u>\$ 6,364,945</u>	<u>\$ 10,638,133</u>	<u>\$ 22,054,984</u>
Contract assets			
Cargo revenue	\$ 1,570,867	\$ 1,876,839	\$ 5,533,228
Less: Allowance for impairment loss	<u>(10,151)</u>	<u>(23,376)</u>	<u>(67,894)</u>
Contract assets	<u>\$ 1,560,716</u>	<u>\$ 1,853,463</u>	<u>\$ 5,465,334</u>
Contract liabilities - current			
Advance on contract	<u>\$ 304,854</u>	<u>\$ 532,259</u>	<u>\$ 903,453</u>

The Group measures the loss allowance for contract assets at an amount equal to lifetime ECLs. The contract assets will be transferred to accounts receivable when the container shipping services have been completed, and the contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables can be applied to the contract assets (Note 10).

The movements of the loss allowance of contract assets were as follows:

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ 23,376	\$ 67,894
Less: Net remeasurement of loss allowance	(13,394)	(46,498)
Foreign exchange gains and losses	<u>169</u>	<u>1,980</u>
Balance at December 31	<u>\$ 10,151</u>	<u>\$ 23,376</u>

The changes in the balance of contract assets and contract liabilities primarily result from the timing difference between the Group's performance and the respective customer's payment.

b. Disaggregation of revenue

Revenue from contracts with customers mainly comes from the containership department. Refer to Note 37 for information about disaggregation of revenue.

26. NET PROFIT

a. Other operating income and expenses

	For the Year Ended December 31	
	2023	2022
Gain on disposal and retirement of property, plant and equipment	\$ 55,934	\$ 18,251
Reimbursement income	184,888	697,482
Reimbursement loss	(37,433)	-
Gain arising from the subleasing of right-of-use assets	<u>-</u>	<u>1,188,133</u>
	<u>\$ 203,389</u>	<u>\$ 1,903,866</u>

b. Interest income

	For the Year Ended December 31	
	2023	2022
Bank deposits (including USD-denominated demand and time deposits as hedging instruments)	\$ 12,053,275	\$ 3,929,158
Net investments in leases	5,084	12,552
Short-term bills	51,134	68,441
Corporate bonds	149,596	21,726
Others	<u>1,134</u>	<u>758</u>
	<u>\$ 12,260,223</u>	<u>\$ 4,032,635</u>



c. Other income

	For the Year Ended December 31	
	2023	2022
Rental income - operating leases	\$ 89,666	\$ 84,691
Dividends	<u>8,030</u>	<u>2,109</u>
	<u>\$ 97,696</u>	<u>\$ 86,800</u>

d. Other gains and losses

	For the Year Ended December 31	
	2023	2022
Net foreign exchange gains	\$ 2,236,787	\$ 11,571,671
Fair value changes of financial assets and financial liabilities		
Financial assets mandatorily classified as at FVTPL	54,719	(16,316)
Financial liabilities held for trading	-	(2,186)
Ineffective portion of hedges		
Cash flow hedges	67,770	-
(Loss) gain arising from lease modifications	(17,593)	3,621
Gain arising from the change in fair value of investment properties	73,325	152,739
Impairment loss recognized on associates (Note 14)	(6,957)	(1,935,456)
Others	<u>27,616</u>	<u>193,091</u>
	<u>\$ 2,435,667</u>	<u>\$ 9,967,164</u>

e. Finance costs

	For the Year Ended December 31	
	2023	2022
Interest on bank loans	\$ 74,496	\$ 78,408
Interest on lease liabilities (including USD-denominated lease contracts designated as hedging instruments)	2,266,371	2,074,918
Other interest expenses	<u>177,322</u>	<u>244,465</u>
	<u>\$ 2,518,189</u>	<u>\$ 2,397,791</u>

f. Depreciation and amortization

	For the Year Ended December 31	
	2023	2022
Right-of-use assets	\$ 12,971,203	\$ 12,923,073
Property, plant and equipment	7,478,937	7,087,674
Intangible assets	<u>77,773</u>	<u>66,984</u>
	<u>\$ 20,527,913</u>	<u>\$ 20,077,731</u>

(Continued)

	For the Year Ended December 31	
	2023	2022
An analysis of depreciation by function		
Operating costs	\$ 20,013,491	\$ 19,628,177
Operating expenses	<u>436,649</u>	<u>382,570</u>
	<u>\$ 20,450,140</u>	<u>\$ 20,010,747</u>
An analysis of amortization by function		
Operating costs	\$ 7,471	\$ 3,568
Operating expenses	<u>70,302</u>	<u>63,416</u>
	<u>\$ 77,773</u>	<u>\$ 66,984</u>

(Concluded)

g. Employee benefits expense

	For the Year Ended December 31	
	2023	2022
Post-employment benefits		
Defined contribution plans	\$ 323,568	\$ 306,130
Defined benefit plans (Note 23)	97,261	104,494
Termination benefits	50,713	33,670
Other employee benefits	<u>9,306,532</u>	<u>14,125,503</u>
Total employee benefits expense	<u>\$ 9,778,074</u>	<u>\$ 14,569,797</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 3,555,256	\$ 4,939,305
Operating expenses	<u>6,222,818</u>	<u>9,630,492</u>
	<u>\$ 9,778,074</u>	<u>\$ 14,569,797</u>

h. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at rates of 1%-5% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. However, if there were accumulated deficit, the Company should reserve offset amount in advance.

The compensation of employees and the remuneration of directors for the years ended December 31, 2023 and 2022, which were approved by the Company's board of directors on March 7, 2024 and March 9, 2023 are as follows:

Accrual rate

	For the Year Ended December 31	
	2023	2022
Compensation of employees	1%	1%
Remuneration of directors	0.1160%	0.0343%



Amount

	For the Year Ended December 31	
	2023	2022
	Cash	Cash
Compensation of employees	\$ 103,483	\$ 2,328,973
Remuneration of directors	\$ 12,000	\$ 80,000

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the annual financial statements for the years ended December 31, 2022 and 2021.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

27. INCOME TAXES

- a. Income tax expense recognized in profit or loss

Major components of income tax expense are as follow:

	For the Year Ended December 31	
	2023	2022
Current tax		
In respect of the current year	\$ 6,531,875	\$ 43,519,341
Income tax on unappropriated earnings	4,661,158	3,610,684
Adjustments for prior years	<u>(1,522,709)</u>	<u>(103,389)</u>
	<u>9,670,324</u>	<u>47,026,636</u>
Deferred tax		
In respect of the current year	(3,642,234)	5,578,509
Adjustments for prior years	<u>190,534</u>	<u>-</u>
	<u>(3,451,700)</u>	<u>5,578,509</u>
Income tax expense recognized in profit or loss	<u>\$ 6,218,624</u>	<u>\$ 52,605,145</u>

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2023	2022
Profit before tax	\$ 11,296,248	\$ 233,620,714
Income tax expense calculated at the statutory rate	\$ 2,602,981	\$ 48,350,569
Nondeductible expenses in determining taxable income	14,037	28,465
Tax-exempt income	(151,724)	110,905
Unrecognized loss carryforwards and deductible temporary differences	(36,476)	(143,752)
Offshore income tax	422,139	1,115,651
Income tax on unappropriated earnings	4,661,158	3,610,684
Adjustments for prior years' tax	(1,522,709)	(103,389)
Others	<u>229,218</u>	<u>(363,988)</u>
Income tax expense recognized in profit or loss	<u>\$ 6,218,624</u>	<u>\$ 52,605,145</u>

b. Income tax recognized in other comprehensive income (loss)

	For the Year Ended December 31	
	2023	2022
<u>Deferred tax</u>		
In respect of the current year		
Translation of foreign operations	\$ (108,091)	\$ 221,240
Remeasurement of defined benefit plans	(5,866)	66,407
Cash flow hedges	<u>(99,610)</u>	<u>(673,109)</u>
	<u>\$ (213,567)</u>	<u>\$ (385,462)</u>

c. Current tax assets and liabilities

	December 31	
	2023	2022
Current tax assets		
Tax refund receivable	\$ 1,531,249	\$ 32,977
Prepaid income tax	<u>47,708</u>	<u>77,566</u>
	<u>\$ 1,578,957</u>	<u>\$ 110,543</u>
Current tax liabilities		
Income tax payable	<u>\$ 9,783,057</u>	<u>\$ 29,771,775</u>



d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2023

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Exchange Differences	Closing Balance
Temporary differences					
Unrealized shipping fuel valuation losses	\$ -	\$ 24,292	\$ -	\$ -	\$ 24,292
Loss on investments accounted for using the equity method	32,751	13,306	-	(42)	46,015
Defined benefit plans	474,611	(93,015)	4,862	(7)	386,451
Unrealized loss on voyage in sailing	-	28,854	-	-	28,854
Payables for annual leave	22,808	(1,924)	-	-	20,884
Loss on hedge instruments	61,596	-	8,579	-	70,175
Exchange differences on translating the financial statements of foreign operations	148,011	-	104,777	-	252,788
Others	44,376	25,690	-	-	70,066
	<u>\$ 784,153</u>	<u>\$ (2,797)</u>	<u>\$ 118,218</u>	<u>\$ (49)</u>	<u>\$ 899,525</u>

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Exchange Differences	Closing Balance
Temporary differences					
Gain on investments accounted for using the equity method	\$ 8,584,724	\$ (3,618,686)	\$ -	\$ (786)	\$ 4,965,252
Defined benefit plans	12,129	(71)	(1,004)	(580)	10,474
Unrealized gain on financial instruments	5,019	474	-	-	5,493
Reserve for land value increment tax	669,271	24,766	-	-	694,037
Investment properties	187,225	22,234	-	-	209,459
Property, plant and equipment	57,048	(32,702)	-	(10)	24,336
Gain on hedge instruments	208,000	-	(91,031)	-	116,969
Exchange differences on translating the financial statements of foreign operations	6,272	-	(3,314)	-	2,958
Unrealized gain on foreign currency exchange	1,051,946	129,166	-	-	1,181,112
Others	6,211	20,322	-	(669)	25,864
	<u>\$ 10,787,845</u>	<u>\$ (3,454,497)</u>	<u>\$ (95,349)</u>	<u>\$ (2,045)</u>	<u>\$ 7,235,954</u>

For the year ended December 31, 2022

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Exchange Differences	Closing Balance
Tax losses	\$ 50,177	\$ (50,177)	\$ -	\$ -	\$ -
Temporary differences					
Loss on investments accounted for using the equity method	32,234	517	-	-	32,751
Defined benefit plans	590,826	(52,172)	(64,043)	-	474,611
Payables for annual leave	20,421	2,387	-	-	22,808
Loss on hedge instruments	-	-	61,596	-	61,596
Exchange differences on translating the financial statements of foreign operations	362,979	-	(214,968)	-	148,011
Unrealized loss on foreign currency exchange	194,591	(194,591)	-	-	-
Others	90,009	(45,633)	-	-	44,376
	<u>\$ 1,341,237</u>	<u>\$ (339,669)</u>	<u>\$ (217,415)</u>	<u>\$ -</u>	<u>\$ 784,153</u>

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Exchange Differences	Closing Balance
Temporary differences					
Gain on investments accounted for using the equity method	\$ 4,408,678	\$ 4,167,636	\$ -	\$ 8,410	\$ 8,584,724
Defined benefit plans	9,765	-	2,364	-	12,129
Unrealized gain on financial instruments	4,538	481	-	-	5,019
Reserve for land value increment tax	659,988	9,283	-	-	669,271
Investment properties	150,393	36,832	-	-	187,225
Property, plant and equipment	32,220	24,792	-	36	57,048
Gain on hedge instruments	819,513	-	(611,513)	-	208,000
Exchange differences on translating the financial statements of foreign operations	-	-	6,272	-	6,272
Unrealized gain on foreign currency exchange	50,177	1,001,769	-	-	1,051,946
Others	8,164	(1,953)	-	-	6,211
	<u>\$ 6,143,436</u>	<u>\$ 5,238,840</u>	<u>\$ (602,877)</u>	<u>\$ 8,446</u>	<u>\$ 10,787,845</u>

- e. Deductible temporary differences and unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2023	2022
Loss carryforwards		
Expire in 2023	\$ -	\$ 85,165
Expire in 2024	368,047	381,489
Expire in 2025	528,293	528,293
Expire in 2026	513,155	513,155
Expire in 2027	273,119	273,119
Expire in 2028	253,383	253,383
Expire in 2029	451,340	451,340
Expire in 2030	517,737	517,737
Expire in 2031	<u>7,932</u>	<u>7,932</u>
	<u>\$ 2,913,006</u>	<u>\$ 3,011,613</u>
Deductible temporary differences	<u>\$ 1,039,866</u>	<u>\$ 1,123,636</u>

- f. Information about unused loss carryforward

As of December 31, 2023, unused loss carryforwards comprised:

Unused Amount	Expiry Year
\$ 368,047	2024
528,293	2025
513,155	2026
273,119	2027
253,383	2028
451,340	2029
517,737	2030
<u>7,932</u>	2031
<u>\$ 2,913,006</u>	



g. Income tax assessments

<u>Company</u>	<u>Year</u>
Yang Ming Marine Transport Corporation	2021
Kuang Ming Shipping Corp.	2021
Honming Terminal & Stevedoring Corp.	2021
Jing Ming Transportation Co., Ltd.	2021
YES Logistics Corp.	2021

28. EARNINGS PER SHARE

Unit: NT\$ Per Share

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Basic earnings per share	<u>\$ 1.37</u>	<u>\$ 51.71</u>
Diluted earnings per share	<u>\$ 1.37</u>	<u>\$ 51.15</u>

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net Profit for the Year

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Earnings used in the computation of earnings per share	<u>\$ 4,774,106</u>	<u>\$ 180,591,942</u>

Weighted Average Number of Ordinary Shares Outstanding (In Thousands of Shares)

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Weighted average number of ordinary shares used in the computation of basic earnings per share	3,492,104	3,492,104
Effect of potentially dilutive ordinary shares:		
Compensation of employees	<u>3,188</u>	<u>38,732</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>3,495,292</u>	<u>3,530,836</u>

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

29. CASH FLOW INFORMATION

Changes in Liabilities Arising from Financing Activities

For the year ended December 31, 2023

	January 1, 2023	Cash Flows	Non-cash Changes		December 31, 2023
			New Leases	Others (Note)	
Short-term borrowings	\$ 2,430,000	\$ (475,000)	\$ -	\$ -	\$ 1,955,000
Short-term bills payable	1,098,548	-	-	(191)	1,098,357
Long-term borrowings	390,466	1,670	-	64	392,200
Bonds payable	10,826,188	(2,500,000)	-	28,191	8,354,379
Lease liabilities	79,170,190	(26,003,503)	7,889,107	(162,966)	60,892,828
Other non-current liabilities	<u>1,316,724</u>	<u>(102,177)</u>	<u>-</u>	<u>-</u>	<u>1,214,547</u>
	<u>\$ 95,232,116</u>	<u>\$ (29,079,010)</u>	<u>\$ 7,889,107</u>	<u>\$ (134,902)</u>	<u>\$ 73,907,311</u>

For the year ended December 31, 2022

	January 1, 2022	Cash Flows	Non-cash Changes		December 31, 2022
			New Leases	Others (Note)	
Short-term borrowings	\$ 1,393,760	\$ 1,036,240	\$ -	\$ -	\$ 2,430,000
Short-term bills payable	436,131	662,500	-	(83)	1,098,548
Long-term borrowings	6,469,309	(6,273,209)	-	194,366	390,466
Bonds payable	10,822,014	-	-	4,174	10,826,188
Lease liabilities	61,963,684	(12,805,062)	23,162,595	6,848,973	79,170,190
Other non-current liabilities	<u>836,076</u>	<u>465,648</u>	<u>-</u>	<u>15,000</u>	<u>1,316,724</u>
	<u>\$ 81,920,974</u>	<u>\$ (16,913,883)</u>	<u>\$ 23,162,595</u>	<u>\$ 7,062,430</u>	<u>\$ 95,232,116</u>

Note: Other changes include lease modification, interest amortization of short-term bills payable, long-term borrowings and bonds payable, and effect of foreign currency exchange rate.

30. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns to maintain the capital structure through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, capital surplus, retained earnings, other equity and non-controlling interests).

31. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

December 31, 2023

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial assets</u>					
Finance lease receivables	\$ 106,542	\$ -	\$ 104,540	\$ -	\$ 104,540
Financial assets measured at amortized cost					
Foreign corporate bonds	<u>4,715,387</u>	<u>-</u>	<u>4,779,165</u>	<u>-</u>	<u>4,779,165</u>
	<u>\$ 4,821,929</u>	<u>\$ -</u>	<u>\$ 4,883,705</u>	<u>\$ -</u>	<u>\$ 4,883,705</u>

(Continued)



	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
Secured domestic bonds	\$ 8,354,379	\$ -	\$ 8,332,157	\$ -	\$ 8,332,157 (Concluded)

December 31, 2022

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Finance lease receivables	\$ 872,945	\$ -	\$ 858,097	\$ -	\$ 858,097
Financial assets measured at amortized cost					
Foreign corporate bonds	<u>2,106,313</u>	<u>-</u>	<u>2,107,886</u>	<u>-</u>	<u>2,107,886</u>
	<u>\$ 2,979,258</u>	<u>\$ -</u>	<u>\$ 2,965,983</u>	<u>\$ -</u>	<u>\$ 2,965,983</u>
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
Secured domestic bonds	\$ 10,826,188	\$ -	\$ 10,795,061	\$ -	\$ 10,795,061

The fair values of the financial assets and financial liabilities included in the Level 2 category above have been determined in accordance with income approaches based on a discounted cash flow analysis; the fair values of corporate bonds and bonds payable have been determined by quoted market prices provided by third-party pricing services.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	\$ 366,795	\$ -	\$ -	\$ 366,795
Mutual funds	54,717	-	-	54,717
Domestic limited partnership	<u>-</u>	<u>-</u>	<u>29,111</u>	<u>29,111</u>
	<u>\$ 421,512</u>	<u>\$ -</u>	<u>\$ 29,111</u>	<u>\$ 450,623</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 491,901</u>	<u>\$ 491,901</u>

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	\$ 338,592	\$ -	\$ -	\$ 338,592
Mutual funds	4,287,929	-	-	4,287,929
Domestic limited partnership	<u>-</u>	<u>-</u>	<u>29,589</u>	<u>29,589</u>
	<u>\$ 4,626,521</u>	<u>\$ -</u>	<u>\$ 29,589</u>	<u>\$ 4,656,110</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 506,847</u>	<u>\$ 506,847</u>

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2023

Financial assets at FVTPL

	<u>Other Instruments</u>		<u>Total</u>
	<u>Domestic Limited Partnership</u>	<u>Derivatives Oil Derivatives</u>	
Balance at January 1, 2023	\$ 29,589	\$ -	\$ 29,589
Recognized in profit or loss (included in other gains and losses)	(478)	(777)	(1,255)
Purchases	-	777	777
Transfers out of Level 3	<u>-</u>	<u>-</u>	<u>-</u>
Balance at December 31, 2023	<u>\$ 29,111</u>	<u>\$ -</u>	<u>\$ 29,111</u>
Unrealized loss for the current year included in profit or loss relating to assets held at the end of the year	<u>\$ (478)</u>	<u>\$ -</u>	<u>\$ (478)</u>

Financial assets at FVTOCI

	<u>Equity Instruments</u>
Balance at January 1, 2023	\$ 506,847
Recognized in other comprehensive loss (included in unrealized valuation loss on financial assets at FVTOCI)	<u>(14,946)</u>
Balance at December 31, 2023	<u>\$ 491,901</u>



For the year ended December 31, 2022

Financial assets at FVTPL

	<u>Other Instruments</u> <u>Domestic Limited Partnership</u>
Balance at January 1, 2022	\$ 13,871
Recognized in profit or loss (included in other gains and losses)	(9,282)
Purchases	25,000
Transfers out of Level 3	<u>-</u>
Balance at December 31, 2022	<u>\$ 29,589</u>
Unrealized loss for the current year included in profit or loss relating to assets held at the end of the year	<u>\$ (9,282)</u>

Financial assets at FVTOCI

	<u>Equity Instruments</u>
Balance at January 1, 2022	\$ 497,931
Recognized in other comprehensive income (included in unrealized valuation gain on financial assets at FVTOCI)	<u>8,916</u>
Balance at December 31, 2022	<u>\$ 506,847</u>

Financial liabilities at FVTPL

	<u>Derivatives</u> <u>Oil Derivatives</u>
Balance at January 1, 2022	\$ -
Recognized in profit or loss (included in other gains and losses)	2,186
Disposition/Settlement	(2,186)
Transfers out of Level 3	<u>-</u>
Balance at December 31, 2022	<u>\$ -</u>
Unrealized gain or loss for the current year included in profit or loss relating to liabilities held at the end of the period	<u>\$ -</u>

3) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair values of domestic unlisted ordinary shares and domestic limited partnership are determined using the comparable company analysis approach and asset-based approach. The comparable company analysis approach is a way to determine the value of a target company by reference to companies engaged in the similar industry, stock price in the active market and value multiplier implied by such prices, based on liquidity reduction. The asset-based approach is a way to determine the value of a target company by assessing the total value of individual assets and liabilities, based on liquidity reduction.

c. Categories of financial instruments

	December 31	
	2023	2022
<u>Financial assets</u>		
FVTPL		
Mandatorily classified as at FVTPL	\$ 450,623	\$ 4,656,110
Financial assets at amortized cost (1)	197,175,014	296,590,290
Financial assets for hedging	17,269,769	30,710,000
Financial assets at FVTOCI		
Equity instruments	491,901	506,847
<u>Financial liabilities</u>		
Financial liabilities for hedging	31,781,269	45,188,254
Amortized cost (2)	29,899,277	33,772,904

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, time deposits with original maturities of more than 3 months, repurchase agreements, corporate bonds, restricted bank balance, notes receivable, trade receivables (including related parties), and other receivables (including related parties).
- 2) The balances included financial liabilities measured at amortized cost, which comprise short-term and long-term loans, short-term bills payable, notes and trade payables (including related parties), other payables, and bonds payable.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, trade receivables, financial assets at amortized cost, trade payables, other payables, bonds payable, borrowings, and lease liabilities. The Group's Corporate Treasury function provides all kinds of financial service to each division by using different financial instruments. Also, the treasury function controls and analyzes the financial risks related to operations; these risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group sought to minimize the effects of these risks by managing stocks and flow and using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Group's policies "Regulations Governing the Acquisition and Disposal of Assets" approved by the board of directors. Compliance with policies was reviewed by the internal auditors on a continuous basis.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). The Group uses assets, liabilities and a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk.

There had been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.



a) Foreign currency risk

The Group's operations involve foreign currency transactions so the Group is exposed to foreign currency risk. The Group's transaction involve contain various currencies due to its industrial feature, operating revenue and operating costs are mainly denominated in U.S. dollars. Exchange rate exposures were managed within approved policy parameters utilizing net cash flows offset of the influence on net assets and liabilities, instruments of swap and options.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities are set out in Note 35.

Sensitivity analysis

Monetary assets and liabilities were mainly exposed to the U.S. dollars, GBP, CNY, EUR, HKD and AUD.

The following table details the Group's sensitivity to a 1% increase and decrease in New Taiwan dollars (the functional currency) against the U.S. dollars, GBP, CNY, EUR, HKD and AUD. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit (loss) associated with New Taiwan dollars weakening 1% against U.S. dollars, GBP, CNY, EUR, HKD and AUD. For a 1% strengthening of New Taiwan dollars against the U.S. dollars, GBP, CNY, EUR, HKD and AUD, there would be an equal and opposite impact on pre-tax profit (loss).

Profit (Loss)/Equity of 1% Variation	For the Year Ended December 31	
	2023	2022
Profit (loss) (i)		
U.S. dollars	\$ (26,793)	\$ 434,536
GBP	28,139	18,377
CNY	527	3,942
EUR	103,081	41,770
HKD	12,962	4,778
AUD	17,415	6,481
Equity (ii)		
U.S. dollars	(145,115)	(144,783)

i. This was mainly attributable to the exposure of outstanding foreign currency deposits, repurchase agreements, corporate bonds, receivables, payables, and bank loans at the end of the reporting period.

ii. This was mainly attribute to the exposure of changing in foreign exchange rates of U.S. dollars demand and time deposits and lease contracts designated as cash flow hedge.

The Group's sensitivity to foreign currency exchange rate during the current period was mainly due to the decrease in U.S. dollars and CNY monetary net assets caused by the decrease in U.S. dollars and CNY monetary assets; the increase in GBP, EUR, HKD, and AUD monetary net assets caused by the increase in GBP, EUR, HKD, and AUD monetary assets.

Hedge accounting

The Group's hedging strategy is to enter into USD-denominated demand deposits and time deposits to avoid exchange rate exposure of highly possible USD-denominated prepayments for ship and container purchase. Those transactions are designated as cash flow hedges.

The Group expects that the value of the U.S. dollars demand deposits and time deposits will have systematically change in opposite directions with the value of corresponding hedged items.

The source of hedge ineffectiveness in these hedging relationships is the USD-denominated demand deposits and time deposits are not paid for USD-denominated ship and container purchase.

There was no other source of hedge ineffectiveness during the hedging period.

The Group's hedging strategy is to enter into USD-denominated lease liabilities to avoid exchange rate exposure of 100% of highly probable forecast of USD-denominated operating revenue. Those transactions are designated as cash flow hedges.

The Group expects that the value of the U.S. dollars lease liabilities and the value of the corresponding hedged items will systematically change in opposite directions.

The source of hedge ineffectiveness in these hedging relationships is the USD-denominated operating revenue of the Group is lower than the distribution amount of settlement of lease liabilities.

There was no other source of hedge ineffectiveness during the hedging period.

Refer to Notes 6 and 16-b for information relating to foreign exchange rates hedging instruments.

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings.

The carrying amount of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	<u>December 31</u>	
	2023	2022
Fair value interest rate risk		
Financial assets	\$ 193,436,601	\$ 284,420,770
Financial liabilities	72,300,564	93,524,926
Cash flow interest rate risk		
Financial assets	12,892,542	31,080,756
Financial liabilities	392,200	390,466



Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 10 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 10 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit (loss) for the year ended December 31, 2023 would have increased/decreased by \$12,500 thousand, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings and variable-rate financial assets.

If interest rates had been 10 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit (loss) for the year ended December 31, 2022 would have increased/decreased by \$30,690 thousand, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings and variable-rate financial assets.

The Group's sensitivity to interest rate decreased during the current year mainly due to the decrease in variable-rate financial assets.

c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities, limited partnership and mutual funds. The Group periodically evaluates price risk and investment performance according to procedures of acquisition and disposal of assets and expects no significant price risk occurred.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower, pre-tax profit (loss) for the year ended December 31, 2023 would have increased/decreased by \$18,340 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income (loss) for the year ended December 31, 2023 would have increased/decreased by \$24,595 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

If equity prices had been 5% higher/lower, pre-tax profit (loss) for the year ended December 31, 2022 would have increased/decreased by \$16,930 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income (loss) for the year ended December 31, 2022 would have increased/decreased by \$25,342 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

If limited partnership and mutual funds had been 5% higher/lower, pre-tax profit (loss) for the year ended December 31, 2023 would have increased/decreased by \$4,191 thousand, as a result of the changes in fair value of financial assets at FVTPL.

If limited partnership and mutual funds had been 5% higher/lower, pre-tax profit (loss) for the year ended December 31, 2022 would have increased/decreased by \$215,876 thousand, as a result of the changes in fair value of financial assets at FVTPL.

The Group's sensitivity to investments in equity securities has not changed significantly from the prior year.

The Group's sensitivity to limited partnership and mutual funds price decreased during the current year mainly due to the decrease in mutual funds measured at FVTPL.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation and financial guarantees provided by the Group could arise from:

- a) The carrying amount of the respective recognized financial assets as stated in the balance sheets; and
- b) The maximum amount of the Group would have to pay if the financial guarantee is called upon.

There is no significant concentration of credit risk for the Group. Credit risk is from cash and cash equivalents deposit in banks, derivative financial instruments transactions with banks and financial institutions and trade receivable from customers.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient letter of bank guarantee and security deposit, where appropriate, as a means of mitigating the risk of financial loss from defaults. To reduce credit risk, the Group has established an internal monitoring procedure to monitor credit risk exposure and credit condition of counterparties.

The credit risk on liquid funds and derivatives was limited because the counterparties are banks with high credit ratings assigned by credit-rating agencies.

Financial credit risk

The objective of the Group's investment policy is to achieve a return that will allow the Group to preserve principal and support liquidity requirements. The Group mitigates its financial credit risk by selecting counterparties with investment grade credit ratings, by limiting the exposure to any individual counterparty, regularly reviewing the market conditions and monitoring risks.

The Group assesses whether there has been a significant increase in credit risk in the invested securities since initial recognition by reviewing changes in external credit ratings, financial market conditions and material information of the issuers. The Group assesses the 12-month expected credit loss and lifetime expected credit loss based on the probability of default and loss given default provided by external credit rating agencies. The current credit risk assessment policies are as follows:

Category	Description	Basis for Recognizing Expected Credit Loss	Expected Credit Loss Ratio
Performing	Credit rating is investment grade on valuation date	12 months expected credit loss	0%-0.0497%
Doubtful	Credit rating is non-investment grade on valuation date	Lifetime expected credit loss-not credit impaired	-
In default	Credit rating is CC or below on valuation date	Lifetime expected credit loss-credit impaired	-

(Continued)



Category	Description	Basis for Recognizing Expected Credit Loss	Expected Credit Loss Ratio
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery	Amount is written off	-
			(Concluded)

For the year ended December 31, 2023, the expected credit loss increased \$1,176 thousand. The changes were mainly due to increased investment amount and adjusted investment portfolio.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2023 and 2022, the Group had available unutilized bank loans facilities of \$7,319,557 thousand and \$12,024,267 thousand, respectively.

a) Liquidity and interest risk rate tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

December 31, 2023

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years
Non-interest bearing	\$ 20,761,945	\$ 921,706	\$ -	\$ -
Lease liabilities	16,587,288	38,017,671	10,576,403	9,135
Variable interest rate liabilities	111,330	290,186	-	-
Fixed interest rate liabilities	5,611,234	5,935,974	-	-
Short-term and low value lease commitment	2,119,152	3,464,784	1,152,491	-
Lease commitment for future service costs	<u>3,575,623</u>	<u>10,289,071</u>	<u>3,412,060</u>	<u>-</u>
	<u>\$ 48,766,572</u>	<u>\$ 58,919,392</u>	<u>\$ 15,140,954</u>	<u>\$ 9,135</u>

December 31, 2022

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years
Non-interest bearing	\$ 24,605,758	\$ 926,457	\$ -	\$ -
Lease liabilities	15,730,463	52,705,460	17,922,676	21,213
Variable interest rate liabilities	93,003	219,272	102,693	-
Fixed interest rate liabilities	6,103,349	7,796,565	703,430	-
Short-term and low value lease commitment	1,721,398	1,728,598	140,686	-
Lease commitment for future service costs	<u>4,373,314</u>	<u>14,796,200</u>	<u>5,502,048</u>	<u>-</u>
	<u>\$ 52,627,285</u>	<u>\$ 78,172,552</u>	<u>\$ 24,371,533</u>	<u>\$ 21,213</u>

b) Derivative instruments

The Group did not have outstanding derivative instruments contracts for the years ended December 31, 2023 and 2022.

32. TRANSACTIONS WITH RELATED PARTIES

The Ministry of Transportation and Communications R.O.C. (MOTC), National Development Fund, and Taiwan International Ports Corporation, Ltd. held 31.16% of the ordinary shares of YMTC as of December 31, 2023 and 2022. Over 50% of the members of YMTC's board of directors were appointed by the MOTC, National Development Fund, and Taiwan International Ports Corporation, Ltd. Therefore, the Group is a government-related entity, which is controlled by the central government. Transactions with other government-related entities were mainly bank deposits, borrowings and guarantees with government-related banks (see Notes 18 and 19), concession rights of the Port of Kaohsiung, Taiwan International Ports Corporation Kaohsiung logistics center (see Note 16), and properties allocation agreement signed with Chunghwa Post Co., Ltd. (see Note 17).

Balances and transactions between the Group and its subsidiaries, which are related party of the Group, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in other notes and Table A and B, details of transaction between the Group and other related parties are disclosed as follows:

a. Related party name and categories

<u>Related Party Name</u>	<u>Related Party Category</u>
Yang Ming (U.A.E.) LLC	Associate
Yang Ming (Australia) Pty. Ltd.	Associate
West Basin Container Terminal LLC	Associate
Yang Ming Shipping (Egypt) S.A.E	Associate
Kao Ming Container Terminal Corp.	Associate
Yunn Wang Investment Co., Ltd.	Associate
Taiwan Navigation Co., Ltd.	Associate
Taiwan Foundation International Pte. Ltd.	Associate
LogiTrans Technology Private Limited	Joint venture
YES LIBERAL Logistics Corp.	Joint venture
YES and HQL Logistics Company	Joint venture
Yes Easyway Logistics (Thailand) Co., Ltd	Joint venture

(Continued)



Related Party Name	Related Party Category
Chunghwa Telecom Co., Ltd.	Government - related party
Taiwan International Ports Corporation, Ltd.	Government - related party
Taiwan Internation Ports Logistics Corporation	Government - related party
Chunghwa Post Co., Ltd.	Government - related party
Agricultural Bank of Taiwan	Government - related party
Taipei Exchange	Government - related party
First Commercial Bank	Government - related party
Mega International Commercial Bank Co., Ltd.	Government - related party
Chung Kuo Insurance Group, Limited	Government - related party
Mega Securities	Government - related party
Bank of Taiwan	Government - related party
Land Bank of Taiwan	Government - related party
Taiwan Cooperative Bank Co., Ltd.	Government - related party
Taiwan Cooperative Bills Finance Co., Ltd.	Government - related party
Taiwan Business Bank Co., Ltd.	Government - related party
Chang Hwa Bank Ltd.	Government - related party
Taiwan Power Company	Government - related party
Taiwan Water Corporation	Government - related party
China Steel Corporation	Government - related party
CPC Corporation, Taiwan	Government - related party
CSBC Corporation, Taiwan	Government - related party
Hua Nan Commercial Bank, Ltd.	Government - related party
Taiwan Stock Exchange Corporation	Government - related party
South China Insurance Co., Ltd.	Government - related party
Northern Region Branch, National Property Administration, MOF	Government - related party
National Taiwan Ocean University	Government - related party
Keelung Hospital, Ministry of Health and Welfare	Government - related party
Ministry of the Interior	Government - related party
National Kaohsiung University of Science and Technology	Government - related party
National Museum of Marine Science and Technology	Government - related party
National Taiwan University	Government - related party
National Taiwan Normal University	Government - related party
National Chengchi University	Government - related party
China Airlines Ltd.	Government - related party
The General Association of Chinese Culture	Government - related party
Ministry of the Environment	Government - related party
Maritime and Port Bureau, MOTC	Government - related party
Taiwan Centers for Disease Control	Government - related party
Customs Administration, Ministry of Finance	Government - related party
Kaohsiung Customs	
Customs Administration, Ministry of Finance	Government - related party
Keelung Customs	
Kaohsiung Municipal Siaogang Hospital	Government - related party
C.S. Aluminium Corporation	Government - related party
Bureau of Standards, Metrology and Inspection, MOEA	Government - related party
China Steel Express Corporation	Government - related party

(Continued)

Related Party Name	Related Party Category
Leader Container Transportation Co., Ltd.	Investor that has significant influence over the subsidiaries
Marine Container Services India Private Limited	Investor that has significant influence over the subsidiaries
Unicorn Enterprises	Investor that has significant influence over the subsidiaries
Bay Container Terminal Private Limited	Investor that has significant influence over the subsidiaries
Marine Container Services (South) Private Limited	Investor that has significant influence over the subsidiaries
Omega Intermodal Container Services Private Limited	Investor that has significant influence over the subsidiaries
Sebang Co Ltd.	Investor that has significant influence over the subsidiaries
Arkas Lojistik A.S	Investor that has significant influence over the subsidiaries
Limar Liman ve Gemi İşletmeleri A.S	Investor that has significant influence over the subsidiaries
Arkas Denizcilik ve Nakliyat A.S.	Investor that has significant influence over the subsidiaries
Marport Liman İşletmeleri.	Investor that has significant influence over the subsidiaries
Hapag-Lloyd Denizaşırı Nakliyat A.S.	Investor that has significant influence over the subsidiaries
Schenker Arkas Nakliyat ve Tic. A.S.	Investor that has significant influence over the subsidiaries
Ekopons Madencilik San. ve Dış Tic. A.S.	Investor that has significant influence over the subsidiaries
PT. Spil Investama Satu.	Investor that has significant influence over the subsidiaries
PT. Kece Nusantara.	Investor that has significant influence over the subsidiaries
Kairong Logistics Co., Ltd.	Investor that has significant influence over the subsidiaries
Naxco Group.	Investor that has significant influence over the subsidiaries
Finsea S.p.A.	Investor that has significant influence over the subsidiaries
Marinter Shipping Agency Srl.	Investor that has significant influence over the subsidiaries
Catalana del Mar, S.A.	Investor that has significant influence over the subsidiaries
Yang Ming Cultural Foundation	Other related party

(Concluded)



b. Operating transaction

Line Item	Related Party Category/Name	For the Year Ended December 31	
		2023	2022
Operating revenue	Associates	\$ 216,450	\$ 256,438
	Joint ventures	1,833	2,490
	Government - related parties	<u>21,521</u>	<u>128,604</u>
		<u>\$ 239,804</u>	<u>\$ 387,532</u>
Operating costs	Associates	\$ 2,678,893	\$ 2,626,660
	Joint ventures	88,713	122,910
	Government - related parties	281,045	89,452
	Investors that have significant influence over the subsidiaries	<u>287,519</u>	<u>345,623</u>
		<u>\$ 3,336,170</u>	<u>\$ 3,184,645</u>
Operating expenses	Associates	\$ 24	\$ -
	Joint ventures	53,190	47,212
	Government - related parties	59,728	55,770
	Investors that have significant influence over the subsidiaries	31,103	809
	Other related parties	<u>22,145</u>	<u>21,148</u>
		<u>\$ 166,190</u>	<u>\$ 124,939</u>

The Group's transactions with related parties were conducted under contract terms.

c. Bank deposits

Bank deposits on reporting period (including time deposits with original maturities of more than 3 months and restricted bank balance under financial assets at amortized cost and financial assets for hedging) were as follows:

Related Party Category/Name	December 31	
	2023	2022
Government - related parties		
Land Bank of Taiwan	\$ 14,203,161	\$ 61,534,507
Taiwan Cooperative Bank Co., Ltd.	34,677,189	13,591,000
Others	<u>19,413,315</u>	<u>29,579,995</u>
	<u>\$ 68,293,665</u>	<u>\$ 104,705,502</u>

d. Contract assets

Line Item	Related Party Category/Name	December 31	
		2023	2022
Contract assets	Associates	<u>\$ 129,443</u>	<u>\$ 197,602</u>

For the years ended December 31, 2023 and 2022, no impairment loss was recognized for contract assets from related parties.

e. Receivables and payables from related parties

Line Item	Related Party Category/Name	December 31	
		2023	2022
Trade receivables	Associates	\$ 151,810	\$ 290,713
	Joint ventures	640	849
	Government - related parties	39,860	47,657
	Investors that have significant influence over the subsidiaries	<u>21,858</u>	<u>-</u>
		<u>\$ 214,168</u>	<u>\$ 339,219</u>
Other receivables (included in other current assets)	Associates	\$ 17,420	\$ 17,420
	Joint ventures	-	299
	Government - related parties	178,781	77,566
	Other related parties	<u>4,398</u>	<u>3,897</u>
	<u>\$ 200,599</u>	<u>\$ 99,182</u>	
Long-term receivables-related parties (included in other non-current assets)	Joint ventures		
	Yes Easyway Logistics (Thailand) Co., Ltd	<u>\$ 940</u>	<u>\$ -</u>
Notes payable	Associates	<u>\$ 292</u>	<u>\$ 180</u>
Trade payables	Associates	\$ 553,455	\$ 250,300
	Joint ventures	13,448	13,301
	Government - related parties	12,823	-
	Investors that have significant influence over the subsidiaries	<u>97,086</u>	<u>83,504</u>
		<u>\$ 676,812</u>	<u>\$ 347,105</u>
Other payables	Associates	\$ 2,314	\$ 17,636
	Joint ventures	-	255
	Government - related parties	27,755	26,615
	Investors that have significant influence over the subsidiaries	1,007	-
	Other related parties	<u>607</u>	<u>-</u>
	<u>\$ 31,683</u>	<u>\$ 44,506</u>	

For the years ended December 31, 2023 and 2022, no impairment loss was recognized for trade receivables and other receivables from related parties.



f. Prepayments

Line Item	Related Party Category/Name	December 31	
		2023	2022
Prepayments to shipping agents	Associates Yang Ming Shipping (Egypt) S.A.E	\$ 96,827	\$ 185,490
Prepayments	Government - related parties	\$ 170	\$ 140
Prepayments for equipment	Government - related parties	\$ 253	\$ -

g. Disposals of property, plant and equipment

Line Item	Related Party Category/Name	Proceeds	
		For the Year Ended December 31	
		2023	2022
Disposals of property, plant and equipment	Associates	\$ 19	\$ -

Line Item	Related Party Category/Name	Gain (Loss) on Disposal	
		For the Year Ended December 31	
		2023	2022
Disposals of property, plant and equipment	Associates	\$ 19	\$ -

h. Lease arrangements

Related Party Category/Name	For the Year Ended December 31	
	2023	2022
<u>Acquisition of right-of-use assets</u>		
Government - related parties	\$ 44,646	\$ 1,580
Investors that have significant influence over the subsidiaries	33,874	462
	\$ 78,520	\$ 2,042

Line Item	Related Party Category/Name	December 31	
		2023	2022
Lease liabilities	Associates	\$ 952	\$ 1,891
	Government - related parties	655,321	811,251
	Investors that have significant influence over the subsidiaries	26,566	3,583
		\$ 682,839	\$ 816,725

Line Item	Related Party Category/Name	For the Year Ended December 31	
		2023	2022
Interest expense	Associates	\$ 14	\$ 28
	Government - related parties	11,412	13,932
	Investors that have significant influence over the subsidiaries	<u>1,073</u>	<u>518</u>
		<u>\$ 12,499</u>	<u>\$ 14,478</u>

The Group's lease agreements with related parties were conducted under contract terms.

i. Bonds payable

Related Party Category/Name	December 31	
	2023	2022
Government - related parties		
Taiwan Cooperative Bank Co., Ltd.	\$ 1,100,000	\$ 1,800,000
Hua Nan Commercial Bank Ltd.	950,000	1,200,000
Others	<u>650,000</u>	<u>900,000</u>
	<u>\$ 2,700,000</u>	<u>\$ 3,900,000</u>

Note: Original investment amount of domestic bonds.

j. Loans from related parties

Line Item	Related Party Category/Name	December 31	
		2023	2022
Short-term borrowings	Government - related parties		
	Mega International Commercial Bank Co., Ltd.	\$ 200,000	\$ 70,000
	Taiwan Cooperative Bank Co., Ltd.	200,000	100,000
	Others	<u>150,000</u>	<u>460,000</u>
		<u>\$ 550,000</u>	<u>\$ 630,000</u>
Short-term bills payable	Government - related parties		
	Mega Bills Finance Co., Ltd.	<u>\$ 498,995</u>	<u>\$ 498,855</u>
Long-term borrowings	Secured borrowings		
	Government - related parties		
	Chang Hwa Commercial Bank, Ltd.	\$ 92,200	\$ 165,922
	Hua Nan Commercial Bank Ltd.	<u>-</u>	<u>198,750</u>
		<u>\$ 92,200</u>	<u>\$ 364,672</u>
Unsecured borrowings	Government - related parties		
	Hua Nan Commercial Bank, Ltd.	<u>\$ 120,000</u>	<u>\$ -</u>



k. Others

Line Item	Related Party Category/Name	For the Year Ended December 31	
		2023	2022
Rental income	Associates	\$ 137	\$ 137
	Government - related parties	7,687	-
	Other related parties	<u>2,857</u>	<u>2,500</u>
		<u>\$ 10,681</u>	<u>\$ 2,637</u>
Interest income	Joint ventures	<u>\$ 14</u>	<u>\$ -</u>
	Government - related parties		
	Land Bank of Taiwan	1,735,895	238,385
	Taiwan Cooperative Bank Co., Ltd.	1,896,323	397,678
	Others	<u>1,653,539</u>	<u>599,593</u>
		<u>5,285,757</u>	<u>1,235,656</u>
	<u>\$ 5,285,771</u>	<u>\$ 1,235,656</u>	
Finance cost	Government - related parties	<u>\$ 164,775</u>	<u>\$ 180,980</u>
Reimbursement income	Associates	<u>\$ 446</u>	<u>\$ -</u>
	Government - related parties		
	South China Insurance Co., Ltd.	-	10,000
	Others	<u>-</u>	<u>9,240</u>
	<u>-</u>	<u>19,240</u>	
	<u>\$ 446</u>	<u>\$ 19,240</u>	
Other gains and losses	Associates	\$ 54,724	\$ 58,440
	Joint ventures	3,920	4,671
	Government - related parties	(20,305)	(14,039)
	Investors that have significant influence over the subsidiaries	<u>824</u>	<u>-</u>
		<u>\$ 39,163</u>	<u>\$ 49,072</u>

The Group's transactions with related parties were conducted under contract terms.

1. Remuneration of key management personnel

	For the Year Ended December 31	
	2023	2022
Short-term employee benefits	\$ 76,986	\$ 212,185
Post-employment benefits	<u>3,488</u>	<u>2,436</u>
	<u>\$ 80,474</u>	<u>\$ 214,621</u>

The remuneration of directors and key executives, as determined by the remuneration committee, is based on the performance of individuals and market trends.

33. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collaterals for syndicated bank loans, long-term bank loans and credit lines:

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Restricted bank balance (included in financial assets at amortized cost)	\$ 121,406	\$ 161,640
Property, plant and equipment, net	<u>597,618</u>	<u>1,753,947</u>
	<u>\$ 719,024</u>	<u>\$ 1,915,587</u>

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in Table B and Note 16, commitments and contingent liabilities for reporting periods were as follows:

- a. The Group's shipping and port business were secured by the letter of guarantee issued by banks for \$456,977 thousand and \$429,887 thousand as of December 31, 2023 and 2022, respectively.
- b. The Group signed container building contracts with other companies. As of December 31, 2023, unpaid amounts for these contracts were US\$28,592 thousand. As of December 31, 2022, there was no outstanding container building contract.
- c. The Group signed shipbuilding contracts with other companies. As of December 31, 2023, prepayments for equipment for these contracts amounted to US\$374,900 thousand, and unpaid amounts for these contracts were US\$562,350 thousand. As of December 31, 2022, there was no outstanding shipbuilding contract.

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The entities in the Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the Group and the related exchange rates between foreign currencies and respective functional currencies were as follows:

December 31, 2023

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 1,787,831	30.7100 (USD:NTD)	\$ 54,904,275
GBP	1	1.2752 (GBP:USD)	24
CNY	67,867	4.3306 (CNY:NTD)	293,907
USD	10,325	29.5495 (USD:TRY)	317,088
EUR	319,098	34.0144 (EUR:NTD)	10,853,911
GBP	72,745	39.1629 (GBP:NTD)	2,848,918
HKD	329,729	3.9313 (HKD:NTD)	1,296,274
			(Continued)



	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
JPY	\$ 8,999,010	0.2171 (JPY:NTD)	\$ 1,954,038
USD	19,351	7.0914 (USD:CNY)	594,281
CAD	2,798	23.1957 (CAD:NTD)	64,901
AUD	84,647	20.9765 (AUD:NTD)	1,775,604
Non-monetary items			
Investments accounted for using the equity method			
USD	53,131	30.7100 (USD:NTD)	1,631,663
AUD	2,613	20.9765 (AUD:NTD)	54,806
AED	7,201	8.3618 (AED:NTD)	60,210
INR	36,615	0.3693 (INR:NTD)	13,522
CNY	81,648	4.3306 (CNY:NTD)	353,583
IDR	3,453,500	0.0020 (IDR:NTD)	6,907
VND	10,126,154	0.0013 (VND:NTD)	13,164
EGP	71,395	0.9931 (EGP:NTD)	70,902
MYR	452	6.7089 (MYR:NTD)	3,032
THB	287	0.8984 (THB:NTD)	258
Financial liabilities			
Monetary items			
USD	2,365,900	30.7100 (USD:NTD)	72,656,785
CNY	55,693	4.3306 (CNY:NTD)	241,184
EUR	16,045	34.0144 (EUR:NTD)	545,769
USD	1,592	29.5495 (USD:TRY)	48,901
JPY	2,013,682	0.2171 (JPY:NTD)	437,249
GBP	894	39.1629 (GBP:NTD)	35,009
USD	9,794	7.0914 (USD:CNY)	300,779
HKD	29	3.9313 (HKD:NTD)	115
CAD	3,275	23.1957 (CAD:NTD)	75,976
AUD	1,627	20.9765 (AUD:NTD)	34,119
			(Concluded)

December 31, 2022

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	\$ 3,553,642	30.7100 (USD:NTD)	\$ 109,132,344
GBP	71	1.2055 (GBP:USD)	2,613
CNY	229,859	4.4176 (CNY:NTD)	1,015,422
USD	14,344	18.7220 (USD:TRY)	440,503
EUR	147,580	32.7353 (EUR:NTD)	4,831,096
GBP	56,227	37.0209 (GBP:NTD)	2,081,576
HKD	121,321	3.9384 (HKD:NTD)	477,810
JPY	3,235,863	0.2330 (JPY:NTD)	753,914
			(Continued)

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
USD	\$ 28,963	6.9518 (USD:CNY)	\$ 889,450
CAD	12,554	22.6701 (CAD:NTD)	284,602
AUD	34,573	20.8536 (AUD:NTD)	720,971
Non-monetary items			
Investments accounted for using the equity method			
USD	54,539	30.7100 (USD:NTD)	1,674,879
AUD	2,224	20.8536 (AUD:NTD)	46,386
AED	1,251	8.3622 (AED:NTD)	10,462
INR	44,250	0.3711 (INR:NTD)	16,421
CNY	87,093	4.4176 (CNY:NTD)	384,741
IDR	3,271,000	0.0020 (IDR:NTD)	6,542
VND	11,440,769	0.0013 (VND:NTD)	14,873
EGP	37,546	1.2404 (EGP:NTD)	46,572
MYR	704	6.9880 (MYR:NTD)	4,919
THB	1,802	0.8895 (THB:NTD)	1,603

Financial liabilities

Monetary items			
USD	2,630,271	30.7100 (USD:NTD)	80,775,627
CNY	140,616	4.4176 (CNY:NTD)	621,182
EUR	19,983	32.7353 (EUR:NTD)	654,139
USD	4,954	18.7220 (USD:TRY)	152,146
JPY	1,872,306	0.2330 (JPY:NTD)	436,223
GBP	6,657	37.0209 (GBP:NTD)	246,455
USD	18,208	6.9518 (USD:CNY)	559,163
CAD	3,525	22.6701 (CAD:NTD)	79,903
AUD	3,495	20.8536 (AUD:NTD)	72,892
			(Concluded)

For the years ended December 31, 2023 and 2022, realized and unrealized net foreign exchange gains were \$2,236,787 thousand and \$11,571,671 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group.

36. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

- 1) Financing provided to others: See Table A attached;
- 2) Endorsement/guarantee provided: See Table B attached;
- 3) Marketable securities held: See Table C attached;
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: See Table D attached;



- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None;
 - 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None;
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None;
 - 8) Receivable from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: See Table E attached;
 - 9) Trading in derivative instruments: See Note 7;
 - 10) Intercompany relationships and significant intercompany transactions: See Table F attached;
- b. Information on investees: See Table G attached;
- c. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: See Table H attached;
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: See Table F attached;
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: See Table I attached.

37. SEGMENT INFORMATION

The Group considered the following factors and has decided to aggregate the operating segments into a single operating segment for the preparation of these consolidated financial statements:

- The segments have similar long-term gross profit;
- The methods used to provide the segments' services are similar; and
- The type or class of customers is similar among the segments.

a. Segment revenue and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segment:

	For the Year Ended December 31, 2023				
	Containership Segment	Bulk Shipping Segment	Other Segments	Adjustment and Eliminations	Combined
Operating revenue					
Sales to customers	\$ 131,174,992	\$ 3,641,829	\$ 5,806,892	\$ -	\$ 140,623,713
Intercompany sales	<u>2,355,497</u>	<u>-</u>	<u>1,523,293</u>	<u>(3,878,790)</u>	<u>-</u>
Total revenue	<u>\$ 133,530,489</u>	<u>\$ 3,641,829</u>	<u>\$ 7,330,185</u>	<u>\$ (3,878,790)</u>	<u>\$ 140,623,713</u>
Segment operating income (loss)	<u>\$ (1,811,865)</u>	<u>\$ 224,169</u>	<u>\$ 234,178</u>	<u>\$ 81,446</u>	\$ (1,272,072)
Administration cost					(597,011)
Other operating income and expenses					203,389
Interest income					12,260,223
Other income					97,696
Other gains and losses					2,435,667
Financial costs					(2,518,189)
Share of profit of associates and joint ventures					<u>686,545</u>
Profit before income tax					<u>\$ 11,296,248</u>

	For the Year Ended December 31, 2022				
	Containership Segment	Bulk Shipping Segment	Other Segments	Adjustment and Eliminations	Combined
Operating revenue					
Sales to customers	\$ 356,806,574	\$ 5,832,198	\$ 13,261,102	\$ -	\$ 375,899,874
Intercompany sales	<u>7,694,541</u>	<u>-</u>	<u>1,616,789</u>	<u>(9,311,330)</u>	<u>-</u>
Total revenue	<u>\$ 364,501,115</u>	<u>\$ 5,832,198</u>	<u>\$ 14,877,891</u>	<u>\$ (9,311,330)</u>	<u>\$ 375,899,874</u>
Segment operating income	<u>\$ 218,561,870</u>	<u>\$ 971,099</u>	<u>\$ 605,522</u>	<u>\$ 45,356</u>	\$ 220,183,847
Administration cost					(1,389,546)
Other operating income and expenses					1,903,866
Interest income					4,032,635
Other income					86,800
Other gains and losses					9,967,164
Financial costs					(2,397,791)
Share of profit of associates and joint ventures					<u>1,233,739</u>
Profit before income tax					<u>\$ 233,620,714</u>

Segment profit represented the profit before tax earned by each segment without allocation of central administration costs and directors' salaries, other operating income and expenses, interest income, other income, other gains and losses, financial costs, share of profit or loss of associates and joint ventures and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.



b. Segment assets and liabilities

Reportable segments do not regularly report the measure of total assets and liabilities to the chief operating decision maker and therefore was not disclosed.

c. Geographical information

The Group operates in four principal geographical areas - Domestic, America, Europe and Asia.

The Group's revenue from continuing operation and information about its non-current assets by geographical location are detailed below. Containers, ships and construction in progress cannot be allocated by location because they are used for worldwide operation.

	Revenue From External Customers	Non-current Assets
	For the Year Ended December 31, 2023	December 31, 2023
Domestic	\$ 6,381,566	\$ 10,653,775
America	48,303,330	173,187
Europe	44,819,297	505,965
Asia	41,119,520	677,132
Others	-	4,022
	<u>\$ 140,623,713</u>	12,014,081
Containers		21,563,770
Ships and construction in progress		<u>124,674,754</u>
		<u>\$ 158,252,605</u>
	Revenue From External Customers	Non-current Assets
	For the Year Ended December 31, 2022	December 31, 2022
Domestic	\$ 13,352,265	\$ 10,147,115
America	129,006,519	223,908
Europe	164,563,458	441,465
Asia	68,971,662	728,278
Others	5,970	24,603
	<u>\$ 375,899,874</u>	11,565,369
Containers		22,217,724
Ships and construction in progress		<u>122,911,400</u>
		<u>\$ 156,694,493</u>

Non-current assets excluded those classified as financial assets, investments accounted for using equity method, deferred tax assets, refundable deposits, post-employment benefit assets, prepayments for investments and assets arising from insurance contracts.

d. Information about major customers

No single customer accounted for at least 10% of the Group's total operating revenue for the years ended December 31, 2023 and 2022.



TABLE A

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Rebate Parties	Highest Balance for the Period (Note C)	Ending Balance (Note C)	Actual Borrowing Amounts	Interest Rate	Nature of Financing (Note A)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note B)	Aggregate Financing Limits (Note B)
													Item	Value		
0	Yang Ming Marine Transport Corporation	All Oceans Transportation Inc.	Other receivables	Y	\$ 2,290,000	\$ 1,995,506	\$ 1,995,506	1.3000%-6.0200%	1	\$ 3,295,133	-	\$ -	-	\$ 6,955,221	\$ 138,488,956	
1	Yang Ming Line (Singapore) Pte Ltd	Kuang Ming (Liberia) Corp.	Other receivables	Y	107,485 (US\$ thousand)	-	-	-	2	-	Obtain working capital	-	-	6,405,424	19,216,272	
		All Oceans Transportation Inc.	Other receivables	Y	309,250 (US\$ thousand)	309,250 (US\$ thousand)	309,250 (US\$ thousand)	6.7400%	2	-	Obtain working capital	-	-	32,027,120	32,027,120	
		Yang Ming Line (Thailand) Co., Ltd.	Other receivables	Y	6,289 (THB thousand)	4,492 (THB thousand)	5,000 (THB thousand)	3.5213%	2	-	Obtain working capital	-	-	6,405,424	19,216,272	
		Yangming (Japan) Co., Ltd.	Other receivables	Y	5,344 (US\$ thousand)	-	-	-	2	-	Obtain working capital	-	-	32,027,120	32,027,120	
		Yang Ming Line (Hong Kong) Ltd.	Other receivables	Y	75,800 (US\$ thousand)	61,420 (US\$ thousand)	2,000 (US\$ thousand)	1.5000%	2	-	Obtain working capital	-	-	32,027,120	32,027,120	
2	Yes Logistics Corp.	Yes Logistics Europe GmbH	Other receivables	Y	33,414 (EUR thousand)	33,414 (EUR thousand)	33,414 (EUR thousand)	11.1000%-4.8900%	1	29,729	-	-	-	69,327	861,068	
		Yes Logistics Europe GmbH	Other receivables	Y	69,730 (EUR thousand)	66,328 (EUR thousand)	33,164 (EUR thousand)	4.8900%	2	-	Obtain working capital	-	-	86,107	172,214	
		Yes Logistics (Shanghai) Corp.	Other receivables	Y	125,476 (US\$ thousand)	110,121 (US\$ thousand)	2,500 (US\$ thousand)	3.8500%-5.6714%	1	74,823	-	-	-	258,321	861,068	
		YES MLC GmbH	Other receivables	Y	7,700 (CNY thousand)	7,700 (CNY thousand)	7,700 (CNY thousand)	4.8900%	2	-	Obtain working capital	-	-	86,107	172,214	
		Yes Easyway Logistics (Thailand) Co., Ltd.	Other receivables	Y	940 (US\$ thousand)	940 (US\$ thousand)	31 (US\$ thousand)	5.8590%	2	-	Obtain working capital	-	-	86,107	172,214	
3	Yang Ming Line Holding Co.	Kuang Ming (Liberia) Corp.	Other receivables	Y	199,615 (US\$ thousand)	199,615 (US\$ thousand)	6,500 (US\$ thousand)	-	2	-	Obtain working capital	-	-	423,314	1,270,543	

Notes:

A. Nature of financing:

- The Company has transactions with the borrower.
- The borrower needs short-term financing.

(Continued)

- B.
1. Yang Ming Marine Transport Corporation: The maximum financing amount is 60% of the net assets of the Company. For borrowers with transactions with the Company, maximum financing is 50% of the net assets of the Company. For the borrower with transactions with the Company, maximum financing is the lower of 15% of the net assets of the Company or the total amount of transactions between the Company and the borrower in the last two years. For a borrower that is a subsidiary of the Company, maximum financing is the lower of 40% of the latest net assets audited or reviewed by CPA of the Company or the total amount of transactions between the Company and the subsidiary in the last five years. For borrowers with short-term financing need, the maximum is 10% of the net assets of the Company. For the borrower needing short-term financing, maximum financing is 5% of the net assets of the Company.
 2. Yang Ming Line (Singapore) Pte. Ltd.: The maximum financing amount is 50% of the net assets of the lender. For borrowers with transactions with the lender, maximum financing is 50% of the net assets of the lender. For the borrower with transactions with the lender, maximum financing is the lower of 25% of the net assets of the lender or the total amount of transactions between the lender and the borrower in the last two years. For borrowers with short-term financing need, the maximum is 30% of the net assets of the lender. For the borrower needing short-term financing, maximum financing is 10% of the net assets of the lender. For the borrower needing short-term financing with direct or indirect holding of 100% voting right on corporation not established in the ROC, maximum financing is 50% of the net total assets.
 3. Kuang Ming Shipping Corp.: The maximum financing amount is 60% of the net assets of the lender and the borrower in the last two years. For borrowers with short-term financing need, the maximum is 30% of the net assets of the lender. For the borrower with transactions with the lender, maximum financing is 15% of the net assets of the lender or the total amount of transactions between the lender and the borrower in the last two years. For borrowers with short-term financing need, the maximum is 30% of the net assets of the lender. For the borrower with transactions with the lender, maximum financing is the lower of 15% of the net assets of the lender or the total amount of transactions between the lender and the borrower in the last five years. For borrowers with short-term financing need, the maximum is 10% of the net assets of the lender. For the borrower needing short-term financing, maximum financing is 5% of the net assets of the lender.
 4. Yes Logistics Corp.: The maximum financing amount is the 60% of the net assets of the lender. For borrowers with transactions with the lender, maximum financing is 50% of the net assets of the lender. For the borrower with transactions with the lender, maximum financing is the lower of 15% of the net assets of the lender or the total amount of transactions between the lender and the borrower in the last two years. For borrowers with short-term financing need, the maximum is 30% of the net assets of the lender and the borrower in the last five years. For borrowers with short-term financing need, the maximum is 10% of the net assets of the lender. For the borrower needing short-term financing, maximum financing is 5% of the net assets of the lender.
 5. Yang Ming Line Holding Co.: The maximum financing amount is 80% of the net assets of the lender. For borrowers with transactions with the lender, maximum financing is 50% of the net assets of the lender. For the borrower with transactions with the lender, maximum financing is the lower of 25% of the net assets of the lender or the total amount of transactions between the lender and the borrower in the last two years. For borrowers with short-term financing need, the maximum is 30% of the net assets of the lender. For the borrower with transactions with the lender, maximum financing is 10% of the net assets of the lender. For borrowers needing short-term financing with direct or indirect holding of 100% voting right on corporation not established in the ROC, maximum financing is 50% of the net total assets. For the borrower needing short-term financing with direct or indirect holding of 100% voting right on corporation not established in the ROC, maximum financing is 50% of the net total assets.
 6. Yang Ming Line B.V.: The maximum financing amount is 80% of the net assets of the lender. For borrowers with transactions with the lender, maximum financing is 50% of the net assets of the lender. For the borrower with transactions with the lender, maximum financing is the lower of 25% of the net assets of the lender or the total amount of transactions between the lender and the borrower in the last two years. For borrowers with short-term financing need, the maximum is 30% of the net assets of the lender. For the borrower with transactions with the lender, maximum financing is 10% of the net assets of the lender. For borrowers needing short-term financing with direct or indirect holding of 100% voting right on corporation not established in the ROC, maximum financing is 50% of the net total assets. For the borrower needing short-term financing with direct or indirect holding of 100% voting right on corporation not established in the ROC, maximum financing is 50% of the net total assets.

C. United States dollars, Thai Baht, Euros and Chinese Yuan translated into New Taiwan dollars at the exchange rates of US\$1=NT\$30.71, THB1=NT\$0.8984, EUR1=NT\$34.0144 and CNY1=NT\$4.3306 as of December 31, 2023.

(Concluded)



TABLE B

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

**ENDORSEMENT/GUARANTEE PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No.	Endorser/Guarantor	Endorser/Guaranteee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note A)	Maximum Amount Endorsed/ Guaranteed During the Period (Note B)	Outstanding Endorsement/ Guarantee at the End of the Period (Note B)	Actual Borrowing Amount (Note B)	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note A)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	Yang Ming Marine Transport Corporation	Kuang Ming Shipping Corp. Kuang Ming (Liberia) Corp. Yang Ming (America) Corp.	Subsidiary Subsidiary Subsidiary	\$ 443,164,659 443,164,659 443,164,659	\$ 670,000 104,778 (US\$ 3,412 thousand) 92,130 3,000 (US\$ 3,000 thousand)	\$ 370,000 - - 92,130 3,000 (US\$ 3,000 thousand)	\$ 92,500 - - -	\$ - - -	0.13 - 0.03	\$ 830,933,736 830,933,736 830,933,736	Y Y Y	N N N	N N N
1	All Oceans Transportation Inc.	Yang Ming Marine Transport Corporation	Parent	25,896,333	198,750	-	-	-	-	30,212,389	N	Y	N
2	Yang Ming Line (Singapore) Pte Ltd	Yang Ming Line (M) Sdn. Bhd.	Subsidiary	25,621,696	26,836 (MYR 4,000 thousand)	26,836 (MYR 4,000 thousand)	-	-	0.01	32,027,120	N	N	N

Notes:

- A.
- Represents 300% of the latest net assets audited or reviewed by CPA of Yang Ming Marine Transport Corporation (the "Corporation"). Represents 160% of the amount as a forementioned.
 - Represents 400% of the latest net assets audited or reviewed by CPA of the Company and subsidiaries. Represents 180% of the amount as a forementioned.
 - Represents 50% of assets of Yang Ming Line Holding Co. Represents 80% of the amount as a forementioned.
 - Represents 700% of asset of All Oceans Transportation Inc. Represents 600% of the amount as a forementioned.
 - Represents 400% of asset of Kuang Ming Shipping Corp. Represents 320% of the amount as a forementioned.
 - Represents 50% of asset of Yang Ming Line (Singapore) Pte Ltd. Represents 40% of the amount as a forementioned.
- B. United States dollars and Malaysian ringgit translated into New Taiwan dollars at the exchange rates of US\$1=\$30.71 and MYR1=\$6.7089 as of December 31, 2023.

TABLE D

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Shares	Amount	Disposal	Carrying Amount	Gain (Loss) on Disposal	Ending Balance		
					Shares	Amount (Note B)	Shares	Amount						Amount	Shares	Amount (Note B)
Yang Ming Marine Transport Corporation	Mutual funds Taiwan 1699 Money Market Fund Hua Nan Phoenix Money Market Fund Fubon Chi-Hsiang Money Market Fund Capital Money Market Fund Sinospec Money Market Fund ESCC Taiwan Money Market Fund Taiwan Tse-Chong Money Market Fund CTBC Hua Win Money Market Fund	Financial assets at FVTPL - current Financial assets at FVTPL - current Financial assets at FVTPL - current Financial assets at FVTPL - current Financial assets at FVTPL - current Financial assets at FVTPL - current Financial assets at FVTPL - current Financial assets at FVTPL - current Financial assets at FVTPL - current	- - - - - - - - -	- - - - - - - - -	- - - - - - - - -	305,409,356	\$ 4,200,000	618,770,911 192,506,838 31,316,155 194,134,815 67,574,000 95,763,848 68,865,781 106,662,487	\$ 8,550,000 3,200,000 3,200,000 3,200,000 1,500,000 1,500,000 1,000,000 1,200,000	924,180,267 192,506,838 31,316,155 194,134,815 67,574,000 95,763,848 68,865,781 106,662,487	\$ 12,750,000 3,200,000 500,676 3,200,000 1,500,000 1,500,000 1,000,000 1,200,000	\$ 43,921 3,196 676 3,234 1,500 1,364 943 1,049	- - - - - - - -	- - - - - - - -	2,603,793,000	64,054,230
	Stock Yang Ming (Singapore) Pte. Ltd.	Investments accounted for using the equity method	-	Subsidiary	-	36,802,423	1,068,240,000 (Note A)	25,289,600 (Note A)	-	-	-	-	-	-	-	

Notes:

- A. Yang Ming Line (Singapore) Pte Ltd applied for the cash capital increase of US\$800,000 thousand and issued 1,068,240,000 shares in December 2023.
- B. Mutual funds are the balance of the original investment cost; equity method stocks are the balance of investments accounted for using the equity method.



TABLE E

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20 OF THE PAID-IN CAPITAL
DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Yang Ming Marine Transport Corporation	All Oceans Transportation Inc.	Subsidiary	\$ 1,995,506 (Note A)	-	-	-	\$ -	-
	Yang Ming (Singapore) Pte. Ltd.	Subsidiary	3,822,259	-	-	3,822,259	-	-
	YES Logistics Corp.	Subsidiary	510,510 (Note B)	-	-	12,600	-	-
Yang Ming (Singapore) Pte. Ltd.	Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	The same parent company	580,863	-	-	580,863	-	-
	Yang Ming Marine Transport Corporation	Parent company	441,721	-	-	441,721	-	-
Yang Ming Line (Singapore) Pte Ltd	All Oceans Transportation Inc.	The same parent company	309,250 (Note A)	-	-	-	-	-
Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	Yang Ming (Singapore) Pte. Ltd.	The same parent company	143,802	-	-	143,802	-	-
YES Logistics Corp.	Yes Logistics (Shanghai) Corp.	The same parent company	308,004	-	-	182,818	-	-
	Yes Logistics (Shanghai) Corp.	Subsidiary	119,998 (Note C)	-	-	4,156	-	-
All Oceans Transportation Inc.	Yang Ming Marine Transport Corporation	Parent company	4,193,540 (Note B)	-	-	36,244	-	-
Hong Ming Terminal & Stevedoring Corp.	Yang Ming Marine Transport Corporation	Parent company	103,741	-	-	101,162	-	-
Jing Ming Transportation Co., Ltd.	Yang Ming Marine Transport Corporation	Parent company	118,973 (Note B)	-	-	64,754	-	-
Yang Ming Shipping (Vietnam) Co., Ltd.	Yang Ming Marine Transport Corporation	Parent company	176,132	-	-	176,132	-	-
Yang Ming Anatolia Shipping Agency S.A.	Yang Ming Marine Transport Corporation	Parent company	185,861	-	-	185,861	-	-
Yang Ming Line (Thailand) Co., Ltd.	Yang Ming Marine Transport Corporation	Parent company	130,556	-	-	130,556	-	-
Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	Yang Ming Marine Transport Corporation	Parent company	411,692	-	-	411,692	-	-
Yang Ming (America) Corp.	Yang Ming Marine Transport Corporation	Parent company	312,373	-	-	312,373	-	-

(Continued)

Notes:

- A. Financing provided.
- B. Finance lease receivables and other receivables.
- C. Financing provided and collection of freight and fees between related parties.
- D. Collections between related parties made according to "Agency Accounting Procedure" by the Company and local business conventions.

(Concluded)

Number (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details			
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Total Sales or Assets
		Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	2	Contract assets	\$ 934,701	Conducted as agreed terms	-
				Trade receivables	580,863	Conducted as agreed terms	-
				Payables to shipping agents	143,802	Conducted as agreed terms	-
				Operating cost	866,957	Conducted as agreed terms	0.01
		Yang Ming (America) Corp.	2	Operating cost	1,334,072	Conducted as agreed terms	0.01
		Yang Ming Shipping Europe GmbH	2	Operating cost	255,561	Conducted as agreed terms	-
		Yang Ming (UK) Ltd	2	Operating cost	1,429,931	Conducted as agreed terms	0.01
3	Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	Yes Logistics (Shanghai) Corp.	2	Trade receivables	308,004	Conducted as agreed terms	-
4	YES Logistics Corp.	Yes Logistics Corp. (USA) Yes Logistics (Shanghai) Corp.	2 2	Operating cost Long-term notes receivable and trade receivables	254,989 110,121	Conducted as agreed terms Conducted as agreed terms	- -

Note A: Transactions between Yang Ming Marine Transport Corp. and its subsidiaries should be remarked, as well as numbered in the first column. Rules are as follows:

1. Yang Ming Marine Transport Corp. - 0
2. Subsidiaries are numbered in Arabic figures.

Note B: Related party transactions are divided into two categories as follows:

1. Yang Ming Marine Transport Corp. to its subsidiaries.
2. Subsidiaries to subsidiaries.

Note C: Information on the table is equivalent to the eliminated material intercompany transactions.

(Concluded)



TABLE G

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount (Note A)		As of December 31, 2023		Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2023	December 31, 2022	Shares	Percentage of Ownership			
Yang Ming Marine Transport Corporation	Kao Ming Container Terminal Corp.	Taiwan	Terminal operation and stevedoring	\$ 3,181,313	\$ 3,181,313	323,000,000	47.50	\$ 3,594,068	\$ 176,316 (Note B)	Investments in associates
	Yang Ming Line (B.V.) Holding Co., Ltd.	British Virgin Islands	Investment, shipping agency, forwarding agency and shipping managers	555,266	555,266	1,757	100.00	14,766,499	420,831	Subsidiary
	Yang Ming Line B.V.	Netherlands	Investment, shipping agency, forwarding agency and shipping managers	-	-	2,500	100.00	2,346,432	273,012	Subsidiary
	Kuang Ming Shipping Corp.	Taiwan	Shipping service, shipping agency and forwarding agency	8,927,857 (Note P)	8,927,857	98,882,111	98.88	2,802,352	103,915	Subsidiary
	Yang Ming Line (Singapore) Pte Ltd	Singapore	Investment, shipping service, sale and purchase of ships, chartering and forwarding agency	59,505,796 (Note T)	34,296,196	2,603,793,000 (Note T)	100.00	64,054,230	2,794,396	Subsidiary
	Yang Ming Line Holding Co.	U.S.A.	Investment, shipping agency, forwarding agency and shipping managers	143,860	143,860	13,500	100.00	4,235,143	231,606	Subsidiary
	All Oceans Transportation Inc.	Republic of Liberia	Shipping agency, forwarding agency and shipping managers	1,500,181	1,500,181	1,000	100.00	1,611,882	374,824	Subsidiary
	Yes Logistics Corp.	Taiwan	Sea and air freight forwarding agency and warehouse operation	1,141,691	1,141,691	115,630,977	96.36	1,496,091	104,881	Subsidiary
	Hong Ming Terminal & Stevedoring Corp.	Taiwan	Terminal operation and stevedoring	104,261	104,261	10,000,000	100.00	170,239	36,076	Subsidiary
	Jing Ming Investment Co., Ltd.	Taiwan	Container transportation	35,844	35,844	8,615,923	50.98	136,587	3,112	Subsidiary
	Yang Ming Investment Co., Ltd.	Taiwan	Investment and subsidiaries management	179,810	179,810	5,211,474	49.75	215,400	24,453	Investments in associates
	Taiwan Foundation International Pte. Ltd.	Singapore	Investment, shipping agency, forwarding agency, shipping managers and shipping lines	103,802	103,802	3,400,000	34.00	115,371	23,164	Investments in associates
	Taiwan Navigation Co., Ltd	Taiwan	Shipping agency, forwarding agency, shipping managers and shipping lines	4,367,004	4,367,004	70,793,243	16.96	2,700,252	262,366	Investments in associates
Yang Ming (Singapore) Pte. Ltd.	Singapore	Shipping agency, forwarding agency, shipping managers and shipping lines	444,930	444,930	799,342,500	100.00	28,094,171	(9,142,981)	Subsidiary	
Yang Ming Line Holding Co.	Yang Ming (America) Corp.	U.S.A.	Shipping agency, forwarding agency and shipping managers	17,305	17,305	5,000	100.00	333,516	38,460	Subsidiary
	Transcont Intermodal Logistics, Inc.	U.S.A.	Inland forwarding agency	326	326	200	100.00	215	(10)	Subsidiary
	Yang Ming Shipping (Canada) Ltd.	Canada	Shipping agency, forwarding agency and shipping managers	2,981	2,981	1,000	100.00	26,457	-	Subsidiary
	West Basin Container Terminal LLC	U.S.A.	Terminal operation and stevedoring	132,050	132,050	(Note D)	40.00	1,194,303	314,828	Investments in associates
	United Terminal Leasing LLC	U.S.A.	Terminal operation and machine lease	34,750	34,750	(Note E)	40.00	321,989	41,126	Investments in associates
Yang Ming Line (B.V.) Holding Co., Ltd.	Yang Ming Line N.V. (Note S)	Curacao	Investment, shipping agency, forwarding agency and shipping managers	-	42,038	-	-	-	-	Subsidiary
	Yang Ming (UK) Ltd	U.K.	Shipping agency, forwarding agency and shipping managers	2,633,724	2,633,724	68,097,591	97.84	3,683,156	432,160	Subsidiary
Yang Ming Line B.V.	Yang Ming (Belgium) N.V.	Belgium	Shipping agency	8,614	8,614	553	89.92	45,044	10,979	Subsidiary
	Yang Ming (Netherlands) B.V.	Netherlands	Shipping agency	15,285	15,285	400,000	100.00	152,018	105,243	Subsidiary
	Yang Ming (Italy) S.P.A.	Italy	Shipping agency	4,319	4,319	123,000	50.00	34,545	24,559	Subsidiary
	Yang Ming (UK) Ltd	U.K.	Shipping agency, forwarding agency, shipping managers and shipping lines	70,709	70,709	1,300,000	2.16	81,313	432,160	Subsidiary
	Yang Ming Shipping Europe GmbH	Germany	Shipping agency, forwarding agency and shipping managers	29,697	29,697	(Note F)	100.00	209,904	29,135	Subsidiary
	Yang Ming (Russia) LLC	Russia	Shipping agency	3,017	3,017	(Note G)	60.00	4,762	(3,619)	Subsidiary
	Yang Ming (Spain) S.L	Spain	Shipping agency	2,213	2,213	60,000	60.00	246,260	162,376	Subsidiary
Yang Ming (Mediteranean) Marine Services Single-Member Limited Liability Company	Yang Ming (Greece) S.A.E	Greece	Shipping agency, forwarding agency and shipping managers	39,379	39,379	11,000	100.00	43,755	-	Subsidiary
	Yang Ming Shipping (Egypt) S.A.E	Egypt	Shipping agency, forwarding agency and shipping managers	15,757	15,757	24,500	49.00	70,902	116,314	Investments in associates
Yang Ming (Belgium) N.V.	Belgium	Shipping agency	1,900	1,900	62	10.08	5,049	10,979	Subsidiary	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount (Note A)		As of December 31, 2023		Share of Profits (Loss)	Note	
				December 31, 2023	December 31, 2022	Shares	Percentage of Ownership			Carrying Amount
Yang Ming (UK) Ltd	Corstor Ltd.	U.K.	Warehouse management and container haulage services	\$ 7,411	\$ 7,411	1,000	100.00	\$ 22,374	\$ -	Subsidiary
Yang Ming (Italy) S.P.A.	Yang Ming (Naples) S.r.l.	Italy	Forwarding agency	1,695 (Note R)	1,695 (Note R)	(Note H)	60.00	5,058	(323)	Subsidiary
Yang Ming Line (Singapore) Pte Ltd	Yang Ming Shipping (B.V.) Inc. Yang Ming Line (Hong Kong) Ltd.	British Virgin Islands Hong Kong	Forwarding agency and shipping agency Forwarding agency and shipping agency	247,772 2,138	247,772 2,138	1,000 1,000,000	100.00 1.44	94,668 (494) (Note S) 268,523	10,532 7,816	Subsidiary Subsidiary
	Yang Ming Line (India) Pvt. Ltd.	India	Shipping agency, forwarding agency, and shipping managers	2,228	2,228	300,000	60.00	42,442	-	Subsidiary
	Yang Ming (Korea) Co., Ltd	Korea	Shipping agency, forwarding agency and shipping managers	10,107	10,107	60,000	60.00	19,612	(377)	Subsidiary
	Young-Carrier Company Ltd.	Hong Kong	Investment, shipping managers, forwarding agency and shipping managers	14,926	14,926	1,000,000	100.00	46,781	-	Subsidiary
	Yangming (Japan) Co., Ltd.	Japan	Shipping services, sale and purchase of ships; chartering and forwarding agency	36,235	36,235	3,000	100.00	62,529	-	Subsidiary
	Yang Ming Line (M) Sdn. Bhd.	Malaysia	Shipping agency, forwarding agency and shipping managers	10,727	10,727	1,000,000	100.00	148,243	-	Subsidiary
	Yang Ming Anatolia Shipping Agency S.A.	Turkiye	Shipping agency, forwarding agency and shipping managers	1,077	1,077	50,000	50.00	-	-	Investments in associates
	Fomosa International Development Corporation U.A.E.	Vietnam	Invest industry district and real estate managers	246,818	246,818	(Note I) 2,140	30.00 49.00	60,210	62,295	Investments in associates
	Yang Ming (U.A.E.) LLC.	U.A.E.	Shipping agency, forwarding agency and shipping managers	2,140	2,140	(Note J)	49.00	-	-	Subsidiary
	Yang Ming Shipping (Vietnam) Co., Ltd	Vietnam	Forwarding agency and shipping managers	9,881	9,881	(Note K)	100.00	36,574	4,908	Investments in associates
	Yang Ming (Australia) Pty. Ltd.	Australia	Shipping agency, forwarding agency and shipping managers	4,597	4,597	150,000	50.00	54,806	35,782	Investments in associates
	LogiTrans Technology Private Limited	India	Information system service	10,211	10,211	2,040,000	51.00	13,522	4,478	Investments in joint ventures
	Yang Ming Shipping Philippines, Inc.	Philippines	Forwarding agency and shipping managers	6,435	6,435	99,995	100.00	(948)	4,400	Subsidiary
	Yang Ming (Latin America) Corp.	Panama	Shipping agency, forwarding agency and shipping managers	6,020	6,020	200	100.00	8,773	276	Subsidiary
	Yang Ming Line (Thailand) Co., Ltd.	Thailand	Shipping agency, forwarding agency and shipping managers	3,589	3,589	3,920	49.00	26,234	6,387	Subsidiary
	Yang Ming Line shipping (Thailand) Co., Ltd.	Thailand	Shipping agency	2,282	2,282	2,450	49.00	16,265	4,244	Subsidiary
	Yang Ming Line (Japan) Co., Ltd.	Japan	Shipping agency	7,740	7,740	250,000	100.00	137,297	92,830	Subsidiary
	PT Yang Ming Shipping Indonesia	Indonesia	Shipping agency, forwarding agency and shipping managers	40,946	40,946	18,865	49.00	52,672	8,235	Subsidiary
	PT Formosa Sejahtera Logistics	Indonesia	Storage and stevedoring	5,701	5,701	1,875	15.00	6,907	5,896	Investments in associates
	Jambuan Memah Formosa Depot Sdn Bhd	Malaysia	Storage and stevedoring	1,743	1,743	250,000	25.00	3,032	511	Investments in joint ventures
	Yang Ming (France) SAS	France	Shipping agency, forwarding agency and shipping managers	3,025	3,025	90,000	60.00	31,678	24,417	Subsidiary
Yang Ming Line (Thailand) Co., Ltd.	Yang Ming Line shipping (Thailand) Co., Ltd.	Thailand	Shipping agency	2,328	2,328	2,500	50.00	16,597	4,244	Subsidiary
Yang Ming Line shipping (Thailand) Co., Ltd.	Yang Ming Line (Thailand) Co., Ltd.	Thailand	Shipping agency, forwarding agency and shipping managers	3,678	3,678	3,920	49.00	26,234	6,387	Subsidiary
Yangming (Japan) Co., Ltd.	Manwa Co., Ltd.	Japan	Forwarding agency and shipping agency	2,666	2,666	200	100.00	2,241	159	Subsidiary
Yang Ming Shipping (B.V.) Inc.	Yang Ming Line (Hong Kong) Ltd.	Hong Kong	Forwarding agency and shipping agency	249,953	249,953	68,556,347	98.56	(33,896)	7,816	Subsidiary
Kuang Ming Shipping Corp.	Karlman Properties Limited	Hong Kong	Property agency	4	4	24,000,000	100.00	88,604	114	Subsidiary
	Kuang Ming (Libera) Corp.	Republic of Liberia	Forwarding agency	6,032,544 (Note Q)	6,032,544 (Note Q)	5	100.00	3,468,775	(8,646)	Subsidiary
Yes Logistics Corp.	Yes Logistics Corporation (USA) Yes Yangming Logistics (Singapore) Pte. Ltd. PT. YES Logistics Indonesia Yes LIBERAL Logistics Corp.	U.S.A. Singapore Indonesia Taiwan	Sea and air freight forwarding agency Investment and subsidiaries management Forwarding agency Warehouse operation	179,763 40,395 13,315 75,000	179,763 40,395 13,315 75,000	2,173,411 1,730,784 110,000 7,500,000	100.00 100.00 50.00 50.00	251,747 488,977 1,2197 76454	(21,992) (5,420) (4,125) 1,278	Subsidiary Subsidiary Subsidiary Investments in joint ventures

(Continued)



Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount (Note A)		As of December 31, 2023			Share of Profits (Loss)	Note
				December 31, 2023	December 31, 2022	Shares	Percentage of Ownership	Carrying Amount		
Yes Yangming Logistics (Singapore) Pte. Ltd.	Yes Logistics Benelux B.V. Yes Logistics Company Ltd. YES and HQL Logistics Company Yes Easyway Logistics Company Limited	Netherlands Hong Kong Vietnam Thailand	Forwarding agency Forwarding agency Forwarding agency Forwarding agency	\$ 10,179 32,351 3,128 2,061	\$ 10,179 32,351 3,128 2,061	12,600 7,882,278 (Note O) 29,400	70.00 100.00 51.00 49.00	\$ 17,347 17,638 13,164 258	\$ 2,572 (2,350) (2,632) (3,565)	- - - - Subsidiary Subsidiary Investments in joint ventures Investments in joint ventures
Yes Logistics Corporation (USA)	Golden Logistics USA Corporation YES Logistics Europe GmbH	U.S.A. Germany	Container transportation Forwarding agency	328 40,090	328 40,090	100 (Note L)	100.00 100.00	5,596 (58,559) (Note C)	1,178 (14,287)	- - Subsidiary Subsidiary
YES Logistics Europe GmbH	YES MLC GmbH	Germany	Import and export, storage and delivery, and other warehousing related business	10,826	10,826	(Note M)	100.00	(14,918) (Note C)	(7,225)	- Subsidiary
YES MLC GmbH	Merlin Logistics GmbH	Austria	Warehouse operation and logistics	1,380	1,380	(Note N)	100.00	399	871	- Subsidiary
Merlin Logistics GmbH	YES Logistics Bulgaria Ltd.	Bulgaria	Cargo consolidation service and forwarding agency	740	740	500	100.00	(96) (Note C)	(66)	- Subsidiary

Notes:

- A. This is translated into New Taiwan dollars at the exchange rate prevailing at the time of investment acquisition.
- B. This is an adjustment to the remainder investment of investment income or loss recognized at fair value on the date of losing control.
- C. Investors had negative net assets. Thus, the negative carrying values of the investments were presented as liability.
- D. This is equivalent to US\$3,800 thousand, and no shares were issued.
- E. This is equivalent to US\$1,000 thousand, and no shares were issued.
- F. This is equivalent to EUR818 thousand and no shares were issued.
- G. This is equivalent to US\$92 thousand and no shares were issued.
- H. This is equivalent to EUR6 thousand, and no shares were issued.
- I. This is equivalent to US\$7,700 thousand, and no shares were issued.
- J. This is equivalent to AED245 thousand, and no shares were issued.
- K. This is equivalent to US\$300 thousand and no shares were issued.
- L. This is equivalent to EUR1,025 thousand, and no shares were issued.
- M. This is equivalent to EUR290 thousand, and no shares were issued.
- N. This is equivalent to EUR35 thousand, and no shares were issued.
- O. This is equivalent to US\$102 thousand and no shares were issued.
- P. The original investment amount did not deduct the amount of offsetting the deficit of \$3,000,000 thousand and \$4,701,339 thousand in May 2021 and May 2017, respectively.
- Q. The original investment amount did not deduct the amount of offsetting the deficit of \$2,139,659 thousand in June 2017.
- R. The original investment amount did not deduct the amount of offsetting the deficit of \$1,457 thousand in May 2020.
- S. The Group's board of directors resolved in August 2021 to liquidate Yang Ming Line N.Y. and completed the liquidation in April 2023.
- T. Yang Ming Line (Singapore) Pte Ltd. applied for the cash capital increase of US\$800,000 thousand and issued 1,068,240,000 shares in December 2023.
- U. The information on investments in mainland China is provided in Table H.

(Concluded)

TABLE II

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023 (Note J)	Investment Flows		Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note E)	Carrying Amount as of December 31, 2023 (Note E)	Accumulated Repatriation of Investment Income as of December 31, 2023
						Outflow	Inflow					
Yang Ming Marine Transport Corporation	Huan Ming (Shanghai) International Shipping Agency (Note G)	Shipping agency, forwarding agency and shipping managers	US\$ 1,000 thousand (Note H)	Indirect investment through Singapore-based subsidiary's direct investment in mainland China	\$ -	\$ -	\$ -	90,060	100.00 (Note I)	\$ 90,060	\$ (164,379)	\$ -
Yes Logistics Corp.	Sino Trans PFS Cold Chain Logistic Co., Ltd. (Note D)	Storage facilities construction and operation as well as providing supporting services related	US\$ 46,242 thousand	The Company direct investment in mainland China	(CNY) 22,558 5,209 (thousand)	-	(35,410)	6.67		(2,361)	15,876	-
	Yes Logistics (Shanghai) Corp. (Note A)	Forwarding agency	US\$ 4,300 thousand	Investee investment through US based subsidiary's direct investment in Mainland China	(US\$) 245,680 8,000 (thousand)	-	3,296	96.36		3,465	456,394	-
Chung Ming Logistics Company Limited (Note B)	Chung Ming Logistics Company Limited (Note B)	Terminal operation and stevedoring, storage, and shipping agency	CNY 144,800 thousand	Investee's direct investment in Mainland China	(US\$) 28,624 9,201 (thousand)	-	2,469	47.22		1,166	276,459	-
	Sino Trans PFS Cold Chain Logistic Co., Ltd.	Storage facilities construction and operation as well as providing supporting services related	US\$ 46,242 thousand	Investee's direct investment in mainland China	(US\$) 189,296 6,164 (thousand)	-	(35,410)	12.85		(4,550)	31,882	-
Shanghai United Cold Chain Logistics Co., Ltd. (Note F)	Shanghai United Cold Chain Logistics Co., Ltd. (Note F)	Storage facilities construction and operation as well as providing supporting services related	CNY 50,000 thousand	Investee's direct investment in mainland China	(CNY) 43,306 10,000 (thousand)	-	(61,163)	19.27		(11,786)	29,366	-

Company Name	Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2023 (Note J)	Investment Amounts Authorized by Investment Commission, MOEA (Note J)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Yang Ming Marine Transport Corporation (Note D)	\$ 22,558 (CNY 5,209 thousand)	\$ 238,664 (US\$ 7,037 thousand) (CNY 5,209 thousand)	\$ 166,620,725
Yes Logistics Corp. (Note C)	747,844 (US\$ 17,301 thousand) (CNY 50,000 thousand)	747,844 (US\$ 17,301 thousand) (CNY 50,000 thousand)	1,044,774

Notes:

- Yes Logistics Corp. (the subsidiary of the Company) was authorized to invest in mainland China by the Investment Commission, Ministry of Economic Affairs on June 3, 2004, July 4, 2006, December 26, 2006 and August 31, 2016.
- Yes Logistics Corp. (the subsidiary of the Company) was authorized to invest in mainland China by the Investment Commission, Ministry of Economic Affairs on April 11, 2005, August 22, 2006, November 29, 2006 and December 2, 2008.
- Yes Logistics Corp. (the subsidiary of the Company) was authorized to invest in mainland China by the Investment Commission, Ministry of Economic Affairs on December 16, 2013.
- The Company was authorized to invest in mainland China by Investment Commission, Ministry of Economic Affairs on August 25, 2021.
- Calculated by the % ownership of direct or indirect investment.
- Yes Logistics Corp. (the subsidiary of the Company) was authorized to invest in mainland China by the Investment Commission, Ministry of Economic Affairs on May 12, 2017.
- The Company was authorized to invest in mainland China by Investment Commission, Ministry of Economic Affairs on December 25, 2019
- Investing by the unappropriated earnings of Yang Ming Line (Singapore) Pte Ltd.
- The Group contributed 51% of capital in terms of cash input, but de facto holds 100% of the equity based on terms stipulated in the joint venture agreement.
- United States dollars and Chinese Yuan translated into New Taiwan dollars at the exchange rates of (US\$)=NT\$30.71 and (CNY)=NT\$4.3306 as of December 31, 2023.

**TABLE I****YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2023**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
The Ministry of Transportation and Communications R.O.C.	467,682,372	13.39
National Development Fund	460,000,000	13.17

Note A: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Group as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note B: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustee who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.



Attachment 2 Parent Company Only Financial Statements 2023

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Yang Ming Marine Transport Corporation

Opinion

We have audited the accompanying parent company only financial statements of Yang Ming Marine Transport Corporation (the "Company"), which comprise the parent company only balance sheets as of December 31, 2023 and 2022, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the "parent company only financial statements").

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2023 and 2022, and its parent company only financial performance and its parent company only 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the 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 Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the parent company only financial statements of the Company for the year ended December 31, 2023 are as follows:

Audit of the Percentage-of-Completion

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

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

The judgment of cargo revenue recognition included material accounting judgments and key sources of estimation uncertainty disclosed in Notes 5 and 24 to the accompanying parent company only financial statements.

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

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only 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 parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only 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 Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 parent company only financial statements.



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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2023, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 7, 2024

Notice to Readers

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

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



PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4, 6 and 31)	\$ 36,522,836	10	\$ 85,538,805	18
Financial assets at fair value through profit or loss (FVTPL) - current (Notes 4 and 7)	94,795	-	4,302,945	1
Financial assets at amortized cost - current (Notes 4, 9, 30, 31 and 32)	43,394,932	12	101,812,282	21
Financial assets for hedging - current (Notes 4, 6, 30 and 31)	17,269,769	5	30,710,000	6
Contract assets, net (Notes 4, 24 and 31)	374,916	-	485,005	-
Trade receivables, net (Notes 4, 10 and 24)	1,091,819	-	2,002,235	-
Trade receivables from related parties (Notes 4, 10, 24 and 31)	447,159	-	1,301,281	-
Finance lease receivables, net (Notes 4, 11 and 31)	63,013	-	68,308	-
Other receivables from related parties (Notes 4 and 31)	3,777,405	1	2,937,022	1
Current tax assets (Notes 4 and 26)	1,210,766	-	144	-
Shipping fuel (Notes 4 and 12)	1,089,399	-	1,763,179	-
Prepayments (Note 31)	219,325	-	348,248	-
Prepayments to shipping agents (Note 31)	231,638	-	609,703	-
Other current assets	346,836	-	658,230	-
Total current assets	106,134,608	28	232,537,387	47
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss (FVTPL) - non-current (Notes 4 and 7)	355,828	-	353,165	-
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 4 and 8)	490,299	-	505,221	-
Financial assets at amortized cost - non-current (Notes 4, 9, 30, 31 and 32)	3,160,433	1	2,706,949	1
Investments accounted for using equity method (Notes 4 and 13)	126,366,593	34	106,683,195	22
Property, plant and equipment (Notes 4, 14, 31, 32 and 33)	47,266,853	13	47,335,513	10
Right-of-use assets (Notes 4, 15 and 31)	70,437,311	19	88,612,040	18
Investment properties (Notes 4, 16 and 31)	7,777,386	2	7,680,322	2
Other intangible assets (Note 4)	108,556	-	99,731	-
Deferred tax assets (Notes 4 and 26)	787,393	-	713,747	-
Prepayments for equipment (Notes 31 and 33)	11,343,475	3	222,346	-
Refundable deposits	70,951	-	80,236	-
Finance lease receivable - non-current (Notes 4, 11 and 31)	508,231	-	584,153	-
Long-term receivables from related parties (Note 31)	1,995,506	-	2,290,000	-
Other non-current assets	2,033	-	6,930	-
Total non-current assets	270,670,848	72	257,873,548	53
TOTAL	\$ 376,805,456	100	\$ 490,410,935	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Financial liabilities for hedging - current (Notes 4, 15 and 30)	\$ 10,380,140	3	\$ 8,371,948	2
Contract liabilities - current (Notes 4 and 24)	170,373	-	314,304	-
Trade payables (Note 19)	4,093,475	1	5,314,665	1
Trade payables to related parties (Notes 19 and 31)	2,835,049	1	3,444,260	1
Other payables (Note 20)	4,213,952	1	5,834,811	1
Other payables to related parties (Notes 20 and 31)	251,592	-	278,570	-
Current tax liabilities (Notes 4 and 26)	9,520,099	2	29,508,092	6
Provision - current (Notes 4 and 21)	36,018	-	-	-
Lease liabilities - current (Notes 4, 15 and 31)	3,800,935	1	3,895,055	1
Other advance account	58,608	-	59,458	-
Current portion of long-term liabilities (Notes 4, 18, 31 and 32)	2,475,983	1	2,474,968	-
Other current liabilities	415,258	-	588,569	-
Total current liabilities	38,251,482	10	60,084,700	12
NON-CURRENT LIABILITIES				
Financial liabilities for hedging - non-current (Notes 4, 15 and 30)	21,401,129	6	36,816,306	8
Bonds payable (Notes 4, 18, 31 and 32)	5,878,396	1	8,351,220	2
Long-term borrowings (Notes 4, 17, 31 and 32)	-	-	198,750	-
Deferred tax liabilities (Notes 4 and 26)	7,034,539	2	10,662,276	2
Lease liabilities - non-current (Notes 4, 15 and 31)	25,404,164	7	29,219,630	6
Other advance account - non-current	30,706	-	56,287	-
Net defined benefit liabilities - non-current (Notes 4 and 22)	1,596,691	-	1,822,653	-
Other non-current liabilities	230,437	-	239,375	-
Total non-current liabilities	61,576,062	16	87,366,497	18
Total liabilities	99,827,544	26	147,451,197	30
EQUITY				
Share capital - ordinary shares	34,921,043	9	34,921,043	7
Capital surplus	27,975,030	8	27,975,030	6
Retained earnings				
Legal reserve	34,991,933	9	16,907,064	3
Special reserve	3,988,772	1	3,713,230	1
Unappropriated earnings	176,009,020	47	259,456,948	53
Total retained earnings	214,989,725	57	280,077,242	57
Other equity	(907,886)	-	(13,577)	-
Total equity	276,977,912	74	342,959,738	70
TOTAL	\$ 376,805,456	100	\$ 490,410,935	100

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

YANG MING MARINE TRANSPORT CORPORATION
**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 5, 15, 24 and 31)	\$ 57,094,096	100	\$ 261,012,906	100
OPERATING COSTS (Notes 4, 12, 25 and 31)	<u>47,719,545</u>	<u>83</u>	<u>89,950,003</u>	<u>35</u>
GROSS PROFIT	<u>9,374,551</u>	<u>17</u>	<u>171,062,903</u>	<u>65</u>
OPERATING EXPENSES (Notes 4, 9, 10, 24, 25, 30 and 31)				
Selling and marketing expenses	2,039,032	4	4,338,921	2
General and administrative expenses	597,011	1	1,389,545	-
Expected credit gain	<u>(13,829)</u>	<u>-</u>	<u>(85,498)</u>	<u>-</u>
Total operating expenses	<u>2,622,214</u>	<u>5</u>	<u>5,642,968</u>	<u>2</u>
OTHER OPERATING INCOME AND EXPENSES (Notes 4 and 25)	<u>112,671</u>	<u>-</u>	<u>586,566</u>	<u>-</u>
PROFIT FROM OPERATIONS	<u>6,865,008</u>	<u>12</u>	<u>166,006,501</u>	<u>63</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 25 and 31)				
Interest income	7,309,050	13	3,316,354	1
Other income	106,735	-	93,865	-
Other gains and losses	2,532,197	4	10,269,245	4
Finance costs	(2,263,361)	(4)	(2,111,129)	(1)
Share of profits or loss of subsidiaries and associates	<u>(4,316,791)</u>	<u>(7)</u>	<u>52,913,463</u>	<u>21</u>
Total non-operating income and expenses	<u>3,367,830</u>	<u>6</u>	<u>64,481,798</u>	<u>25</u>
PROFIT BEFORE INCOME TAX	10,232,838	18	230,488,299	88
INCOME TAX EXPENSE (Notes 4 and 26)	<u>(5,458,732)</u>	<u>(10)</u>	<u>(49,896,357)</u>	<u>(19)</u>
NET PROFIT FOR THE YEAR	<u>4,774,106</u>	<u>8</u>	<u>180,591,942</u>	<u>69</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 6, 15, 22, 23 and 26)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(13,968)	-	316,260	-
Unrealized (loss) gain on investments in equity instruments at FVTOCI	(14,922)	-	9,571	-

(Continued)



YANG MING MARINE TRANSPORT CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
Share of the other comprehensive loss of subsidiaries and associates accounted for using the equity method	\$ (56,188)	-	\$ (391,715)	-
Income tax related to items that will not be reclassified subsequently to profit or loss	<u>2,794</u>	<u>-</u>	<u>(63,252)</u>	<u>-</u>
	<u>(82,284)</u>	<u>-</u>	<u>(129,136)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(537,896)	(1)	1,555,149	1
Gain (loss) on hedging instruments	396,833	1	(3,365,547)	(1)
Income tax related to items that may be reclassified subsequently to profit or loss	<u>204,387</u>	<u>-</u>	<u>458,141</u>	<u>-</u>
	<u>63,324</u>	<u>-</u>	<u>(1,352,257)</u>	<u>-</u>
Other comprehensive loss for the year, net of income tax	<u>(18,960)</u>	<u>-</u>	<u>(1,481,393)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 4,755,146</u>	<u>8</u>	<u>\$ 179,110,549</u>	<u>69</u>
EARNINGS PER SHARE (Note 27)				
Basic	<u>\$1.37</u>		<u>\$51.71</u>	
Diluted	<u>\$1.37</u>		<u>\$51.15</u>	

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)

YANG MING MARINE TRANSPORT CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	Share Capital (Notes 4 and 23)		Capital Surplus (Notes 4 and 23)		Retained Earnings (Note 23)		Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations (Notes 4 and 23)	Other Equity Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income (Notes 4 and 23)	Gain (Loss) on Hedging Instruments (Notes 4 and 23)	Total Equity
	Shares (In Thousands)	Amount	Amount	Special Reserve	Legal Reserve	Special Reserve					
BALANCE AT JANUARY 1, 2022	3,492,104	\$ 34,921,043	\$ 27,975,030	\$ 1,494,827	\$ 166,092	\$ 1,494,827	\$ 167,409,719	\$ (1,253,998)	\$ (299,493)	\$ 3,278,054	\$ 233,691,274
Appropriation of 2021 earnings	-	-	-	-	-	-	(16,740,972)	-	-	-	-
Legal reserve	-	-	-	-	16,740,972	-	(16,740,972)	-	-	-	-
Special reserve	-	-	-	2,218,403	-	2,218,403	(2,218,403)	-	-	-	-
Cash dividends to shareholders (NT\$20 per share)	-	-	-	-	-	-	(69,842,085)	-	-	-	(69,842,085)
Net profit for the year ended December 31, 2022	-	-	-	-	-	-	180,591,942	-	-	-	180,591,942
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	-	264,487	1,340,181	(393,623)	(2,692,438)	(1,481,393)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	-	180,856,429	1,340,181	(393,623)	(2,692,438)	179,110,549
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (loss) by associates	-	-	-	-	-	-	(7,740)	-	7,740	-	-
BALANCE AT DECEMBER 31, 2022	3,492,104	34,921,043	27,975,030	3,713,230	16,907,064	3,713,230	259,456,948	86,183	(685,376)	585,616	342,959,738
Appropriation of 2022 earnings	-	-	-	-	-	-	(18,084,869)	-	-	-	-
Legal reserve	-	-	-	-	18,084,869	-	(18,084,869)	-	-	-	-
Special reserve	-	-	-	275,542	-	275,542	(275,542)	-	-	-	-
Cash dividends to shareholders (NT\$20 per share)	-	-	-	-	-	-	(69,842,086)	-	-	-	(69,842,086)
Net profit for the year ended December 31, 2023	-	-	-	-	-	-	4,774,106	-	-	-	4,774,106
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	-	(24,060)	(433,119)	(58,224)	496,443	(18,960)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	-	4,750,046	(433,119)	(58,224)	496,443	4,755,146
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (loss) by associates	-	-	-	-	-	-	4,523	-	(4,523)	-	-
Basis adjustment to loss on hedging instruments	-	-	-	-	-	-	-	-	-	(894,886)	(894,886)
BALANCE AT DECEMBER 31, 2023	3,492,104	\$ 34,921,043	\$ 27,975,030	\$ 3,988,772	\$ 34,991,933	\$ 3,988,772	\$ 176,009,020	\$ (346,936)	\$ (748,123)	\$ 187,173	\$ 276,977,912

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



YANG MING MARINE TRANSPORT CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FORM OPERATING ACTIVITIES		
Income before income tax	\$ 10,232,838	\$ 230,488,299
Adjustments for:		
Depreciation expenses	18,169,245	17,291,561
Amortization expenses	65,989	58,727
Expected credit loss reversed	(13,829)	(85,498)
Net (gain) loss on fair value change of financial assets/liabilities at FVTPL	(54,719)	18,502
Finance costs	2,263,361	2,111,129
Interest income	(7,309,050)	(3,316,354)
Dividend income	(8,030)	(2,109)
Share of loss (profit) of subsidiaries and associates	4,316,791	(52,913,463)
Gain on disposal of property, plant and equipment	(55,508)	(17,671)
Impairment loss recognized on associates	2,321	1,924,980
Write-down of shipping fuel	121,459	-
Net gain on foreign currency exchange	(1,642,205)	(2,307,307)
Gain on change in fair value of investment properties	(97,064)	(170,632)
Ineffective portion of cash flow hedges	(67,770)	-
Loss on lease modification	14,306	285
Recognition of provisions	36,018	-
Others	-	(329,828)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at FVTPL	4,260,206	(4,582,507)
Contract assets	111,535	9,034,697
Trade receivables	1,046,218	4,938,570
Trade receivables from related parties	854,122	1,946,080
Other receivables from related parties	840,383	(2,881,682)
Shipping fuel	552,321	533,788
Prepayments	113,652	(46,950)
Prepayments to shipping agents	378,065	(102,395)
Other current assets	(1,321,788)	98,303
Financial liabilities held for trading	-	(2,186)
Contract liabilities	(143,931)	(380,569)
Trade payables	(1,400,869)	(7,985,373)
Trade payables to related parties	(609,211)	708,777
Other payables	(2,326,330)	1,104,345
Other payables to related parties	(25,305)	(97,635)
Provisions	-	(56,307)
Other advances account	(26,431)	(48,843)
Other current liabilities	(169,296)	112,619
Net defined benefit liabilities	(239,930)	(527,598)
Cash generated from operations	27,867,564	194,515,755
Interest received	7,226,426	3,041,932
Dividend received	621,036	19,273,497

(Continued)

YANG MING MARINE TRANSPORT CORPORATION

**PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)**

	2023	2022
Interest paid	\$ (2,228,346)	\$ (2,118,950)
Income tax paid	<u>(30,177,402)</u>	<u>(43,996,604)</u>
Net cash generated from operating activities	<u>3,309,278</u>	<u>170,715,630</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(216,114,114)	(279,887,742)
Proceeds from sale of financial assets at amortized cost	277,687,320	308,020,639
Purchase of financial assets for hedging	-	(33,217,784)
Proceeds from sale of financial assets for hedging	12,018,168	3,608,784
Acquisition of associates	-	(330)
Payments for property, plant and equipment	(2,213,464)	(8,091,263)
Proceeds from disposal of property, plant and equipment	10,302,905	15,766
Decrease in refundable deposits	9,285	11,542
(Increase) decrease in long-term receivables from related parties	(65,331)	61,668
Payments for intangible assets	(74,814)	(106,979)
Payments for investment properties	-	(434,368)
Decrease in financial lease receivables	66,911	65,735
Decrease in other non-current assets	3,695	13,817
Increase in prepayments for equipment	<u>(12,237,306)</u>	<u>(184,129)</u>
Net cash generated from (used in) investing activities	<u>69,383,255</u>	<u>(10,124,644)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bonds payable	(2,500,000)	-
Repayments of long-term borrowings	(198,750)	(3,803,574)
Repayments of the principal portion of lease liabilities	(24,264,550)	(10,686,462)
Decrease (increase) in other non-current liabilities	(8,938)	118,190
Cash dividends paid	(69,842,086)	(69,842,085)
Acquisition of additional interests in subsidiaries	<u>(25,209,600)</u>	<u>(34,919,976)</u>
Net cash used in financing activities	<u>(122,023,924)</u>	<u>(119,133,907)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	<u>315,422</u>	<u>2,025,201</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(49,015,969)	43,482,280
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>85,538,805</u>	<u>42,056,525</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 36,522,836</u>	<u>\$ 85,538,805</u>

The accompanying notes are an integral part of the parent company only financial statements. (Concluded)



YANG MING MARINE TRANSPORT CORPORATION

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

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

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

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

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

The parent company only financial statements of the Company are presented in YMTC’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by YMTC’s board of directors on March 7, 2024.

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

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

Except for the following, the initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Company’s accounting policies.

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

When applying the amendments, the Company’s refers to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Moreover:

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

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

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

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

Refer to Note 4 for related accounting policy information.

2) Amendments to IAS 8 “Definition of Accounting Estimates”

The Company has applied the amendments since January 1, 2023, which defines accounting estimates as monetary amounts in financial statements that are subject to measurement uncertainty. In applying accounting policies, the Company may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Company uses measurement techniques and inputs to develop accounting estimates to achieve the objective. The effects on an accounting estimate of a change in a measurement technique or a change in an input are changes in accounting estimates unless they result from the correction of prior period errors.

3) Amendments to IAS 12 “International Tax Reform - Pillar Two Model Rules”

The amendments introduce a temporary exception to the requirements in IAS 12 by stipulating that the Company should neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The amendments also require the Company to disclose that it has applied the exception and separately disclose its current tax expense (income) related to Pillar Two income taxes. In addition, for periods in which Pillar Two legislation is enacted or substantively enacted but not yet in effect, the Company should disclose qualitative and quantitative information that helps users of financial statements understand the Company’s exposure to Pillar Two income taxes. The requirement that the Company apply the exception and the requirement to disclose that fact are applied immediately and retrospectively upon issuance of the amendments. The remaining disclosure requirements apply for annual reporting periods beginning on or after January 1, 2023, but not for any interim period ending on or before December 31, 2023.



- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
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 (Note 3)

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

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

Amendments to IAS 1 “Classification of Liabilities as Current or Non-current” (referred to as the “2020 amendments”) and “Non-current Liabilities with Covenants” (referred to as the “2022 amendments”)

The 2020 amendments clarify that for a liability to be classified as non-current, the Company shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights exist at the end of the reporting period, the liability is classified as non-current regardless of whether the Company will exercise that right.

The 2020 amendments also stipulate that, if the right to defer settlement is subject to compliance with specified conditions, the Company must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date. The 2022 amendments further clarify that only covenants with which an entity is required to comply on or before the reporting date should affect the classification of a liability as current or non-current. Although the covenants to be complied with within twelve months after the reporting period do not affect the classification of a liability, the Company shall disclose information that enables users of financial statements to understand the risk of the Company, which may have difficulty complying with the covenants and repaying its liabilities within twelve months after the reporting period.

The 2020 amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Company’s own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that, at the option of the counterparty, result in its settlement by a transfer of the Company’s own equity instruments, and if such an option is recognized separately as equity in accordance with IAS 32 “Financial Instruments: Presentation”, the aforementioned terms would not affect the classification of the liability.

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

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

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

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

As of the date the parent company only financial statements were authorized for issue, the Company is continuously assessing the possible impact of the application of the standards and interpretations on the Company’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

- a. Statement of compliance

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

- b. Basis of preparation

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

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

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



When preparing these parent company only financial statements, the Company used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries and associates, the share of other comprehensive income of subsidiaries and associates and the related equity items, as appropriate, in these parent company only financial statements.

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

Current assets include:

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

Current liabilities include:

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

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

d. Foreign currencies

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

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

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

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

For the purposes of presenting parent company only financial statements, the financial statements of the Company's foreign operations (including subsidiaries and associates in other countries) that are prepared using functional currencies which are different from the currency of the Company are translated into the presentation currency, the New Taiwan dollars, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

e. Shipping fuel

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

f. Investment in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of equity of subsidiaries attributable to the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are accounted for as equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of loss of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further loss, if any.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Company directly disposed of the related assets or liabilities.

Profit or loss resulting from upstream transactions and transactions between subsidiaries is recognized only in the parent company only financial statements and only to the extent of interests in the subsidiaries that are not related to the Company.



g. Investment in associates

An associate is an entity over which the Company has significant influence and which is not a subsidiary.

The Company uses the equity method to account for its investments in associates.

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

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

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

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

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

h. Property, plant and equipment

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

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

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

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

i. Investment properties

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

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

For a transfer of classification from investment properties to property, plant and equipment, the deemed cost of an item of property for subsequent accounting is its fair value at the commencement of development for owner-occupation.

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

j. Intangible assets

1) Intangible assets acquired separately

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

2) Derecognition of intangible assets

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

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

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

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

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



1. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 30.

ii. Financial assets at amortized cost

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

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

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

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

- i) Significant financial difficulty of the issuer or the borrower;
- ii) Breach of contract, such as a default;

- iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- iv) The disappearance of an active market for that financial asset because of financial difficulties.

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

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets and contract assets

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

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

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

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

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



c) Derecognition of financial assets

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

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

2) Equity instruments

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

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

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity, and its carrying amounts are calculated based on weighted average by share types. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

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

i. Financial liabilities at FVTPL

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

Financial liabilities held for trading are stated at fair value, and any gains or losses on such financial liabilities are recognized in other gains and losses. Fair value is determined in the manner described in Note 30.

ii. Financial guarantee contracts

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

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

b) Derecognition of financial liabilities

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

4) Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to oil price variation risks, mainly for oil swap option.

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

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

m. Hedge accounting

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

Cash flow hedges

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

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

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



n. Provisions

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

o. Revenue recognition

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

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

1) Revenue from container shipping service

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

2) Other operating revenue

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

p. Leasing

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

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

1) The Company as lessor

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

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

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

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

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

2) The Company as lessee

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

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

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

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

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



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

q. Government grants

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

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

Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

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

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

r. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Other long-term employee benefits

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

4) Termination benefits

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

s. Taxation

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

1) Current tax

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

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

2) Deferred tax

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

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

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

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

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



The Company has applied the exception from the recognition and disclosure of deferred tax assets and liabilities relating to Pillar Two income taxes. Accordingly, the Company neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

3) Current and deferred taxes

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

When developing material accounting estimates, the Company considers the possible impact of European Union environmental policies and regulations, the economic environment implications of the military conflict between Russia and Ukraine and inflation on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Key Sources of Estimation Uncertainty

Revenue recognition

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

6. CASH AND CASH EQUIVALENTS

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Cash on hand	\$ 7	\$ 1,270
Checking accounts and demand deposits	6,481,982	22,186,468
Cash equivalents (investments with original maturities of 3 months or less)		
Time deposits	30,040,847	57,751,067
Repurchase agreements	<u>-</u>	<u>5,600,000</u>
	<u>\$ 36,522,836</u>	<u>\$ 85,538,805</u>

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

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Time deposits	1.55%-5.94%	1.39%-5.35%
Repurchase agreements	-	1.57%

Financial assets designated as hedging

The Company designated certain USD-denominated demand deposits and time deposits as hedging instruments to hedge future volatility of USD-denominated payments for ship and container purchases, and the accounting treatment is applied to cash flow hedges. The information on the transactions is summarized as follows:

	Maturity Period	Account	Carrying Amount
December 31, 2023	2024/01/03-2024/11/29	Financial assets for hedging	<u>\$ 17,269,769</u>
December 31, 2022	2023/03/29	Financial assets for hedging	<u>\$ 30,710,000</u>

Impact on comprehensive income (loss):

	Recognized in Other Comprehensive Income	Amount Reclassified
For the year ended December 31, 2023	<u>\$ 507,500</u>	<u>\$ (67,770)</u>
For the year ended December 31, 2022	<u>\$ 1,101,000</u>	<u>\$ (61,000)</u>

For the year ended December 31, 2023, the amount of hedging instrument settlements recognized as prepayments for equipment was \$(894,886) thousand.

7. FINANCIAL INSTRUMENTS AT FVTPL

	December 31	
	2023	2022
<u>Financial assets at FVTPL - current</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic listed shares	\$ 94,795	\$ 64,192
Mutual funds	<u>-</u>	<u>4,238,753</u>
	<u>\$ 94,795</u>	<u>\$ 4,302,945</u>
<u>Financial assets at FVTPL - non-current</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic listed shares	\$ 272,000	\$ 274,400
Mutual funds	54,717	49,176
Domestic limited partnership	<u>29,111</u>	<u>29,589</u>
	<u>\$ 355,828</u>	<u>\$ 353,165</u>

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



The Company did not have outstanding oil derivatives contracts for the years ended December 31, 2023 and 2022.

8. FINANCIAL ASSETS AT FVTOCI - NON-CURRENT

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Domestic investments in equity instruments</u>		
Unlisted shares		
Ordinary shares - Taipei Port Container Terminal Co., Ltd.	\$ 472,113	\$ 489,102
Ordinary shares - United Stevedoring Corp.	4,684	4,495
Ordinary shares - Pro-Ascentek Investment Corporation	<u>13,502</u>	<u>11,624</u>
	<u>\$ 490,299</u>	<u>\$ 505,221</u>

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

Dividends of \$1,238 thousand and \$1,724 thousand were recognized during 2023 and 2022, respectively.

9. FINANCIAL ASSETS AT AMORTIZED COST

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Time deposits with original maturities of more than 3 months (a)	\$ 43,305,596	\$ 101,723,736
Restricted bank balance (Note 32)	89,982	89,182
Corporate bonds (b) (c)	3,160,441	2,706,313
Less: Allowance for impairment loss	<u>(654)</u>	<u>-</u>
	<u>\$ 46,555,365</u>	<u>\$ 104,519,231</u>
Current	<u>\$ 43,394,932</u>	<u>\$ 101,812,282</u>
Non-current	<u>\$ 3,160,433</u>	<u>\$ 2,706,949</u>

- a. The range of interest rates for time deposits with original maturities of more than 3 months were approximately 1.45%-5.99% and 0.78%-5.55% per annum as of December 31, 2023 and 2022, respectively.
- b. In December 2020, the Company bought a 5-year corporate bond issued by Kuang Ming Shipping Corp. at a par value of \$600,000 thousand with a coupon rate and an effective interest rate of 1.80%. The corporate bond is repaid at the maturity date.
- c. In 2023 and 2022, the Company bought 3-year to 4-year corporate bonds issued at a par value of US\$15,000 thousand and 3-year to 5-year corporate bonds issued at a par value of US\$71,000 thousand, respectively. The coupon rate and the effective interest rate of the corporate bonds were approximately 0.45%-5.50%, 1.96%-3.03%, 0.45%-5.50% and 1.96%-3.03% per annum as of December 31, 2023 and 2022, respectively.

- d. Refer to Note 30 for information relating to credit risk management and impairment of investments in financial assets at amortized cost.

10. TRADE RECEIVABLES

	December 31	
	2023	2022
<u>Trade receivables</u>		
At amortized cost		
Trade receivable - non-related parties	\$ 1,097,041	\$ 2,019,390
Trade receivable - related parties	447,159	1,301,281
Less: Allowance for impairment loss	<u>(5,222)</u>	<u>(17,155)</u>
	<u>\$ 1,538,978</u>	<u>\$ 3,303,516</u>

The average credit period of trade receivables from cargo business is 14 to 28 days.

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

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

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



The following table details the loss allowance of trade receivables based on the Company's provision matrix.

December 31, 2023

	<u>No Sign of Default by Client</u>		Total
	Less than 30 Days	Over 31 Days	
Expected credit loss rate	0.30%	0.65%-5.15%	
Gross carrying amount	\$ 1,524,159	\$ 20,041	\$ 1,544,200
Loss allowance (Lifetime ECLs)	<u>(4,893)</u>	<u>(329)</u>	<u>(5,222)</u>
Amortized cost	<u>\$ 1,519,266</u>	<u>\$ 19,712</u>	<u>\$ 1,538,978</u>

December 31, 2022

	<u>No Sign of Default by Client</u>		Total
	Less than 30 Days	Over 31 Days	
Expected credit loss rate	0.53%	0.88%-5.38%	
Gross carrying amount	\$ 3,097,246	\$ 223,425	\$ 3,320,671
Loss allowance (Lifetime ECLs)	<u>(14,302)</u>	<u>(2,853)</u>	<u>(17,155)</u>
Amortized cost	<u>\$ 3,082,944</u>	<u>\$ 220,572</u>	<u>\$ 3,303,516</u>

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

	2023	2022
Balance at January 1	\$ 17,155	\$ 54,079
Less: Net remeasurement of loss allowance	(13,037)	(37,961)
Add: Reclassified from allowance of overdue receivables	<u>1,104</u>	<u>1,037</u>
Balance at December 31	<u>\$ 5,222</u>	<u>\$ 17,155</u>

11. FINANCE LEASE RECEIVABLES

The composition of finance lease receivables was as follows:

	<u>December 31</u>	
	2023	2022
<u>Undiscounted lease payments</u>		
Year 1	\$ 74,978	\$ 84,966
Year 2	73,694	84,966
Year 3	72,411	78,688
Year 4	72,411	72,411

(Continued)

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Year 5	\$ 72,411	\$ 72,411
Year 6 onwards	<u>267,882</u>	<u>340,293</u>
	633,787	733,735
Less: Unearned finance income	<u>(62,543)</u>	<u>(81,274)</u>
Net investment in leases presented as finance lease receivables	<u>\$ 571,244</u>	<u>\$ 652,461</u>
Current	<u>\$ 63,013</u>	<u>\$ 68,308</u>
Non-current	<u>\$ 508,231</u>	<u>\$ 584,153</u>
		(Concluded)

The Company entered into a finance lease arrangement for certain port equipment with a quarterly fixed lease payment of \$11,042 thousand. In July 2023 and July 2022, due to unlash old equipment that needs to be retired, the Company agreed to reduce the rent to a fixed lease payment of \$642 thousand and \$3,139 thousand per quarter for the remaining lease period, respectively. Because the original lease agreement did not have a relevant rent adjustment mechanism, the abovementioned modification of the lease agreement reduced the adjustment of the finance lease receivable and recognized a loss on the lease modification of \$14,306 thousand and \$286 thousand, respectively.

The Company has been subleasing its container yard located in Keelung with monthly and quarterly fixed lease payments of \$1,834 thousand and \$1,796 thousand. Also, the Company has been subleasing its logistics center located in Kaohsiung with quarterly fixed lease payment of \$10,804 thousand. As the Company subleases the container yard and the logistics center for all the remaining lease term of the main lease to the sublessees. The sublease contracts are classified as a finance lease.

The interest rates inherent in leases are fixed at the contract dates for the entire term of the lease. The range of interest rates inherent in the finance leases was approximately 0.40%-17.71% per annum as of December 31, 2023 and 2022.

The Company measures the loss allowance for finance lease receivables at an amount equal to lifetime ECLs. As of December 31, 2023, no finance lease receivable was past due. The Company has not recognized a loss allowance for finance lease receivables after taking into consideration the historical default experience and the future prospects of the industries in which the lessees operate, together with the value of collateral held over these finance lease receivables.

12. SHIPPING FUEL

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Shipping fuel	<u>\$ 1,089,399</u>	<u>\$ 1,763,179</u>

The cost of shipping fuel recognized as operating cost for the years ended December 31, 2023 and 2022 was \$5,799,038 thousand and \$12,562,932 thousand, respectively.

The cost of shipping fuel recognized as operating cost for the year ended December 31, 2023 included shipping fuel write-downs of \$121,459 thousand.



13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2023	2022
Investments in subsidiaries	\$ 119,722,626	\$ 100,099,504
Investments in associates	<u>6,643,967</u>	<u>6,583,691</u>
	<u>\$ 126,366,593</u>	<u>\$ 106,683,195</u>

a. Investments in subsidiaries

	December 31	
	2023	2022
Unlisted shares		
Yang Ming Line (B.V.I.) Holding Co., Ltd.	\$ 14,766,499	\$ 14,309,460
Yang Ming Line B.V.	2,346,432	2,011,853
Yang Ming Line (Singapore) Pte Ltd	64,054,230	36,802,423
Yang Ming Line Holding Co.	4,235,143	4,006,207
Kuang Ming Shipping Corp.	2,802,352	2,699,242
Yes Logistics Corp.	1,496,091	1,634,648
All Oceans Transportation Inc.	1,611,882	1,210,117
Jing Ming Transportation Co., Ltd.	136,587	137,326
Hong Ming Terminal & Stevedoring Corp.	179,239	180,222
Yang Ming (Singapore) Pte. Ltd.	<u>28,094,171</u>	<u>37,108,006</u>
	<u>\$ 119,722,626</u>	<u>\$ 100,099,504</u>

Name of Subsidiaries	Proportion of Ownership and Voting Rights	
	December 31	
	2023	2022
Yang Ming Line (B.V.I.) Holding Co., Ltd.	100.00%	100.00%
Yang Ming Line B.V.	100.00%	100.00%
Yang Ming Line (Singapore) Pte Ltd (Note 1)	100.00%	100.00%
Yang Ming Line Holding Co.	100.00%	100.00%
Kuang Ming Shipping Corp.	98.88%	98.88%
Yes Logistics Corp.	96.36%	96.36%
All Oceans Transportation Inc.	100.00%	100.00%
Jing Ming Transportation Co., Ltd.	50.98%	50.98%
Hong Ming Terminal & Stevedoring Corp.	100.00%	100.00%
Yang Ming (Singapore) Pte. Ltd. (Note 2)	100.00%	100.00%

Note 1: The Company's board of directors resolved in July 2022 and again in November 2022 to process the cash capital increase of Yang Ming Line (Singapore) Pte Ltd with a limit amount of US\$1,100,000 thousand. As of November 2022, there was a cash capital increase of US\$1,070,000 thousand. The Company's board of directors resolved in June 2023 to process the cash capital increase of Yang Ming Line (Singapore) Pte Ltd with a limit amount of US\$800,000 thousand. As of December 2023, there was a cash capital increase of US\$800,000 thousand.

Note 2: Due to the consideration of operational strategies and management purposes, the Company's board of directors approved an organizational restructuring in January 2022 to acquire 100% shareholding of Yang Ming (Singapore) Pte. Ltd. from Yang Ming Line (Singapore) Pte Ltd for the amount of US\$16,061 thousand, and the registration was completed in February 2022.

Refer to Table B for the amounts of investments in subsidiaries which were pledged for the Company's endorsement and guarantee.

b. Investment in associates

	December 31	
	2023	2022
Associates that are not individually material		
Kao Ming Container Terminal Corp.	\$ 3,594,068	\$ 3,598,892
Taiwan Navigation Co., Ltd.	2,700,252	2,676,199
Yunn Wang Investment Co., Ltd.	218,400	179,490
Taiwan Foundation International Pte. Ltd.	115,371	108,555
Sino Trans PFS Cold Chain Logistics Co., Ltd.	<u>15,876</u>	<u>20,555</u>
	<u>\$ 6,643,967</u>	<u>\$ 6,583,691</u>

The Company held 6.67% of Sino Trans PFS Cold Chain Logistics Co., Ltd., but YES Logistics Corp., a subsidiary of the Company, also held 13.33% of Sino Trans PFS Cold Chain Logistics Co., Ltd., so it was listed as an associate.

All the associates are accounted for using the equity method.

Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2023	2022
The Company's share of:		
Net profit for the year	\$ 456,362	\$ 403,811
Other comprehensive loss	<u>(43,259)</u>	<u>(402,171)</u>
Total comprehensive income for the year	<u>\$ 413,103</u>	<u>\$ 1,640</u>

As of December 31, 2023, some of the equity investments that are not individually material and accounted for using the equity method, showed signs of impairment. The management of the Company carried out the impairment tests individually for each equity investment by comparing its recoverable amounts with its carrying amounts. The recoverable amount of an investment in an associate is assessed individually for each associate. In determining the value in use of the investments, the Company estimated the present value of the estimated future cash flows expected to arise from the operations of the invested companies and from the ultimate disposal by using discount rates 12.40%. Based on the assessments, the total recoverable amounts of the Company's equity investments of those associates of \$15,876 thousand (on the basis of their value-in-use) were less than their carrying amounts as of December 31, 2023.

As of December 31, 2022, some of the equity investments that are not individually material and accounted for using the equity method, their carrying amounts were significantly higher than their market values based on their closing prices on December 31, 2022, or showed other signs of impairment. The management of the Company carried out the impairment tests individually for each equity investment by comparing its recoverable amounts with its carrying amounts. The recoverable amount of an investment in an associate is assessed individually for each associate. In determining the value in use of the investments, the Company estimated the present value of the estimated future cash flows expected to arise from the operations of the invested companies and from the ultimate disposal by using discount rates ranging from 7.00% to 13.80%. Based on the assessments, the total recoverable amounts of the Company's equity investments of those associates of \$6,295,646 thousand (on the basis of their value-in-use) were less than their carrying amounts as of December 31, 2022.



Hence, an impairment loss of \$2,321 thousand and \$1,924,980 thousand on those associates that are not individually material was recognized in profit or loss for the years ended December 31, 2023 and 2022, respectively.

14. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2023	2022
Assets used by the Company	\$ 46,804,851	\$ 47,335,513
Assets leased under operating leases	<u>462,002</u>	<u>-</u>
	<u>\$ 47,266,853</u>	<u>\$ 47,335,513</u>

a. Assets used by the Company

	Land	Buildings	Container and Chassis	Ships	Leasehold Improvements	Miscellaneous Equipment	Total
<u>Cost</u>							
Balance at January 1, 2023	\$ 398,134	\$ 808,725	\$ 33,869,370	\$ 43,652,033	\$ 148,634	\$ 1,330,314	\$ 80,207,210
Additions	-	-	2,201,719	201,736	-	522,764	2,926,219
Disposals	-	-	(220,248)	(12,258,035)	-	(81,307)	(12,559,590)
Transfers to assets leased under operating leases	-	-	-	-	-	(477,947)	(477,947)
Reclassification (Note 15-c)	-	-	-	<u>16,843,220</u>	-	<u>195,730</u>	<u>17,038,950</u>
Balance at December 31, 2023	<u>\$ 398,134</u>	<u>\$ 808,725</u>	<u>\$ 35,850,841</u>	<u>\$ 48,438,954</u>	<u>\$ 148,634</u>	<u>\$ 1,489,554</u>	<u>\$ 87,134,842</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2023	\$ -	\$ 351,665	\$ 17,022,786	\$ 14,330,950	\$ 146,806	\$ 1,019,490	\$ 32,871,697
Disposals	-	-	(174,890)	(2,053,915)	-	(79,373)	(2,308,178)
Transfers to assets leased under operating leases	-	-	-	-	-	(900)	(900)
Depreciation expenses	-	14,647	1,920,894	2,713,451	786	95,975	4,745,753
Reclassification (Note 15-c)	-	-	-	<u>5,021,619</u>	-	-	<u>5,021,619</u>
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 366,312</u>	<u>\$ 18,768,790</u>	<u>\$ 20,012,105</u>	<u>\$ 147,592</u>	<u>\$ 1,035,192</u>	<u>\$ 40,329,991</u>
Carrying amounts at December 31, 2023	<u>\$ 398,134</u>	<u>\$ 442,413</u>	<u>\$ 17,082,051</u>	<u>\$ 28,426,849</u>	<u>\$ 1,042</u>	<u>\$ 454,362</u>	<u>\$ 46,804,851</u>
<u>Cost</u>							
Balance at January 1, 2022	\$ 343,210	\$ 773,991	\$ 26,911,420	\$ 42,788,762	\$ 146,272	\$ 1,225,842	\$ 72,189,497
Additions	-	-	7,052,379	822,948	2,362	187,352	8,065,041
Disposals	-	-	(33,429)	(272,106)	-	(85,692)	(391,227)
Transfers from assets leased under operating leases	-	-	-	63,003	-	-	63,003
Transfers from investment properties	54,924	34,734	-	-	-	-	89,658
Reclassification	-	-	<u>(61,000)</u>	<u>249,426</u>	-	<u>2,812</u>	<u>191,238</u>
Balance at December 31, 2022	<u>\$ 398,134</u>	<u>\$ 808,725</u>	<u>\$ 33,869,370</u>	<u>\$ 43,652,033</u>	<u>\$ 148,634</u>	<u>\$ 1,330,314</u>	<u>\$ 80,207,210</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2022	\$ -	\$ 337,527	\$ 15,309,125	\$ 12,003,496	\$ 146,272	\$ 1,030,220	\$ 28,826,640
Disposals	-	-	(24,903)	(272,106)	-	(85,692)	(382,701)
Transfers from assets leased under operating leases	-	-	-	55,929	-	-	55,929
Depreciation expenses	-	14,138	1,738,564	2,543,631	534	74,962	4,371,829
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 351,665</u>	<u>\$ 17,022,786</u>	<u>\$ 14,330,950</u>	<u>\$ 146,806</u>	<u>\$ 1,019,490</u>	<u>\$ 32,871,697</u>
Carrying amounts at December 31, 2022	<u>\$ 398,134</u>	<u>\$ 457,060</u>	<u>\$ 16,846,584</u>	<u>\$ 29,321,083</u>	<u>\$ 1,828</u>	<u>\$ 310,824</u>	<u>\$ 47,335,513</u>

The above items of property, plant and equipment used by the Company are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	53-56 years
Container and chassis	6-10 years
Ships	20-25 years
Dry dock	2.5-5 years
Leasehold improvements	2-10 years
Miscellaneous equipment	3-18 years

The dry dock is a significant component of ships.

Property, plant and equipment used by the Company and pledged as collateral for bank borrowings are set out in Note 32.

b. Assets leased under operating leases

	Ships	Miscellaneous Equipment	Total
<u>Cost</u>			
Balance at January 1, 2023	\$ -	\$ -	\$ -
Transfers from assets used by the Company	<u>-</u>	<u>477,947</u>	<u>477,947</u>
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 477,947</u>	<u>\$ 477,947</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2023	\$ -	\$ -	\$ -
Transfers from assets used by the Company	-	900	900
Depreciation expenses	<u>-</u>	<u>15,045</u>	<u>15,045</u>
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 15,945</u>	<u>\$ 15,945</u>
Carrying amounts at December 31, 2023	<u>\$ -</u>	<u>\$ 462,002</u>	<u>\$ 462,002</u>
<u>Cost</u>			
Balance at January 1, 2022	\$ 63,003	\$ -	\$ 63,003
Transfers to assets used by the Company	<u>(63,003)</u>	<u>-</u>	<u>(63,003)</u>
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Accumulated depreciation</u>			
Balance at January 1, 2022	\$ 47,240	\$ -	\$ 47,240
Transfers to assets used by the Company	(55,929)	-	(55,929)
Depreciation expenses	<u>8,689</u>	<u>-</u>	<u>8,689</u>
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Carrying amounts at December 31, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The maturity analysis of lease payments receivable under operating lease payments was as follows:

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Year 1	\$ 25,439	\$ -
Year 2 onwards	<u>25,439</u>	<u>-</u>
	<u>\$ 50,878</u>	<u>\$ -</u>



At the end of the lease terms of ships under operating leases, the Company assessed the demand for voyage line deployment to determine whether they should be reclassified to freehold or should be adjusted based on the market rent to continue leasing to reduce the risk of the residual assets of the lease assets. At the end of the lease terms of equipment under operating leases, the Company adjusts the rent by market rent and continues leasing to reduce the risk of the residual assets of the lease.

The above items of property, plant and equipment leased under operating leases are depreciated on a straight-line basis over their estimated useful lives as follows:

Ships	25 years
Dry dock	2.5 years
Miscellaneous equipment	16 years

The dry dock is a significant component of ships.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	Land	Buildings	Container and Chassis	Ships	Miscellaneous Equipment	Total
<u>Cost</u>						
Balance at January 1, 2023	\$ 58,634	\$ 321,531	\$ 6,236,736	\$ 124,215,892	\$ 38,973	\$ 130,871,766
Additions	-	249	-	7,502,330	-	7,502,579
Disposals	-	(3,499)	(194)	(472,265)	-	(475,958)
Reclassification	-	-	-	(16,818,215)	-	(16,818,215)
Balance at December 31, 2023	<u>\$ 58,634</u>	<u>\$ 318,281</u>	<u>\$ 6,236,542</u>	<u>\$ 114,427,742</u>	<u>\$ 38,973</u>	<u>\$ 121,080,172</u>
<u>Accumulated depreciation</u>						
Balance at January 1, 2023	\$ 24,273	\$ 129,311	\$ 862,983	\$ 41,229,588	\$ 13,571	\$ 42,259,726
Additions	8,973	35,186	891,070	12,465,005	8,213	13,408,447
Disposals	-	(3,499)	(194)	-	-	(3,693)
Reclassification	-	-	-	(5,021,619)	-	(5,021,619)
Balance at December 31, 2023	<u>\$ 33,246</u>	<u>\$ 160,998</u>	<u>\$ 1,753,859</u>	<u>\$ 48,672,974</u>	<u>\$ 21,784</u>	<u>\$ 50,642,861</u>
Carrying amounts at December 31, 2023	<u>\$ 25,388</u>	<u>\$ 157,283</u>	<u>\$ 4,482,683</u>	<u>\$ 65,754,768</u>	<u>\$ 17,189</u>	<u>\$ 70,437,311</u>
<u>Cost</u>						
Balance at January 1, 2022	\$ 57,054	\$ 321,733	\$ 2,666,871	\$ 104,994,828	\$ 30,615	\$ 108,071,101
Additions	1,580	5,420	3,569,891	19,221,064	8,358	22,806,313
Disposals	-	(5,622)	(26)	-	-	(5,648)
Balance at December 31, 2022	<u>\$ 58,634</u>	<u>\$ 321,531</u>	<u>\$ 6,236,736</u>	<u>\$ 124,215,892</u>	<u>\$ 38,973</u>	<u>\$ 130,871,766</u>
<u>Accumulated depreciation</u>						
Balance at January 1, 2022	\$ 15,345	\$ 99,818	\$ 66,014	\$ 29,166,526	\$ 6,578	\$ 29,354,281
Additions	8,928	35,065	796,995	12,063,062	6,993	12,911,043
Disposals	-	(5,572)	(26)	-	-	(5,598)
Balance at December 31, 2022	<u>\$ 24,273</u>	<u>\$ 129,311</u>	<u>\$ 862,983</u>	<u>\$ 41,229,588</u>	<u>\$ 13,571</u>	<u>\$ 42,259,726</u>
Carrying amounts at December 31, 2022	<u>\$ 34,361</u>	<u>\$ 192,220</u>	<u>\$ 5,373,753</u>	<u>\$ 82,986,304</u>	<u>\$ 25,402</u>	<u>\$ 88,612,040</u>

For the Year Ended December 31
2023 **2022**

Income from the sublease of right-of-use assets (presented in operating revenue)	<u>\$ 17,798,836</u>	<u>\$ 17,741,042</u>
--	----------------------	----------------------

b. Lease liabilities

	December 31	
	2023	2022
Land	\$ 25,875	\$ 34,832
Buildings	332,840	392,762
Container and chassis	4,971,736	5,923,062
Ships	55,637,597	71,925,339
Miscellaneous equipment	<u>18,320</u>	<u>26,944</u>
	<u>\$ 60,986,368</u>	<u>\$ 78,302,939</u>
<u>Carrying amount</u>		
Current	<u>\$ 3,800,935</u>	<u>\$ 3,895,055</u>
Non-current	<u>\$ 25,404,164</u>	<u>\$ 29,219,630</u>
<u>Lease liabilities designated as hedging (presented included in financial liabilities for hedging)</u>		
Current	<u>\$ 10,380,140</u>	<u>\$ 8,371,948</u>
Non-current	<u>\$ 21,401,129</u>	<u>\$ 36,816,306</u>
<u>Financial liabilities designated as hedging</u>		

The Company designated certain USD-denominated lease liabilities as hedging instruments to hedge future volatility of USD-denominated operating revenue, and the accounting treatment is applied to cash flow hedges. The information on the contracts is summarized as follows:

	Maturity Period	Account	Carrying Amount
December 31, 2023	2024/01/09-2031/01/31	Financial liabilities for hedging	<u>\$ 31,781,269</u>
December 31, 2022	2027/04/30-2031/01/31	Financial liabilities for hedging	<u>\$ 45,188,254</u>

Impact on comprehensive income (loss):

	Recognized in Other Comprehensive Income (Loss)	Amount Reclassified to Profit or Loss
For the year ended December 31, 2023	<u>\$ (232,803)</u>	<u>\$ 189,906</u>
For the year ended December 31, 2022	<u>\$ (4,166,722)</u>	<u>\$ (238,825)</u>



As of December 31, 2023, the lease term and the range of discount rate for lease liabilities (including USD-denominated lease contracts designated as hedge instruments) were as follows:

	Lease Term	For the Year Ended December 31, 2023
Land	2020/01/01-2027/12/31	1.12%-1.49%
Buildings	2000/08/22-2036/09/30	0.89%-1.89%
Container and chassis	2019/03/01-2033/06/15	0.43%-3.00%
Ships	2013/11/25-2040/03/31	1.27%-7.65%
Miscellaneous equipment	2020/11/01-2026/07/31	0.84%-1.32%

As of December 31, 2022, the lease term and the range of discount rate for lease liabilities (including USD-denominated lease contracts designated as hedge instruments) were as follows:

	Lease Term	For the Year Ended December 31, 2022
Land	2020/01/01-2027/12/31	1.12%-1.49%
Buildings	2000/08/22-2036/09/30	0.89%-1.79%
Container and chassis	2019/03/01-2033/06/15	0.18%-3.00%
Ships	2013/11/25-2040/03/31	1.27%-4.64%
Miscellaneous equipment	2020/11/01-2026/07/31	0.84%-1.32%

c. Material leasing activities and terms

Many of the ship leases across the Company contain extension options, some of them also contain purchase options. These terms are used to maximize operational flexibility in terms of managing contracts. When the rents are lower than the market price of lease market, the Company will extend the lease term; when the purchase option prices are better than the market price, the Company will consider if the purchase options are exercised or not. These terms are not reflected in measuring lease liabilities in many cases because the options are not reasonably certain to be exercised. The table below summarizes potential future rental payments relating to periods following the exercise dates of extension and purchase options.

Containership Department	Lease Liabilities Recognized (Discounted)	Potential Future Lease Payments and Purchase Option Not Included in Lease Liabilities (Discounted)	Historical Rate of Exercise Extension and Purchase Options
<u>December 31, 2023</u>			
Ships	\$ 32,094,109	\$ 10,283,805	30.37%
<u>December 31, 2022</u>			
Ships	\$ 46,347,185	\$ 18,762,939	30.89%

The Company's board of directors resolved in June 2023 to buy back 3 chartered-in ships with extension and purchase options to replace current lease contracts. The ship purchase contracts had been signed in July 2023 with a total price of US\$302,000 thousand, which had been fully delivered and settled. And the ships had been transferred to property, plant and equipment. The Company's board of directors resolved in November 2023 to buy back 2 chartered-in ships again with extension and purchase options to replace current lease contracts. The ship purchase contracts had been signed in November 2023 with a total price of US\$199,000 thousand, which had been fully delivered and settled in December 2023 and January 2024, respectively. And the ships had been transferred to property, plant and equipment.

For the purpose of managing the storage, reforming, processing, transfer and distribution of goods, YMTC collaborated with the Port of Kaohsiung, Taiwan International Ports Corporation, Ltd. on the construction and operation of the First and Second Logistics Centers of the Kaohsiung Third Container Center. YMTC is entitled to the use of the First and Second Logistics Centers for 30 years and 28 years and 9 months, respectively, based on the initial investment made by YMTC. The Centers are amortized over the period in use. Furthermore, in accordance with the requirements, YMTC should pay land-use fees and administration fees for every month of the lease term (based on the actual volume of cargo stevedored). Administration fees depend on the lowest guaranteed volumes for each respective logistics center are 1 million and 0.85 million tons. If YMTC is unable to reach the lowest guaranteed volumes, it should calculate the payment for the administration fees based on the volumes of 1 million and 0.85 million tons, respectively, and the administration fees will be adjusted according to the annual Wholesale Price Index in Taiwan.

d. Subleases

In addition to the sublease transactions described in Note 11, the other sublease transactions are set out below.

Sublease of right-of-use assets

The Company subleases some of its right-of-use assets for property, plant and equipment under operating leases with lease terms of 1 year and adjusts the rent by market rent.

e. Other lease information

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Expenses relating to short-term leases	\$ <u>172,372</u>	\$ <u>1,536,467</u>
Expenses relating to low-value asset leases	\$ <u>2,821,085</u>	\$ <u>3,211,261</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ <u>(3,663)</u>	\$ <u>(260,944)</u>
Expenses relating to service cost payments not included in the measurement of lease liabilities	\$ <u>7,245,973</u>	\$ <u>6,892,165</u>
Total cash outflow for leases	\$ <u>(36,696,717)</u>	\$ <u>(23,656,741)</u>

The Company has elected to apply the recognition exemption of short-term leases and low-value asset leases and thus, did not recognize right-of-use assets and lease liabilities for these leases.

The amounts of lease commitments for short-term leases and low-value asset lease for which the recognition exemption is applied were \$6,470,430 thousand and \$3,851,974 thousand as of December 31, 2023 and 2022, respectively.



The amounts of lease commitments for future service cost which was recognized as non-lease components of contracts were \$32,029,931 thousand and \$60,948,550 thousand as of December 31, 2023 and 2022, respectively.

16. INVESTMENT PROPERTIES

	Completed Investment Property
Balance at January 1, 2022	\$ 7,599,348
Transfers to property, plant and equipment	(89,658)
Gain on change in fair value of investment properties	<u>170,632</u>
Balance at December 31, 2022	7,680,322
Gain on change in fair value of investment properties	<u>97,064</u>
Balance at December 31, 2023	<u>\$ 7,777,386</u>

The Company's properties located in Zhongzheng District, Taipei City were offered to Chunghwa Post Co., Ltd. for construction of Zhongnan Post Office. The Company needs to obtain approval from Chunghwa Post Co., Ltd. and Ministry of Transportation and Communication for reclaiming the property in the future. The Company had negotiated with Chunghwa Post Co., Ltd. on the value of the property that would be ceded, which was \$449,368 thousand. The two parties had agreed to proceed in accordance with approved procedures. In February 2022, the two parties completed negotiations and signed an agreement to implement related matters such as the allocation and the return of the property.

The investment properties are leased out for 1 to 10 years. All lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase option to acquire the investment properties at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating leases of investment properties at December 31, 2023 and 2022, was as follows:

	December 31	
	2023	2022
Year 1	\$ 75,064	\$ 83,139
Year 2	56,319	62,547
Year 3	34,463	45,604
Year 4	8,037	27,542
Year 5	3,852	2,759
Year 6 onwards	<u>1,371</u>	<u>2,286</u>
	<u>\$ 179,106</u>	<u>\$ 223,877</u>

To reduce the residual asset risk related to investment properties at the end of the relevant lease, the lease contract includes lessee's use limitation, guarantee deposit, punishment of breaching contracts, and responsibilities of maintenance, and the Company follows its general risk management strategy.

The fair values of investment properties measured on a recurring basis were as follows:

	December 31	
	2023	2022
Independent valuation	<u>\$ 7,777,386</u>	<u>\$ 7,680,322</u>

As of December 31, 2023, the fair value was based on the valuations carried out on March 1, 2024, by independent qualified professional valuers, Mr. Hong-Kai Zhang, Ms. Yu-Fen Yeh, Mr. Yi-Zhi Zhang, Mr. Shi-Yu Yeh and Mr. Cheng-Ye Wu, certified real estate appraisers in the ROC and real estate appraisal firm from Savills (Taiwan) Limited.

As of December 31, 2022, the fair value was based on the valuations carried out on January 13, 2023, by independent qualified professional valuers, Mr. Zhi-Hau Wu, Mr. Wei-Ru Li and Mr. Zhi-Jia Zhang, certified real estate appraisers in the ROC and real estate appraisal firm from China Credit Information Service Limited.

The movements in the fair value of investment properties within Level 3 of the hierarchy were as follows:

	Keelung	Taipei	Kaohsiung	Total
Balance at January 1, 2022	\$ 382,530	\$ 6,544,990	\$ 671,828	\$ 7,599,348
Recognized in profit or loss (gain (loss) from the change in fair value of investment properties)	(5,599)	145,791	30,440	170,632
Transfers to property, plant and equipment	(89,658)	-	-	(89,658)
Balance at December 31, 2022	287,273	6,690,781	702,268	7,680,322
Recognized in profit or loss (gain (loss) from the change in fair value of investment properties)	(6,634)	95,198	8,500	97,064
Balance at December 31, 2023	\$ 280,639	\$ 6,785,979	\$ 710,768	\$ 7,777,386

The fair value of investment properties, except for undeveloped land, is measured using the income approach. The significant assumptions used were stated below. An increase in estimated future net cash inflows or a decrease in discount rates would result in an increase in the fair value.

	<u>December 31</u>	
	2023	2022
Expected future cash inflows	\$ 6,822,925	\$ 6,477,350
Expected future cash outflows	(413,857)	(389,594)
Expected future cash inflows, net	\$ 6,409,068	\$ 6,087,756
Discount rates	3.345%-3.845%	2.250%-4.145%

The market rentals in the area where the investment property is located were between \$0.5-\$2.5 thousand and \$0.4-\$2.5 thousand per ping (35.59 square feet) in 2023 and 2022, respectively. The market rentals for comparable properties were between \$0.8-\$2.2 thousand and \$0.5-\$3.0 thousand per ping (35.59 square feet) in 2023 and 2022, respectively.

The expected future cash inflows generated by investment property included rental income, interest income on rental deposits and disposal value. The rental income was extrapolated using the Company's current rental rate, taking into account the annual rental growth rate; the income analysis covers a 2-year to 10-year period, the interest income on rental deposits was extrapolated using the average deposit interest rate of the top five banks announced by the Central Bank of the Republic of China for a year; the disposal value was determined using the direct capitalization method under the income approach. The expected future cash outflows incurred by investment property included expenditure such as land value taxes, house taxes, insurance premium, and maintenance costs. The expenditure was extrapolated on the basis of the current level of expenditure, taking into account the future adjustment to the government-announced land value, the tax rate promulgated under the House Tax Act.



The discount rate was determined using the interest rate for 2-year time deposits as posted by Chunghwa Post Co., Ltd., plus 0.75%, and any asset-specific risk premiums of 1.00%-1.50% and 0.03%-2.30% in 2023 and 2022, respectively.

The fair value of undeveloped land located in area Keelung, Taipei, and Kaohsiung was measured by land development analysis. The increase in estimated total sale price, the increase in rate of return, or the decrease in overall capital interest rate would result in increase in the fair value. The significant assumptions used were as follows:

	December 31	
	2023	2022
Estimated total sales price	<u>\$ 7,929,902</u>	<u>\$ 8,260,366</u>
Rate of return	13%-20%	12%-20%
Overall capital interest rate	1.89%-8.05%	1.31%-4.58%

The rate of returns was determined by reference to the annual profit rate and construction period of the similar product constructed by competitors. Overall capitalization rate referred to current average benchmark interest rate and deposit interest rate of the top five banks, and to the proportion of equity funds and borrowed funds. The cost of the equity funds and borrowed funds is determined by the deposit and benchmark interest rate, respectively.

The total sale price is estimated on the basis of the most effective use of land or property available for sale after development is completed, taking into account the related regulations, domestic macroeconomic prospects, local land use, and market rates.

All of the Company's investment property was held under freehold interests.

17. BORROWINGS

Long-term borrowings

	December 31	
	2023	2022
Secured borrowings (Note 32)		
Loans from related parties (Note 31)	<u>\$ -</u>	<u>\$ 198,750</u>

The Company's loans from related parties are borrowings repaid in New Taiwan dollars from government - related entities and are repayable in installment at varying amounts as the borrowing terms. The loans were fully repaid in advance on March 13, 2023. Interest rates were 1.91% per annum as of December 31, 2022. The Company's ships are pledged as collaterals for the secured borrowings.

18. BONDS PAYABLE

	December 31	
	2023	2022
Secured domestic bonds	\$ 8,354,379	\$ 10,826,188
Less: Current portion	<u>2,475,983</u>	<u>2,474,968</u>
	<u>\$ 5,878,396</u>	<u>\$ 8,351,220</u>

Secured domestic bonds

YMTC issued five-year secured domestic bonds with an aggregate par value of \$5,000,000 thousand on November 28, 2019 (the November 2019 Bonds).

The bond features and terms are as follows:

Bonds issued in November 2019:	Type A - aggregate par value: \$1,000,000 thousand; repayments: 50% - November 28, 2023 and 50% - November 28, 2024, an annual simple interest rate of 0.74%.
	Type B - aggregate par value: \$1,500,000 thousand; repayments: 50% - November 28, 2023 and 50% - November 28, 2024, an annual simple interest rate of 0.74%.
	Type C - aggregate par value: \$1,000,000 thousand; repayments: 50% - November 28, 2023 and 50% - November 28, 2024, an annual simple interest rate of 0.74%.
	Type D - aggregate par value: \$1,000,000 thousand; repayments: 50% - November 28, 2023 and 50% - November 28, 2024, an annual simple interest rate of 0.74%.
	Type E - aggregate par value: \$500,000 thousand; repayments: 50% - November 28, 2023 and 50% - November 28, 2024, an annual simple interest rate of 0.74%.

YMTC issued five-year to seven-year secured domestic bonds with an aggregate par value of \$5,900,000 thousand on April 28, 2021 (the April 2021 Bonds).

The bond features and terms are as follows:

Bonds issued in April 2021:	Type A - aggregate par value: \$1,000,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.
	Type B - aggregate par value: \$1,000,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.
	Type C - aggregate par value: \$500,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.
	Type D - aggregate par value: \$500,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.
	Type E - aggregate par value: \$500,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.
	Type F - aggregate par value: \$500,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.
	Type G - aggregate par value: \$500,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.
	Type H - aggregate par value: \$400,000 thousand; repayments: 50% - April 28, 2027 and 50% - April 28, 2028, an annual simple interest rate of 0.49%.
	Type I - aggregate par value: \$1,000,000 thousand; repayments: 50% - April 28, 2027 and 50% - April 28, 2028, an annual simple interest rate of 0.49%.



The bonds are guaranteed by banks, of which \$5,000,000 thousand and \$4,400,000 thousand, respectively are guaranteed by government - related banks.

19. TRADE PAYABLES

	December 31	
	2023	2022
<u>Trade payables - operating</u>		
Trade payables - non-related parties	\$ 4,093,475	\$ 5,314,665
Trade payables - related parties	<u>2,835,049</u>	<u>3,444,260</u>
	<u>\$ 6,928,524</u>	<u>\$ 8,758,925</u>
Payables for cost of voyage in sailing	\$ 5,342,805	\$ 7,482,982
Payables for fuel	484,519	667,646
Payables for space hire	<u>1,101,200</u>	<u>608,297</u>
	<u>\$ 6,928,524</u>	<u>\$ 8,758,925</u>

20. OTHER PAYABLES

	December 31	
	2023	2022
Other payables - non-related parties	\$ 4,213,952	\$ 5,834,811
Other payables - related parties	<u>251,592</u>	<u>278,570</u>
	<u>\$ 4,465,544</u>	<u>\$ 6,113,381</u>
Payables for container lease	\$ 436,639	\$ 634,911
Payables for salary and bonus	1,960,353	4,064,147
Payables for interest expenses	20,151	29,154
Payables for equipment M&R expenses	100,103	96,101
Payables for annual leave	104,418	114,038
Payables for vessel charter hire	75,530	22,914
Payables for equipment	751,183	38,428
Others	<u>1,017,167</u>	<u>1,113,688</u>
	<u>\$ 4,465,544</u>	<u>\$ 6,113,381</u>

21. PROVISIONS

	December 31	
	2023	2022
Other provisions	\$ <u>36,018</u>	\$ _____

Other provisions have been evaluated conservatively, under relevant regulations possible violation decision with a total settlement of \$36,018 thousand were based on the advice of lawyers.

22. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

YMTC's pension plans under the Labor Pension Act (LPA) for onshore employees and shipping crews are defined contribution schemes. Starting on July 1, 2005, the Company makes monthly contributions to the employees' individual pension accounts in the Bureau of Labor Insurance at 6% of employees' salaries every month.

For domestic crews providing service in foreign ships, pension plan is based on hiring contracts, the Company makes monthly contributions to the employees' account together with salaries.

b. Defined benefit plans

YMTC has adopted three pension plans since it was privatized on February 15, 1996. Before YMTC's privatization, qualified employees received pension payments for service years before the start of the privatization. The service years of the employees who received pre-privatization pension payments and continued to work in YMTC after privatization will be excluded from the calculation of pension payments after privatization. These plans are as follows:

The pension plan under the Labor Standards Act for onshore employees is a defined benefit plan. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contributed amounts equal to 3% of salaries every month. The pension fund is administered by the pension fund monitoring committee and deposited in the committee's name in the Bank of Taiwan. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is insufficient to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the Bureau); the Company has no right to influence the investment policy and strategy.

Pension plan under the Maritime Labor Law for shipping crews is a defined benefit plan. Before the adoption of the ROC Maritime Labor Law, benefits were based on the amounts stated in the crew's hiring contracts. Under the Law, benefits are based on service years and average basic salary of the six months before retirement.

Pension plan for retired employees of China Merchants Steamship Navigation Company (CMSNC) provides benefits based on service years and level of monthly basic salary at the time of retirement.

Because of spin-off, the service years of the employees transferred to the subsidiary, Kuang Ming Shipping Corp. are continued from the service years in YMTC. Benefits are based on the proportion of service years between YMTC and the subsidiary, Kuang Ming Shipping Corp. and are paid by individual pension accounts.

The Company, All Oceans Transportation Inc., Yang Ming (UK) Ltd.'s and Yang Ming (Singapore) Pte. Ltd. pension plan under the Maritime Labor Law for shipping crews are defined benefit plans. Before the adoption of the ROC Maritime Labor Law, benefits were based on the amounts stated in the crews hiring contracts. Under the Law, benefits are based on service years and average monthly salary of the six months before retirement.



The amounts included in the balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31	
	2023	2022
Present value of defined benefit obligation	\$ 2,848,797	\$ 3,053,388
Fair value of plan assets	<u>(1,252,106)</u>	<u>(1,230,735)</u>
Net defined benefit liabilities	<u>\$ 1,596,691</u>	<u>\$ 1,822,653</u>

Movements in net defined benefit liabilities (assets) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2022	<u>\$ 3,439,490</u>	<u>\$ (772,979)</u>	<u>\$ 2,666,511</u>
Current service cost	68,396	-	68,396
Net interest expense (income)	<u>26,832</u>	<u>(6,346)</u>	<u>20,486</u>
Recognized in profit or loss	<u>95,228</u>	<u>(6,346)</u>	<u>88,882</u>
Remeasurement			
Return on plan assets	-	(60,818)	(60,818)
Actuarial gain - changes in financial assumptions	(176,099)	-	(176,099)
Actuarial gain - experience adjustments	<u>(79,343)</u>	<u>-</u>	<u>(79,343)</u>
Recognized in other comprehensive income	<u>(255,442)</u>	<u>(60,818)</u>	<u>(316,260)</u>
Contributions from the employer	-	(488,531)	(488,531)
Benefits paid	<u>(225,888)</u>	<u>97,939</u>	<u>(127,949)</u>
Balance at December 31, 2022	<u>3,053,388</u>	<u>(1,230,735)</u>	<u>1,822,653</u>
Current service cost	56,475	-	56,475
Net interest expense (income)	<u>41,424</u>	<u>(17,578)</u>	<u>23,846</u>
Recognized in profit or loss	<u>97,899</u>	<u>(17,578)</u>	<u>80,321</u>
Remeasurement			
Return on plan assets	-	(8,494)	(8,494)
Actuarial loss - changes in financial assumptions	64,826	-	64,826
Actuarial gain - experience adjustments	<u>(42,364)</u>	<u>-</u>	<u>(42,364)</u>
Recognized in other comprehensive loss (income)	<u>22,462</u>	<u>(8,494)</u>	<u>13,968</u>
Contributions from the employer	-	(174,471)	(174,471)
Benefits paid	<u>(324,952)</u>	<u>179,172</u>	<u>(145,780)</u>
Balance at December 31, 2023	<u>\$ 2,848,797</u>	<u>\$ (1,252,106)</u>	<u>\$ 1,596,691</u>

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Year Ended December 31	
	2023	2022
Current service cost	\$ 56,475	\$ 68,396
Net interest expense	23,846	20,486
Less: Other receivables - related	<u>(15,646)</u>	<u>(22,276)</u>
	<u>\$ 64,675</u>	<u>\$ 66,606</u>
An analysis by function		
Operating costs	\$ 26,221	\$ 29,790
Selling and marketing expenses	29,820	29,062
General and administrative expenses	<u>8,634</u>	<u>7,754</u>
	<u>\$ 64,675</u>	<u>\$ 66,606</u>

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations are as follows:

	December 31	
	2023	2022
Discount rates	1.40%	1.40%
Expected rates of salary increase	2.75%	2.50%



If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2023	2022
Discount rates		
0.50% increase	<u>\$ (128,183)</u>	<u>\$ (132,416)</u>
0.50% decrease	<u>\$ 137,700</u>	<u>\$ 148,125</u>
Expected rates of salary increase		
0.50% increase	<u>\$ 137,216</u>	<u>\$ 145,821</u>
0.50% decrease	<u>\$ (127,972)</u>	<u>\$ (131,684)</u>

The above sensitivity analysis may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2023	2022
Expected contributions to the plans for the next year	<u>\$ 73,638</u>	<u>\$ 175,663</u>
Average duration of the defined benefit obligation	8.3-12.1 years	8.3-10.9 years

- c. In an effort to encourage employee retirement, improve human resource structure and enhance vitality within organization, the Company calculates favorable retirement benefits according to the retirement policies. The Company recognized pension cost of \$30,225 thousand and \$8,888 thousand for the years ended December 31, 2023 and 2022, respectively.

23. EQUITY

- a. Share capital

	December 31	
	2023	2022
Numbers of shares authorized (in thousands)	<u>4,500,000</u>	<u>4,500,000</u>
Shares authorized	<u>\$ 45,000,000</u>	<u>\$ 45,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>3,492,104</u>	<u>3,492,104</u>
Shares issued	<u>\$ 34,921,043</u>	<u>\$ 34,921,043</u>

Fully paid ordinary shares, which have a par value at \$10, carry one vote per share and carry a right to dividends.

The board of directors resolved to covert the privately placed ordinary shares of 697,394 thousand into publicly placed shares on November 11, 2021. The above transaction was approved by the FSC on December 28, 2021 and was listed on January 3, 2022.

b. Capital surplus

	December 31	
	2023	2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital		
Issuance of ordinary shares	\$ 27,975,030	\$ 27,975,030

Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company’s capital surplus and to once a year).

c. Retained earnings and dividends policy

The shareholders of the Company held their regular meeting on May 27, 2022 and in that meeting, resolved the amendments to the Company’s Articles of Incorporation (the “Articles”).

Under the dividend policy as set forth in the amended Articles, when Company makes a profit in a fiscal year, at least 25% of the remaining profit should be distributed as dividends after the profit has been utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the expansion of transportation equipment and improvement of financial structure, and distributing dividends for preference shares. The Company’s board of directors should consider long-term financial plans, the change in the environment of the industry, capital expenditures, the working capital for operation and the shareholders’ interests as the basis for proposing a distribution plan, which should be resolved in the shareholders’ meeting. At least 20% of the amount declared as dividends for ordinary shares should be in the form of cash as opposed to stock.

Under the dividend policy as set forth in the Articles before the amendments, when the Company makes a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the expansion of transportation equipment and improvement of financial structure, and then any remaining profit together with any undistributed retained earnings, distributed at least 25%, shall be used by the Company’s board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders’ meeting for the distribution of dividends and of bonus of shareholders.

For the policies on the distribution of compensation of employees and remuneration of directors before and after amendment, refer to Note 25-h. compensation of employees and remuneration of directors.

Appropriation of earnings to legal reserve shall at least be made until the legal reserve equals the Company’s paid-in capital. The legal reserve may be used to offset a deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company’s paid-in capital, the excess may be transferred to capital or distributed in cash.

The shareholders of the Company held their regular meeting on May 27, 2022 and in that meeting, resolved the amendments to the Articles. The amendments explicitly stipulate that when a special reserve is appropriated for cumulative net debit balance reserves from the prior period and cumulative net increases in fair value measurement of investment properties from the prior period, the sum of net profit for the current period and items other than the net profit that are included directly in the unappropriated earnings for the current period is used if the prior unappropriated earnings are not sufficient. Before the Articles are amended, the special reserve is appropriated from the prior unappropriated earnings.



The appropriation of earnings for 2022 and 2021 approved in the shareholders' meeting on May 26, 2023 and May 27, 2022, respectively, were as follows:

	For the Year Ended December 31	
	2022	2021
Legal reserve	<u>\$ 18,084,869</u>	<u>\$ 16,740,972</u>
Special reserve	<u>\$ 275,542</u>	<u>\$ 2,218,403</u>
Cash dividends	<u>\$ 69,842,086</u>	<u>\$ 69,842,085</u>
Cash dividends per share (NT\$)	<u>\$ 20</u>	<u>\$ 20</u>

d. Special reserve

Special reserve should be appropriated for the amount equal to the net debit balance reserves. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and thereafter distributed.

On the initial application of fair value model to investment properties, the Company appropriated for a special reserve at the amount that were the same as the net increase arising from fair value measurement and transferred to retained earnings. Additional special reserve should be appropriated for subsequent net increase in fair value. The amount appropriated may be reversed to the extent that the cumulative net increases in fair value decrease or on the disposal of investment properties. If the Company offsets the deficit with special reserves before the reason for appropriating special reserves eliminated, the Company should compensate the special reserves before appropriating earnings.

e. Others equity items

1) Exchange differences on translation of the financial statements of foreign operations

	For the Year Ended December 31	
	2023	2022
Balance at January 1	<u>\$ 86,183</u>	<u>\$ (1,253,998)</u>
Recognized for the year		
Exchange differences on translation of the financial statements of foreign operations	(537,896)	1,555,149
Related income tax	<u>104,777</u>	<u>(214,968)</u>
Other comprehensive (loss) income recognized for the year	<u>(433,119)</u>	<u>1,340,181</u>
Balance at December 31	<u>\$ (346,936)</u>	<u>\$ 86,183</u>

2) Unrealized valuation gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ (685,376)	\$ (299,493)
Recognized for the year		
Unrealized (loss) gain		
Equity instruments	(14,922)	9,571
Share from subsidiaries and associates accounted for using the equity method	<u>(43,302)</u>	<u>(403,194)</u>
Other comprehensive loss recognized for the year	<u>(58,224)</u>	<u>(393,623)</u>
Cumulative unrealized (loss) gain of equity instruments transferred to retained earnings due to disposal by associates	<u>(4,523)</u>	<u>7,740</u>
Balance at December 31	\$ (748,123)	\$ (685,376)

3) Gain (loss) on hedging instruments

	Cash Flow Hedge	
	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ 585,616	\$ 3,278,054
Recognized for the year		
Foreign currency risk - lease liabilities	(232,803)	(4,166,722)
Foreign currency risk - demand and time deposits	507,500	1,101,000
Related income tax	99,610	673,109
Reclassification adjustments		
Hedged items affects profit or loss		
Foreign currency risk - operating revenue	189,906	(238,825)
Hedged items no longer expected to occur		
Foreign currency risk - prepayments for equipment	(67,770)	-
Others	<u>-</u>	<u>(61,000)</u>
Other comprehensive income (loss) recognized for the year	<u>496,443</u>	<u>(2,692,438)</u>
Transferred to initial carrying amount of hedged items		
Foreign currency risk - prepayments for equipment	<u>(894,886)</u>	<u>-</u>
Balance at December 31	\$ 187,173	\$ 585,616

24. REVENUE

	For the Year Ended December 31	
	2023	2022
Revenue from contracts with customers		
Cargo revenue	\$ 15,955,455	\$ 186,419,750
Slottage revenue	7,317,544	3,467,787
Rental income		
Rental revenue on vessel	21,526,378	53,013,799
Container rental income	6,885,850	6,806,114
Agency revenue	2,542,037	1,370,665
Other operating revenue	<u>2,866,832</u>	<u>9,934,791</u>
	\$ 57,094,096	\$ 261,012,906



a. Contract balances

	December 31, 2023	December 31, 2022	January 1 , 2022
Trade receivables (Note 10)	<u>\$ 1,538,978</u>	<u>\$ 3,303,516</u>	<u>\$ 9,668,520</u>
Contract assets			
Cargo revenue	\$ 376,035	\$ 487,570	\$ 9,522,267
Less: Allowance for impairment loss	<u>(1,119)</u>	<u>(2,565)</u>	<u>(50,102)</u>
Contract assets	<u>\$ 374,916</u>	<u>\$ 485,005</u>	<u>\$ 9,472,165</u>
Contract liabilities - current			
Advance on contract	<u>\$ 170,373</u>	<u>\$ 314,304</u>	<u>\$ 694,873</u>

The Company measures the loss allowance for contract assets at an amount equal to lifetime ECLs. The contract assets will be transferred to accounts receivable when the container shipping services have been completed, and the contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Company concluded that the expected loss rates for trade receivables can be applied to the contract assets (Note 10).

The movements of the loss allowance of contract assets were as follows:

	<u>For the Year Ended December 31</u>	
	2023	2022
Balance at January 1	\$ 2,565	\$ 50,102
Less: Net remeasurement of loss allowance	<u>(1,446)</u>	<u>(47,537)</u>
Balance at December 31	<u>\$ 1,119</u>	<u>\$ 2,565</u>

The changes in the balance of contract assets and contract liabilities primarily result from the timing difference between the Company's performance and the respective customer's payment.

b. Disaggregation of revenue

Revenue from contracts with customers mainly comes from the containership department.

25. NET PROFIT

a. Other operating income and expenses

	<u>For the Year Ended December 31</u>	
	2023	2022
Gain on disposal and retirement of property, plant and equipment	\$ 55,508	\$ 17,671
Reimbursement income	93,181	568,895
Reimbursement loss	<u>(36,018)</u>	<u>-</u>
	<u>\$ 112,671</u>	<u>\$ 586,566</u>

b. Interest income

	For the Year Ended December 31	
	2023	2022
Bank deposits (including USD-denominated demand and time deposits as hedging instruments)	\$ 7,041,501	\$ 3,160,475
Net investments in leases	15,371	19,294
Long-term receivables - related parties	62,029	35,651
Short-term bills	51,134	68,441
Corporate bonds	139,012	32,492
Others	<u>3</u>	<u>1</u>
	<u>\$ 7,309,050</u>	<u>\$ 3,316,354</u>

c. Other income

	For the Year Ended December 31	
	2023	2022
Rental income - operating leases	\$ 98,705	\$ 91,756
Dividends	<u>8,030</u>	<u>2,109</u>
	<u>\$ 106,735</u>	<u>\$ 93,865</u>

d. Other gains and losses

	For the Year Ended December 31	
	2023	2022
Net foreign exchange gains	\$ 2,159,287	\$ 11,851,947
Fair value changes of financial assets and financial liabilities		
Financial assets mandatorily classified as at FVTPL	54,719	(16,316)
Financial liabilities held for trading	-	(2,186)
Ineffective portion of hedges		
Cash flow hedges	67,770	-
Loss arising from lease modifications	(14,306)	(285)
Gain arising from the change in fair value of investment properties	97,064	170,632
Impairment loss recognized on associates (Note 13)	(2,321)	(1,924,980)
Others	<u>169,984</u>	<u>190,433</u>
	<u>\$ 2,532,197</u>	<u>\$ 10,269,245</u>

e. Finance costs

	For the Year Ended December 31	
	2023	2022
Interest on bank loans	\$ 748	\$ 19,846
Interest on lease liabilities (including USD-denominated lease contracts designated as hedging instruments)	2,089,312	1,847,121
Other interest expenses	<u>173,301</u>	<u>244,162</u>
	<u>\$ 2,263,361</u>	<u>\$ 2,111,129</u>



f. Depreciation and amortization

	For the Year Ended December 31	
	2023	2022
Right-of-use assets	\$ 13,408,447	\$ 12,911,043
Property, plant and equipment	4,760,798	4,380,518
Intangible assets	<u>65,989</u>	<u>58,727</u>
	<u>\$ 18,235,234</u>	<u>\$ 17,350,288</u>
An analysis of depreciation by function		
Operating costs	\$ 18,084,899	\$ 17,218,917
Operating expenses	<u>84,346</u>	<u>72,644</u>
	<u>\$ 18,169,245</u>	<u>\$ 17,291,561</u>
An analysis of amortization by function		
Operating expenses	<u>\$ 65,989</u>	<u>\$ 58,727</u>

g. Employee benefits expense

	For the Year Ended December 31	
	2023	2022
Post-employment benefits		
Defined contribution plans	\$ 91,265	\$ 85,932
Defined benefit plans (Note 22)	<u>64,675</u>	<u>66,606</u>
	155,940	152,538
Termination benefits	30,225	8,888
Other employee benefits	<u>2,989,316</u>	<u>6,888,056</u>
Total employee benefits expense	<u>\$ 3,175,481</u>	<u>\$ 7,049,482</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 1,228,384	\$ 2,016,233
Operating expenses	<u>1,947,097</u>	<u>5,033,249</u>
	<u>\$ 3,175,481</u>	<u>\$ 7,049,482</u>

h. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at rates of 1%-5% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. However, if there were accumulated deficit, the Company should reserve offset amount in advance.

The compensation of employees and the remuneration of directors for the years ended December 31, 2023 and 2022, which were approved by the Company's board of directors on March 7, 2024 and March 9, 2023, respectively, are as follows:

Accrual rate

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Compensation of employees	1%	1%
Remuneration of directors	0.1160%	0.0343%

Amount

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
	<u>Cash</u>	<u>Cash</u>
Compensation of employees	<u>\$ 103,483</u>	<u>\$ 2,328,973</u>
Remuneration of directors	<u>\$ 12,000</u>	<u>\$ 80,000</u>

If there is a change in the amounts after the annual parent company only financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the financial statements for the years ended December 31, 2022 and 2021.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

26. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Current tax		
In respect of the current year	\$ 5,729,897	\$ 40,887,063
Income tax on unappropriated earnings	4,632,310	3,561,026
Adjustments for prior years	<u>(1,409,273)</u>	<u>(144,515)</u>
	<u>8,952,934</u>	<u>44,303,574</u>
Deferred tax		
In respect of the current year	(3,684,735)	5,592,783
Adjustments for prior years	<u>190,533</u>	<u>-</u>
	<u>(3,494,202)</u>	<u>5,592,783</u>
Income tax expense recognized in profit or loss	<u>\$ 5,458,732</u>	<u>\$ 49,896,357</u>



A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2023	2022
Profit before tax	\$ <u>10,232,838</u>	\$ <u>230,488,299</u>
Income tax expense calculated at the statutory rate	\$ 2,046,568	\$ 46,097,660
Nondeductible expenses in determining taxable income	5,412	3,751
Tax-exempt income	(151,580)	112,096
Adjustments for prior years' tax	(1,409,273)	(144,515)
Offshore income tax	140,567	668,347
Income tax on unappropriated earnings	4,632,310	3,561,026
Others	<u>194,728</u>	<u>(402,008)</u>
Income tax expense recognized in profit or loss	<u>\$ 5,458,732</u>	<u>\$ 49,896,357</u>

b. Income tax recognized in other comprehensive income (loss)

	For the Year Ended December 31	
	2023	2022
<u>Deferred tax</u>		
In respect of the current year		
Translation of foreign operations	\$ (104,777)	\$ 214,968
Remeasurement of defined benefit plans	(2,794)	63,252
Cash flow hedges	<u>(99,610)</u>	<u>(673,109)</u>
	<u>\$ (207,181)</u>	<u>\$ (394,889)</u>

c. Current tax assets and liabilities

	December 31	
	2023	2022
Current tax assets		
Tax refund receivable	\$ <u>1,210,766</u>	\$ <u>144</u>
Current tax liabilities		
Income tax payable	<u>\$ 9,520,099</u>	<u>\$ 29,508,092</u>

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2023

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Closing Balance
Temporary differences				
Unrealized shipping fuel valuation losses	\$ -	\$ 24,292	\$ -	\$ 24,292
Defined benefit plans	468,402	(92,976)	2,794	378,220
Payables for annual leave	22,808	(1,924)	-	20,884
Unrealized loss on voyage in sailing	-	28,854	-	28,854
Exchange differences on translating the financial statements of foreign operations	148,011	-	104,777	252,788
Loss on hedge instruments	61,596	-	8,579	70,175
Others	<u>12,930</u>	<u>(750)</u>	<u>-</u>	<u>12,180</u>
	<u>\$ 713,747</u>	<u>\$ (42,504)</u>	<u>\$ 116,150</u>	<u>\$ 787,393</u>

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Closing Balance
Temporary differences				
Gain on investments accounted for using the equity method	\$ 8,449,222	\$ (3,669,304)	\$ -	\$ 4,779,918
Reserve for land value increment tax	702,754	12,801	-	715,555
Investment properties	190,970	22,593	-	213,563
Property, plant and equipment	54,665	(32,259)	-	22,406
Unrealized gain on foreign currency exchange	1,051,646	128,989	-	1,180,635
Gain on hedge instruments	208,000	-	(91,031)	116,969
Others	<u>5,019</u>	<u>474</u>	<u>-</u>	<u>5,493</u>
	<u>\$ 10,662,276</u>	<u>\$ (3,536,706)</u>	<u>\$ (91,031)</u>	<u>\$ 7,034,539</u>

For the year ended December 31, 2022

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Closing Balance
Temporary differences				
Defined benefit plans	\$ 582,505	\$ (50,851)	\$ (63,252)	\$ 468,402
Payables for annual leave	20,421	2,387	-	22,808
Exchange differences on translating the financial statements of foreign operations	362,979	-	(214,968)	148,011
Unrealized loss on foreign currency exchange	191,202	(191,202)	-	-
Loss on hedge instruments	-	-	61,596	61,596
Others	<u>55,840</u>	<u>(42,910)</u>	<u>-</u>	<u>12,930</u>
	<u>\$ 1,212,947</u>	<u>\$ (282,576)</u>	<u>\$ (216,624)</u>	<u>\$ 713,747</u>



Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Closing Balance
Temporary differences				
Gain on investments accounted for using the equity method	\$ 4,260,337	\$ 4,188,885	\$ -	\$ 8,449,222
Reserve for land value increment tax	694,047	8,707	-	702,754
Investment properties	153,779	37,191	-	190,970
Property, plant and equipment	31,310	23,355	-	54,665
Gain on hedge instruments	819,513	-	(611,513)	208,000
Unrealized gain on foreign currency exchange	-	1,051,646	-	1,051,646
Others	<u>4,596</u>	<u>423</u>	<u>-</u>	<u>5,019</u>
	<u>\$ 5,963,582</u>	<u>\$ 5,310,207</u>	<u>\$ (611,513)</u>	<u>\$ 10,662,276</u>

- e. Deductible temporary differences for which no deferred assets have been recognized in the parent company only balance sheets

	<u>December 31</u>	
	2023	2022
Deductible temporary differences	<u>\$ 391,011</u>	<u>\$ 388,650</u>

- f. Income tax assessments

The Company's income tax returns through 2021 have been assessed by the tax authorities.

27. EARNINGS PER SHARE

Unit: NT\$ Per Share

	<u>For the Year Ended December 31</u>	
	2023	2022
Basic earnings per share	<u>\$ 1.37</u>	<u>\$ 51.71</u>
Diluted earnings per share	<u>\$ 1.37</u>	<u>\$ 51.15</u>

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net Profit for the Year

	<u>For the Year Ended December 31</u>	
	2023	2022
Earnings used in the computation of earnings per share	<u>\$ 4,774,106</u>	<u>\$ 180,591,942</u>

Weighted Average Number of Ordinary Shares Outstanding (In Thousands of Shares)

	For the Year Ended December 31	
	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	3,492,104	3,492,104
Effect of potentially dilutive ordinary shares:		
Compensation of employees	<u>3,188</u>	<u>38,732</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>3,495,292</u>	<u>3,530,836</u>

The Company may settle the compensation of employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

28. CASH FLOW INFORMATION
Changes in Liabilities Arising from Financing Activities
For the year ended December 31, 2023

	January 1, 2023	Cash Flows	Non-cash Changes		December 31, 2023
			New Leases	Others (Note)	
Long-term borrowings	\$ 198,750	\$ (198,750)	\$ -	\$ -	\$ -
Bonds payable	10,826,188	(2,500,000)	-	28,191	8,354,379
Lease liabilities	78,302,939	(24,264,550)	7,502,579	(554,600)	60,986,368
Other non-current liabilities	<u>239,375</u>	<u>(8,938)</u>	<u>-</u>	<u>-</u>	<u>230,437</u>
	<u>\$ 89,567,252</u>	<u>\$ (26,972,238)</u>	<u>\$ 7,502,579</u>	<u>\$ (526,409)</u>	<u>\$ 69,571,184</u>

For the year ended December 31, 2022

	January 1, 2022	Cash Flows	Non-cash Changes		December 31, 2022
			New Leases	Others (Note)	
Long-term borrowings	\$ 4,001,968	\$ (3,803,574)	\$ -	\$ 356	\$ 198,750
Bonds payable	10,822,014	-	-	4,174	10,826,188
Lease liabilities	60,197,110	(10,686,462)	22,806,313	5,985,978	78,302,939
Other non-current liabilities	<u>106,185</u>	<u>118,190</u>	<u>-</u>	<u>15,000</u>	<u>239,375</u>
	<u>\$ 75,127,277</u>	<u>\$ (14,371,846)</u>	<u>\$ 22,806,313</u>	<u>\$ 6,005,508</u>	<u>\$ 89,567,252</u>

In 2023 and 2022, according to the agreement with All Oceans Transportation Inc., the Company offset the long-term receivables with the lease liabilities in the amount of \$362,177 thousand and \$356,774 thousand, respectively.

Note: Other changes include lease modification, interest amortization of long-term borrowings and bonds payable, effect of foreign currency exchange rate, and offset of long-term receivables and lease liabilities.



29. CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns to maintain the capital structure through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Company (comprising issued capital, capital surplus, retained earnings and other equity).

30. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

December 31, 2023

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Financial lease receivables	\$ 571,244	\$ -	\$ 569,243	\$ -	\$ 569,243
Financial assets measured at amortized cost					
Foreign corporate bonds	<u>2,559,787</u>	<u>-</u>	<u>2,546,536</u>	<u>-</u>	<u>2,546,536</u>
	<u>\$ 3,131,031</u>	<u>\$ -</u>	<u>\$ 3,115,779</u>	<u>\$ -</u>	<u>\$ 3,115,779</u>
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
Secured domestic bonds	<u>\$ 8,354,379</u>	<u>\$ -</u>	<u>\$ 8,332,157</u>	<u>\$ -</u>	<u>\$ 8,332,157</u>

December 31, 2022

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Financial lease receivables	\$ 652,461	\$ -	\$ 649,946	\$ -	\$ 649,946
Financial assets measured at amortized cost					
Foreign corporate bonds	<u>2,106,313</u>	<u>-</u>	<u>2,107,886</u>	<u>-</u>	<u>2,107,886</u>
	<u>\$ 2,758,774</u>	<u>\$ -</u>	<u>\$ 2,757,832</u>	<u>\$ -</u>	<u>\$ 2,757,832</u>
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
Secured domestic bonds	<u>\$ 10,826,188</u>	<u>\$ -</u>	<u>\$ 10,795,061</u>	<u>\$ -</u>	<u>\$ 10,795,061</u>

The fair values of the financial assets and financial liabilities included in the Level 2 category above have been determined in accordance with income approaches based on a discounted cash flow analysis; the fair values of corporate bonds and bonds payable have been determined by quoted market prices provided by third-party pricing services.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	\$ 366,795	\$ -	\$ -	\$ 366,795
Mutual funds	54,717	-	-	54,717
Domestic limited partnership	<u>-</u>	<u>-</u>	<u>29,111</u>	<u>29,111</u>
	<u>\$ 421,512</u>	<u>\$ -</u>	<u>\$ 29,111</u>	<u>\$ 450,623</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 490,299</u>	<u>\$ 490,299</u>

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	\$ 338,592	\$ -	\$ -	\$ 338,592
Mutual funds	4,287,929	-	-	4,287,929
Domestic limited partnership	<u>-</u>	<u>-</u>	<u>29,589</u>	<u>29,589</u>
	<u>\$ 4,626,521</u>	<u>\$ -</u>	<u>\$ 29,589</u>	<u>\$ 4,656,110</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic unlisted shares	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 505,221</u>	<u>\$ 505,221</u>

There were no transfers between Levels 1 and 2 in the current and prior year.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2023
Financial assets at FVTPL

	Other Instruments Domestic Limited Partnership	Derivatives Oil Derivatives	Total
Balance at January 1, 2023	\$ 29,589	\$ -	\$ 29,589
Recognized in profit or loss (included in other gains and losses)	(478)	(777)	(1,255)
Purchases	-	777	777
Transfers out of Level 3	<u>-</u>	<u>-</u>	<u>-</u>
Balance at December 31, 2023	<u>\$ 29,111</u>	<u>\$ -</u>	<u>\$ 29,111</u>
Unrealized loss for the current year included in profit or loss relating to assets held at the end of the year	<u>\$ (478)</u>	<u>\$ -</u>	<u>\$ (478)</u>



Financial assets at FVTOCI

	Equity Instruments
Balance at January 1, 2023	\$ 505,221
Recognized in other comprehensive loss (included in unrealized valuation loss on financial assets at FVTOCI)	<u>(14,922)</u>
Balance at December 31, 2023	<u>\$ 490,299</u>

For the year ended December 31, 2022

Financial assets at FVTPL

	Other Instruments Domestic Limited Partnership
Balance at January 1, 2022	\$ 13,871
Recognized in profit or loss (included in other gains and losses)	(9,282)
Purchases	25,000
Transfers out of Level 3	<u>-</u>
Balance at December 31, 2022	<u>\$ 29,589</u>
Unrealized loss for the current year included in profit or loss relating to assets held at the end of the year	<u>\$ (9,282)</u>

Financial assets at FVTOCI

	Equity Instruments
Balance at January 1, 2022	\$ 495,650
Recognized in other comprehensive income (included in unrealized valuation gain on financial assets at FVTOCI)	<u>9,571</u>
Balance at December 31, 2022	<u>\$ 505,221</u>

Financial liabilities at FVTPL

	Derivatives Oil Derivatives
Balance at January 1, 2022	\$ -
Recognized in profit or loss (included in other gains and losses)	2,186
Disposition/settlement	(2,186)
Transfers out of Level 3	<u>-</u>
Balance at December 31, 2022	<u>\$ -</u>
Unrealized gain or loss for the current year included in profit or loss relating to liabilities held at the end of the period	<u>\$ -</u>

3) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair values of domestic unlisted ordinary shares and domestic limited partnership are determined using the comparable company analysis approach and asset-based approach. The comparable company analysis approach is a way to determine the value of a target company by reference to companies engaged in the similar industry, stock price in the active market and value multiplier implied by such prices, based on liquidity reduction. The asset-based approach is a way to determine the value of a target company by assessing the total value of individual assets and liabilities, based on liquidity reduction.

c. Categories of financial instruments

	December 31	
	2023	2022
<u>Financial assets</u>		
FVTPL		
Mandatorily classified as at FVTPL	\$ 450,623	\$ 4,656,110
Financial assets at amortized cost (1)	90,675,701	199,139,078
Financial assets for hedging	17,269,769	30,710,000
Financial assets at FVTOCI		
Equity instruments	490,299	505,221
<u>Financial liabilities</u>		
Financial liabilities for hedging	31,781,269	45,188,254
Amortized cost (2)	17,681,799	21,717,182

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, time deposits with original maturity of more than 3 months, repurchase agreements, corporate bonds, restricted bank deposits, trade receivables (including related parties) and other receivables (including related parties).

2) The balances included financial liabilities measured at amortized cost, which comprise trade payables (including related parties), other payables (including related parties), bonds payable and long-term loans.

d. Financial risk management objectives and policies

The Company's major financial instruments include equity and debt investments, trade receivable, financial assets at amortized cost, trade payables, other payables, bonds payable, borrowings and lease liabilities. The Company's Corporate Treasury function provides all kinds of financial service to each division by using different financial instruments. Also, the treasury function controls and analyzes the financial risks related to operations; these risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company sought to minimize the effects of these risks by managing stocks and flow and using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Company's policies "Regulations Governing the Acquisition and Disposal of Assets" approved by the board of directors. Compliance with policies was reviewed by the internal auditors on a continuous basis.



1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). The Company uses assets, liabilities and a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk.

There had been no change to the Company's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Company's operations involve foreign currency transactions so the Company is exposed to foreign currency risk. The Company's transaction involve contain various currencies due to its industrial feature, operating revenue and operating costs are mainly denominated in U.S. dollars. Exchange rate exposures were managed within approved policy parameters utilizing net cash flows offset of the influence on net assets and liabilities, instruments of swap and options.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities are set out in Note 34.

Sensitivity analysis

Monetary assets and liabilities were mainly exposed to the U.S. dollars, GBP, CNY, EUR, HKD and AUD.

The following table details the Company's sensitivity to a 1% increase and decrease in New Taiwan dollars (the functional currency) against the U.S. dollars, GBP, CNY, EUR, HKD and AUD. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusted their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit (loss) associated with New Taiwan dollars weakening 1% against U.S. dollars, GBP, CNY, EUR, HKD and AUD. For a 1% strengthening of New Taiwan dollars against the U.S. dollars, GBP, CNY, EUR, HKD and AUD, there would be an equal and opposite impact on pre-tax profit (loss).

Profit (Loss)/Equity of 1% Variation	For the Year Ended December 31	
	2023	2022
Profit or loss (i)		
U.S. dollars	\$ (27,584)	\$ 430,236
GBP	28,138	18,401
CNY	533	3,581
EUR	102,556	41,187
HKD	12,959	4,755
AUD	17,415	6,481
Equity (ii)		
U.S. dollars	(145,115)	(144,783)

- i. This was mainly attributable to the exposure of outstanding foreign currency deposits, repurchase bonds, corporate bonds, receivables, payables, and bank loans at the end of the reporting period.

- ii. This was mainly attribute to the exposure of changing in foreign exchange rates of U.S. dollars demand and time deposit and lease contracts designated as cash flow hedge.

The Company's sensitivity to foreign currency changes during the current period was mainly due to the decrease in U.S. dollars and CNY monetary net assets caused by the decrease in U.S. dollars and CNY monetary assets; the increase in GBP, EUR, HKD and AUD monetary net assets caused by the increase in GBP, EUR, HKD and AUD monetary assets.

Hedge accounting

The Company's hedging strategy is to enter into USD-denominated demand deposits and time deposits to avoid exchange rate exposure of highly possible USD-denominated payments for ship and container purchases. Those transactions are designated as cash flow hedges.

The Company expects that the value of the U.S. dollars demand deposits and time deposits will have systematically changed in opposite directions with the value of corresponding hedged items.

The source of hedge ineffectiveness in these hedging relationships is the USD-denominated demand deposits and time deposits are not paid for USD-denominated ship and container purchases.

There was no other source of hedge ineffectiveness during the hedging period.

The Company's hedging strategy is to enter into USD-denominated lease liabilities to avoid exchange rate exposure of 100% of highly probable forecast of USD-denominated operating revenue. Those transactions are designated as cash flow hedges.

The Company expects that the value of the U.S. dollars lease liabilities and the value of the corresponding hedged items will systematically change in opposite directions.

The source of hedge ineffectiveness in these hedging relationships is the USD-denominated operating revenue of the Company is lower than the distribution amount of settlement of lease liabilities.

There was no other source of hedge ineffectiveness during the hedging period.

Refer to Notes 6 and 15-b for information relating to foreign exchange rates hedging instruments.

b) Interest rate risk

The Company was exposed to interest rate risk because the Company borrowed funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix of fixed and floating rate borrowings.



The carrying amount of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2023	2022
Fair value interest rate risk		
Financial assets	\$ 96,432,731	\$ 201,522,759
Financial liabilities	69,340,747	89,129,127
Cash flow interest rate risk		
Financial assets	6,428,527	22,095,581
Financial liabilities	-	198,750

Sensitivity analysis

The sensitivity analyses below were determined based on the Company's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 10 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 10 basis points higher/lower and all other variables were held constant, the Company's pre-tax profit (loss) for the year ended December 31, 2023 would have increased/decreased by \$6,429 thousand, which was mainly attributable to the Company's exposure to interest rates on its variable-rate financial assets.

If interest rates had been 10 basis points higher/lower and all other variables were held constant, the Company's pre-tax profit (loss) for the year ended December 31, 2022 would have increased/decreased by \$21,897 thousand, which was mainly attributable to the Company's exposure to interest rates on its variable-rate bank borrowings, other financial liabilities and variable-rate financial assets.

The Company's sensitivity to interest rate decreased during the current year mainly due to the decrease in variable-rate financial assets.

c) Other price risk

The Company was exposed to equity price risk through its investments in listed equity securities, limited partnership and mutual funds. The Company periodically evaluates price risk and investment performance according to procedures of acquisition and disposal of assets and expects no significant price risk occurred.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower, pre-tax profit (loss) for the year ended December 31, 2023 would have increased/decreased by \$18,340 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income (loss) for the year ended December 31, 2023 would have increased/decreased by \$24,515 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

If equity prices had been 5% higher/lower, pre-tax profit (loss) for the year ended December 31, 2022 would have increased/decreased by \$16,930 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income (loss) for the year ended December 31, 2022 would have increased/decreased by \$25,261 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

If limited partnership and mutual funds had been 5% higher/lower, pre-tax profit (loss) for the year ended December 31, 2023 would have increased/decreased by \$4,191 thousand, as a result of the changes in fair value of financial assets at FVTPL.

If limited partnership and mutual funds had been 5% higher/lower, pre-tax profit (loss) for the year ended December 31, 2022 would have increased/decreased by \$215,876 thousand, as a result of the changes in fair value of financial assets at FVTPL.

The Company's sensitivity to investments in equity securities has not changed significantly from the prior year.

The Company's sensitivity to limited partnership and mutual funds price decreased during the current year mainly due to the decrease in mutual funds measured at FVTPL.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. As at the end of the reporting period, the Company's maximum exposure to credit risk which will cause a financial loss to the Company due to failure of counterparties to discharge an obligation and financial guarantees provided by the Company could arise from:

- a) The carrying amount of the respective recognized financial assets as stated in the balance sheets; and
- b) The maximum amount of the Company would have to pay if the financial guarantee is called upon.

There is no significant concentration of credit risk for the Company. Credit risk is from cash and cash equivalents deposit in banks, derivative financial instruments transactions with banks and financial institutions and trade receivables from customers.

The Company adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient letter of bank guarantee and security deposit, where appropriate, as a means of mitigating the risk of financial loss from defaults. To reduce credit risk, the Company has established an internal monitoring procedure to monitor credit risk exposure and credit condition of counterparties.

The credit risk on liquid funds and derivatives was limited because the counterparties are banks with high credit ratings assigned by credit-rating agencies.

Financial credit risk

The objective of the Company's investment policy is to achieve a return that will allow the Company to preserve principal and support liquidity requirements. The Company mitigates its financial credit risk by selecting counterparties with investment grade credit ratings, by limiting the exposure to any individual counterparty, and by regularly reviewing the market conditions and monitoring risk.



The Company assesses whether there has been a significant increase in credit risk in the invested securities since initial recognition by reviewing changes in external credit ratings, financial market conditions and material information of the issuers. The Company assesses the 12-month expected credit loss and lifetime expected credit loss based on the probability of default and loss given default provided by external credit rating agencies. The current credit risk assessment policies are as follows:

Category	Description	Basis for Recognizing Expected Credit Loss	Expected Credit Loss Ratio
Performing	Credit rating is investment grade on valuation date	12 months expected credit loss	0-0.0497%
Doubtful	Credit rating is non-investment grade on valuation date	Lifetime expected credit loss-not credit impaired	-
In default	Credit rating is CC or below on valuation date	Lifetime expected credit loss-credit impaired	-
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery	Amount is written off	-

For the year ended December 31, 2023, the expected credit loss increased \$654 thousand. The changes were mainly due to increased investment amount and adjusted investment portfolio.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2023 and 2022, the Company had available unutilized bank loans facilities of \$5,635,727 thousand and \$10,895,767 thousand, respectively.

a) Liquidity and interest risk rate tables

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

December 31, 2023

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15+ Years
Non-interest bearing	\$ 11,394,068	\$ 230,437	\$ -	\$ -	\$ -
Lease liabilities	15,480,317	36,277,313	11,631,869	1,127,206	260,865
Fixed interest rate liabilities	2,544,062	5,935,974	-	-	-
Short-term and low value lease commitment	1,876,166	3,441,772	1,152,492	-	-

(Continued)

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15+ Years
Lease commitment for future service costs	\$ 5,709,062	\$ 16,685,862	\$ 6,845,173	\$ 2,451,003	\$ 338,831
Financial guarantee liabilities	<u>462,130</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 37,465,805</u>	<u>\$ 62,571,358</u>	<u>\$ 19,629,534</u>	<u>\$ 3,578,209</u>	<u>\$ 599,696</u>

(Concluded)

December 31, 2022

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15+ Years
Non-interest bearing Lease liabilities	\$ 14,872,306	\$ 236,814	\$ -	\$ -	\$ -
Variable interest rate liabilities	12,685,628	47,510,932	18,327,729	1,139,284	953,843
Fixed interest rate liabilities	3,800	111,228	102,693	-	-
Short-term and low value lease commitment	2,564,110	7,796,565	703,430	-	-
Lease commitment for future service costs	1,827,163	1,862,574	162,237	-	-
Financial guarantee liabilities	7,351,764	25,521,785	13,662,859	7,072,494	7,339,648
	<u>884,853</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 40,189,624</u>	<u>\$ 83,039,898</u>	<u>\$ 32,958,948</u>	<u>\$ 8,211,778</u>	<u>\$ 8,293,491</u>

The amounts included above for financial guarantee contracts were within the limitation the Company can offer to related parties; i.e. the maximum amounts the Company could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the management considers that it is more likely than not that no amount will be payable under the arrangement.

b) Derivative instruments

The Company did not have outstanding derivative instruments contracts for the years ended December 31, 2023 and 2022.

31. TRANSACTIONS WITH RELATED PARTIES

The Ministry of Transportation and Communications R.O.C. (MOTC), National Development Fund, and Taiwan International Ports Corporation, Ltd. held 31.16% of the ordinary shares of YMCT as of December 31, 2023 and 2022. Over 50% of the members of YMTC's board of directors were appointed by the MOTC, National Development Fund, and Taiwan International Ports Corporation, Ltd. Therefore, the Company is a government-related entity, which is controlled by the central government. Transactions with other government-related entities were mainly bank deposits, borrowings and guarantees with government-related banks (see Notes 17 and 18), concession rights of the Port of Kaohsiung, Taiwan International Ports Corporation Kaohsiung logistics center (see Note 15) and properties allocation agreement signed with Chunghwa Post Co., Ltd. (see Note 16).



Besides information disclosed elsewhere in the other notes and Tables A and B, details of transaction between the Company and other related parties are disclosed as follows.

a. Related party name and categories

Related Party Name	Related Party Category
All Oceans Transportation Inc.	Subsidiary
Hong Ming Terminal & Stevedoring Corp.	Subsidiary
Jing Ming Transportation Co., Ltd.	Subsidiary
Yang Ming Line (Singapore) Pte Ltd	Subsidiary
Yang Ming Line (Hong Kong) Ltd.	Subsidiary
Yang Ming Line (India) Pvt. Ltd.	Subsidiary
Yang Ming (Korea) Co., Ltd	Subsidiary
Yang Ming (Japan) Co., Ltd.	Subsidiary
Manwa Co., Ltd.	Subsidiary
Yang Ming (Singapore) Pte. Ltd.	Subsidiary
Yang Ming Line (M) Sdn. Bhd.	Subsidiary
Yang Ming Shipping (Vietnam) Co., Ltd.	Subsidiary
Yang Ming Anatolia Shipping Agency S.A.	Subsidiary
Yang Ming Shipping Philippines, Inc.	Subsidiary
Yang Ming (Latin America) Corp.	Subsidiary
Yang Ming Line (Thailand) Co., Ltd.	Subsidiary
Yang Ming Insurance Co., Ltd.	Subsidiary
PT Yang Ming Shipping Indonesia	Subsidiary
Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	Subsidiary
Yang Ming (France) SAS	Subsidiary
Yang Ming (America) Corp.	Subsidiary
Yang Ming Shipping (Canada) Ltd.	Subsidiary
Yang Ming Line (Belgium) N.V.	Subsidiary
Yang Ming (Netherlands) B.V.	Subsidiary
Yang Ming (Italy) S.P.A.	Subsidiary
Yang Ming (UK) Ltd	Subsidiary
Yang Ming Shipping Europe GmbH	Subsidiary
Yang Ming (Spain), S.L.	Subsidiary
Yang Ming (MEDITERRANEAN) Marine Services Single-Member Limited Liability Company	Subsidiary
Yang Ming (Russia) LLC	Subsidiary
Kuang Ming Shipping Corp.	Subsidiary
Kuang Ming (Liberia) Corp.	Subsidiary
YES Logistics Corp.	Subsidiary
YES Logistics Corporation (USA)	Subsidiary
Golden Logistics USA Corporation	Subsidiary
Yes Logistics (Shanghai) Corp.	Subsidiary
Yunn Wang Investment Co., Ltd.	Associate
Yang Ming (U.A.E.) LLC	Associate
Yang Ming (Australia) Pty. Ltd.	Associate
West Basin Container Terminal LLC	Associate
Yang Ming Shipping (Egypt) S.A.E	Associate
Taiwan Navigation Co., Ltd.	Associate
Kao Ming Container Terminal Corp.	Associate
Taiwan Foundation International Pte. Ltd.	Associate
LogiTrans Technology Private Limited	Joint venture

(Continued)

Related Party Name	Related Party Category
Chunghwa Telecom Co., Ltd.	Government - related party
Taiwan International Ports Corporation, Ltd.	Government - related party
Chunghwa Post Co., Ltd.	Government - related party
Agricultural Bank of Taiwan	Government - related party
Taipei Exchange	Government - related party
First Commercial Bank	Government - related party
Mega International Commercial Bank Co., Ltd.	Government - related party
Mega Securities	Government - related party
Chung Kuo Insurance Company, Limited	Government - related party
Mega Bills Finance Co., Ltd.	Government - related party
Bank of Taiwan	Government - related party
Land Bank of Taiwan	Government - related party
Taiwan Cooperative Bank Co., Ltd.	Government - related party
Taiwan Cooperative Bill Finance Co.	Government - related party
Taiwan Business Bank Co., Ltd.	Government - related party
Chang Hwa Commercial Bank, Ltd.	Government - related party
Taiwan Power Company	Government - related party
Taiwan Water Corporation	Government - related party
China Steel Corporation	Government - related party
CSBC Corporation, Taiwan	Government - related party
Hua Nan Commercial Bank, Ltd.	Government - related party
South China Insurance Co., Ltd.	Government - related party
Taiwan Stock Exchange Corporation	Government - related party
Northern Region Branch, National Property Administration, MOF	Government - related party
Chiayi County Government	Government - related party
National Taiwan Ocean University	Government - related party
Keelung Hospital, Ministry of Health and Welfare	Government - related party
The General Association of Chinese Culture	Government - related party
Ministry of the Interior	Government - related party
National Kaohsiung University of Science and Technology	Government - related party
National Museum of Marine Science and Technology	Government - related party
National Taiwan University	Government - related party
National Taiwan Normal University	Government - related party
National Chengchi University	Government - related party
Ministry of the Environment	Government - related party
Maritime and Port Bureau, MOTC	Government - related party
Customs Administration, MOF	Government - related party
Taiwan Centers for Disease Control	Government - related party
Kaohsiung Municipal Siaogang Hospital	Government - related party
Bureau of Standards, Metrology and Inspection, MOEA	Government - related party
C.S. Aluminium Corporation	Government - related party
China Steel Express Corporation	Government - related party
Yang Ming Cultural Foundation	Other related party

(Concluded)



b. Operating transaction

Line Item	Related Party Category/Name	For the Year Ended December 31		
		2023	2022	
Operating revenue	Subsidiaries			
	Yang Ming (Singapore) Pte. Ltd.	\$ 35,863,338	\$ 46,871,484	
	Others	<u>3,369,780</u>	<u>22,377,781</u>	
		39,233,118	69,249,265	
	Associates	22,240	22,881	
	Joint ventures	665	1,112	
	Government - related parties	<u>3,246</u>	<u>1,248</u>	
		<u>\$ 39,259,269</u>	<u>\$ 69,274,506</u>	
	Operating costs	Subsidiaries	\$ 4,850,484	\$ 8,162,165
		Associates	2,141,240	2,497,842
Government - related parties		<u>175,558</u>	<u>56,658</u>	
		<u>\$ 7,167,282</u>	<u>\$ 10,716,665</u>	
Operating expenses	Subsidiaries	\$ 459	\$ 61	
	Associates	24	-	
	Joint ventures	53,190	47,212	
	Government - related parties	55,666	51,392	
	Other related parties	<u>22,145</u>	<u>21,148</u>	
		<u>\$ 131,484</u>	<u>\$ 119,813</u>	

The Company's transactions with related parties were conducted under contract terms.

c. Bank deposits

Bank deposits on reporting period (including time deposits with original maturities of more than 3 months and restricted bank balance under financial assets at amortized cost and financial assets for hedging) were as follows:

Related Party Category/Name	December 31	
	2023	2022
Government - related parties		
Taiwan Cooperative Bank Co., Ltd.	\$ 18,011,450	\$ 13,501,128
Others	<u>8,783,338</u>	<u>44,340,815</u>
	<u>\$ 26,794,788</u>	<u>\$ 57,841,943</u>

d. Contract assets

Related Party Category/Name	December 31	
	2023	2022
Subsidiaries	\$ 156,626	\$ 272,798
Associates	<u>7,473</u>	<u>24,821</u>
	<u>\$ 164,099</u>	<u>\$ 297,619</u>

For the years ended December 31, 2023 and 2022, no impairment loss was recognized for contract assets from related parties.

e. Receivables and payables from related parties

Line Item	Related Party Category/Name	December 31	
		2023	2022
Trade receivables	Subsidiaries		
	Yang Ming (Singapore) Pte. Ltd.	\$ 158,697	\$ 28,661
	Yang Ming (UK) Ltd	968	736,479
	Others	<u>251,166</u>	<u>451,839</u>
		410,831	1,216,979
	Associates	36,269	84,302
	Government - related parties	<u>59</u>	<u>-</u>
	<u>\$ 447,159</u>	<u>\$ 1,301,281</u>	
Other receivables	Subsidiaries		
	Yang Ming (Singapore) Pte. Ltd.	\$ 3,663,562	\$ 2,492,485
	All Oceans Transportation Inc.	-	314,568
	Others	<u>29,139</u>	<u>40,399</u>
		3,692,701	2,847,452
	Associates	17,420	17,420
	Joint ventures	-	300
	Government - related parties	62,886	67,953
Other related parties	<u>4,398</u>	<u>3,897</u>	
	<u>\$ 3,777,405</u>	<u>\$ 2,937,022</u>	
Long-term receivables	Subsidiaries		
	All Oceans Transportation Inc.	<u>\$ 1,995,506</u>	<u>\$ 2,290,000</u>
Trade payables	Subsidiaries		
	Yang Ming (Singapore) Pte. Ltd.	\$ 441,721	\$ 1,073,540
	Others	<u>1,827,358</u>	<u>2,120,706</u>
		2,269,079	3,194,246
	Associates	553,147	250,014
Government - related parties	<u>12,823</u>	<u>-</u>	
	<u>\$ 2,835,049</u>	<u>\$ 3,444,260</u>	
Other payables	Subsidiaries	\$ 227,529	\$ 238,770
	Associates	2,314	17,636
	Joint ventures	-	255
	Government - related parties	21,142	21,909
	Other related parties	<u>607</u>	<u>-</u>
	<u>\$ 251,592</u>	<u>\$ 278,570</u>	

For the years ended December 31, 2023 and 2022, no impairment loss was recognized for trade receivables and other receivables from related parties.



f. Financial assets at amortized cost

Bonds on reporting period were as follows:

Related Party Category/Name	December 31	
	2023	2022
Subsidiaries		
Kuang Ming Shipping Corp.	\$ 600,000	\$ 600,000

g. Prepayments

Line Item	Related Party Category/Name	December 31	
		2023	2022
Prepayments to shipping agents	Subsidiaries	\$ -	\$ 67,297
	Associates		
	Yang Ming Shipping (Egypt) S.A.E	96,827	185,490
		<u>\$ 96,827</u>	<u>\$ 252,787</u>
Prepayments	Subsidiaries	\$ 18,818	\$ 3,814
	Government - related parties	170	140
		<u>\$ 18,988</u>	<u>\$ 3,954</u>
Prepayments for equipment	Government - related parties	<u>\$ 253</u>	<u>\$ -</u>

h. Disposals of property, plant and equipment

Line Item	Related Party Category/Name	Proceeds	
		For the Year Ended December 31	
		2023	2022
Disposals of property, plant and equipment	Subsidiaries		
	Yang Ming (Singapore) Pte. Ltd.	\$ 10,205,967	\$ -
	Associates	19	-
		<u>\$ 10,205,986</u>	<u>\$ -</u>
		Gain (Loss) on Disposal	
		For the Year Ended December 31	
Line Item	Related Party Category/Name	2023	2022
Disposals of property, plant and equipment	Associates	<u>\$ 19</u>	<u>\$ -</u>

In 2023, for the purpose of operations, the company terminate the original contract signed with its subsidiary All Oceans Transportation Inc. The transaction of sale-leaseback of 10 ships was simultaneously sold to Yang Ming (Singapore) Pte. Ltd.

i. Lease arrangements - the Company is lessee

Related Party Category/Name	For the Year Ended December 31	
	2023	2022
<u>Acquisition of right-of-use assets</u>		
Government - related parties	\$ <u> -</u>	\$ <u> 1,580</u>

Line Item	Related Party Category/Name	December 31	
		2023	2022
Lease liabilities	Subsidiaries		
	All Oceans Transportation Inc.	\$ 4,193,540	\$ 4,555,716
	Others	<u> 3,886</u>	<u> 5,770</u>
		4,197,426	4,561,486
	Associates	952	1,891
	Government - related parties	<u> 352,279</u>	<u> 416,182</u>
	\$ <u>4,550,657</u>	\$ <u>4,979,559</u>	

Line Item	Related Party Category/Name	For the Year Ended December 31	
		2023	2022
Interest expense	Subsidiaries	\$ 72,853	\$ 78,293
	Associates	14	28
	Government - related parties	<u> 5,792</u>	<u> 6,740</u>
		\$ <u> 78,659</u>	\$ <u> 85,061</u>

The Company's lease agreements with related parties were conducted under contract terms.

j. Lease arrangements - the Company is lessor/sublease arrangements

Lease arrangements - the Company is lessor under finance leases

The Company leased out certain dock port equipment included in property, plant, and equipment to its subsidiary, Hong Ming Terminal & Stevedoring Corp., under finance leases with a lease term of 6.5 years, and the net investment in leases was \$165,289 thousand at the inception of the lease. In July 2023 and July 2022, due to unleash old equipment that needs to be retired, the net lease investment on the revised date was \$6,458 thousand \$28,739 thousand, respectively. The remaining lease period was two and three years, respectively. As of December 31, 2023 and 2022, the balance of finance lease receivables was \$3,319 thousand and \$24,925 thousand, respectively.

For the years ended December 31, 2023 and 2022, no impairment loss was recognized for finance lease receivables from related parties.

Lease arrangements - sublease arrangements under finance leases

The Company subleased container yard at Keelung included in right-of-use assets to its subsidiary YES Logistics Corp. under finance leases with a lease term of 10 years, and the net investment in leases was \$44,555 thousand at the inception of the lease. As of December 31, 2023 and 2022, the balance of finance lease receivables was \$28,139 thousand and \$32,165 thousand, respectively.



The Company subleased the First and Second Logistics Centers of the Kaohsiung Third Container Center to its subsidiary YES Logistics Corp. under finance leases with lease terms of 13.5 years and 18 years, and the net investment in leases was \$207,491 thousand and \$396,001 thousand at the inception of the lease. As of December 31, 2023, the balance of finance lease receivables was \$131,937 thousand and \$301,307 thousand, respectively. As of December 31, 2022, the balance of finance lease receivables was \$147,168 thousand and \$321,188 thousand, respectively.

For the years ended December 31, 2023 and 2022, no impairment loss was recognized for finance lease receivables from related parties.

k. Bonds payable

Related Party Category/Name	December 31	
	2023	2022
Government - related parties		
Taiwan Cooperation Bank Co., Ltd.	\$ 1,100,000	\$ 1,800,000
Hua Nan commercial Bank Ltd.	950,000	1,200,000
Others	<u>650,000</u>	<u>900,000</u>
	<u>\$ 2,700,000</u>	<u>\$ 3,900,000</u>

Note: Original investment amount of domestic bonds.

l. Loans from related parties

Line Item	Related Party Category/Name	December 31	
		2023	2022
Long-term borrowings			
Secured borrowings	Government - related parties		
	Hua Nan commercial Bank Ltd.	\$ _____	\$ 198,750

m. Others

Line Item	Related Party Category/Name	For the Year Ended December 31	
		2023	2022
Rental income	Subsidiaries		
	Hong Ming Terminal & Stevedoring Corp.	\$ 13,662	\$ 943
	Others	<u>11,568</u>	<u>11,275</u>
		25,230	12,218
	Associates	137	137
	Government - related parties	7,687	-
	Other related parties	<u>2,857</u>	<u>2,500</u>
		<u>\$ 35,911</u>	<u>\$ 14,855</u>

(Continued)

Line Item	Related Party Category/Name	For the Year Ended December 31	
		2023	2022
Interest income	Subsidiaries	\$ 86,666	\$ 63,939
	Government - related parties		
	Taiwan Cooperation Bank Co., Ltd.	1,014,187	397,191
	Others	<u>1,951,875</u>	<u>739,506</u>
		<u>2,966,062</u>	<u>1,136,697</u>
		\$ 3,052,728	\$ 1,200,636
Finance costs	Subsidiaries	\$ 2	\$ 1
	Government - related parties	<u>150,954</u>	<u>162,000</u>
		\$ 150,956	\$ 162,001
Reimbursement income	Associates	\$ 446	\$ -
	Government - related parties	<u>-</u>	<u>19,240</u>
		\$ 446	\$ 19,240
Other gains and losses	Subsidiaries		
	Yang Ming Anatolia Shipping Agency S.A.	\$ 151,918	\$ -
	Others	<u>18,457</u>	<u>1,490</u>
		<u>170,375</u>	<u>1,490</u>
	Subsidiaries		
	Yang Ming Shipping (Egypt) S.A.E	44,430	45,293
	Others	<u>230</u>	<u>2,776</u>
		<u>44,660</u>	<u>48,069</u>
	Government - related parties	<u>(20,305)</u>	<u>(19,619)</u>
		\$ 194,730	\$ 29,940

(Concluded)

The Company's transactions with related parties were conducted under contract terms.

n. Remuneration of key management personnel

	For the Year Ended December 31	
	2023	2022
Short-term employee benefits	\$ 69,636	\$ 207,538
Post-employment benefits	<u>3,488</u>	<u>2,436</u>
	\$ 73,124	\$ 209,974

The remuneration of directors and key executives, as determined by the remuneration committee, is based on the performance of individuals and market trends.



32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collaterals for syndicated bank loans, long-term bank loans and credit lines:

	December 31	
	2023	2022
Restricted bank deposits (included in financial assets at amortized cost)	\$ 89,982	\$ 89,182
Property, plant and equipment, net	<u>-</u>	<u>1,066,375</u>
	<u>\$ 89,982</u>	<u>\$ 1,155,557</u>

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in Table B and Note 15, commitments and contingent liabilities for reporting periods were as follows:

- a. The Company's shipping and port business were secured by the letter of guarantee issued by banks for \$334,862 thousand and \$313,030 thousand as of December 31, 2023 and 2022, respectively.
- b. The Company signed container building contracts with other companies. As of December 31, 2023, unpaid amounts for these contracts were US\$28,592 thousand. As of December 31, 2022, there was no outstanding container building contract.
- c. The Company signed shipbuilding contracts with other companies. As of December 31, 2023, prepayments for equipment for these contracts amounted to US\$374,900 thousand, and unpaid amounts for these contracts were US\$562,350 thousand. As of December 31, 2022, there was no outstanding shipbuilding contract.

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the Company and the related exchange rates between foreign currencies and respective functional currencies were as follows:

December 31, 2023

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 1,772,609	30.7100 (USD:NTD)	\$ 54,436,825
GBP	72,679	39.1629 (GBP:NTD)	2,846,307
CNY	67,704	4.3306 (CNY:NTD)	293,200
EUR	317,074	34.0144 (EUR:NTD)	10,785,081
HKD	329,643	3.9313 (HKD:NTD)	1,295,938
			(Continued)

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
JPY	\$ 8,880,705	0.2171 (JPY:NTD)	\$ 1,928,349
CAD	2,798	23.1957 (CAD:NTD)	64,901
AUD	84,647	20.9765 (AUD:NTD)	1,775,604
Non-monetary items			
Investments accounted for using the equity method			
USD	3,623,100	30.7100 (USD:NTD)	111,265,414
CNY	3,666	4.3306 (CNY:NTD)	15,876
EUR	68,983	34.0144 (EUR:NTD)	2,346,432
<u>Financial liabilities</u>			
Monetary items			
USD	2,334,964	30.7100 (USD:NTD)	71,706,751
GBP	830	39.1629 (GBP:NTD)	32,517
CNY	55,398	4.3306 (CNY:NTD)	239,906
EUR	15,566	34.0144 (EUR:NTD)	529,453
JPY	1,953,579	0.2171 (JPY:NTD)	424,199
CAD	3,275	23.1957 (CAD:NTD)	75,976
AUD	1,626	20.9765 (AUD:NTD)	34,104
			(Concluded)

December 31, 2022

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 3,524,004	30.7100 (USD:NTD)	\$ 108,222,175
GBP	56,189	37.0209 (GBP:NTD)	2,080,168
CNY	221,290	4.4176 (CNY:NTD)	977,570
EUR	145,277	32.7353 (EUR:NTD)	4,755,706
HKD	120,746	3.9384 (HKD:NTD)	475,544
JPY	3,180,116	0.2330 (JPY:NTD)	740,925
CAD	12,554	22.6701 (CAD:NTD)	284,591
AUD	34,573	20.8536 (AUD:NTD)	720,971
Non-monetary items			
Investments accounted for using the equity method			
USD	3,006,664	30.7100 (USD:NTD)	92,334,651
CNY	4,653	4.4176 (CNY:NTD)	20,555
EUR	61,458	32.7353 (EUR:NTD)	2,011,853
			(Continued)



	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 2,594,492	30.7100 (USD:NTD)	\$ 79,676,843
GBP	6,485	37.0209 (GBP:NTD)	240,091
CNY	140,223	4.4176 (CNY:NTD)	619,447
EUR	19,460	32.7353 (EUR:NTD)	637,026
JPY	1,867,098	0.2330 (JPY:NTD)	435,009
CAD	3,525	22.6701 (CAD:NTD)	79,903
AUD	3,495	20.8536 (AUD:NTD)	72,892
			(Concluded)

For the years ended December 31, 2023 and 2022, realized and unrealized net foreign exchange gains were \$2,159,287 thousand and \$11,851,947 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the Company.

35. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

- 1) Financing provided to others: See Table A attached;
- 2) Endorsement/guarantee provided: See Table B attached;
- 3) Marketable securities held: See Table C attached;
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: See Table D attached;
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None;
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None;
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None;
- 8) Receivable from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: See Table E attached;
- 9) Trading in derivative instruments: See Note 7.

b. Information on investees: See Table F attached.

- c. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: See Table G attached;
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: None;
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: See Table H attached.



TABLE A

YANG MING MARINE TRANSPORT CORPORATION

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Relate Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amounts	Interest Rate	Nature of Financing (Note A)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note B)	Aggregate Financing Limits (Note B)
													Item	Value		
0	Yang Ming Marine Transport Corporation	All Oceans Transportation Inc.	Other receivables	Y	\$ 2,290,000	\$ 1,995,506	\$ 1,995,506	1.3000%- 6.0200%	1	\$ 3,295,133	-	\$ -	-	\$ -	\$ 6,955,221	\$ 138,488,956

Notes:

A. Nature of financing:

1. The Company has transactions with the borrower.
2. The borrower needs short-term financing.

B. The maximum financing amount is the 60% of the net assets of the lender. For borrowers with transactions with the lender, maximum financing is 50% of the net assets of the lender. For the borrower with transactions with the lender, maximum financing is the lower of 15% of the net assets of the lender or the total amount of transactions between the lender and the borrower in the last two years. For subsidiaries with transactions with the lender, maximum financing is the lower of 40% of the latest net assets of the lender and the borrower in the last five years. For borrowers with short-term financing need, the maximum is 10% of the net assets of the lender. For the borrower needing short-term financing, maximum financing is 5% of the net assets of the lender.

TABLE B

YANG MING MARINE TRANSPORT CORPORATION

ENDORSEMENT/GUARANTEE PROVIDED FOR THE YEAR ENDED DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorser/Guaranteee		Limits on Endorsement/Guarantee Given on Behalf of Each Party (Note A)	Maximum Amount Endorsed/Guaranteed During the Period (Note B)	Outstanding Endorsement/Guarantee at the End of the Period (Note B)	Actual Borrowing Amount (Note B)	Amount Endorsed/Guaranteed by Collaterals	Ratio of Accumulated Endorsement/Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/Guarantee Limit (Note A)	Endorsement/Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	Yang Ming Marine Transport Corporation	Kuang Ming Shipping Corp. Kuang Ming (Liberia) Corp.	Subsidiary Subsidiary	\$ 443,164,659 443,164,659	\$ 670,000 104,778 (US\$ 3,412 thousand)	\$ 370,000 -	\$ 92,500 -	\$ - -	0.13 -	\$ 830,933,736 830,933,736	Y Y	N N N	N N N
		Yang Ming (America) Corp.	Subsidiary	443,164,659	92,130 3,000 (US\$ thousand)	92,130 3,000 (US\$ thousand)	-	-	0.03	830,933,736	Y	N	N

Notes:

- A. 1. Represents 300% of the latest net assets audited or reviewed by CPA of the Company. Represents 160% of the amount as aforementioned.
 2. Represents 400% of the latest net assets audited or reviewed by CPA of the Company. Represents 180% of the amount as aforementioned.
- B. United States dollars translated into New Taiwan dollars at the exchange rate of US\$1=NT\$30.71 as of December 31, 2023.



TABLE C

YANG MING MARINE TRANSPORT CORPORATION

MARKETABLE SECURITIES HELD

DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	Shares	December 31, 2023		Note	
					Carrying Amount	Percentage of Ownership (%)		
Yang Ming Marine Transport Corporation	Domestic unlisted shares	-	Financial assets at FVTOCI - non-current	51,000,000	\$ 472,113	9.81	\$ 472,113	
	Taipei Port Container Terminal Co., Ltd.	-	Financial assets at FVTOCI - non-current	500,000	4,684	10.00		4,684
	United Stevedoring Corp.	-	Financial assets at FVTOCI - non-current	2,000,000	13,502	1.67		13,502
	Pro-Ascenstek Investment Corporation	-						
	Domestic listed shares	-	Financial assets at FVTPL - current	1,165,000	64,075	-	64,075	
	Fubon Financial Holding Co., Ltd. Preferred Shares C	-						
	Taishin Financial Holding Co., Ltd. Class Z	-	Financial assets at FVTPL - non-current	16,000,000	272,000	-	272,000	
	Chungghwa Telecom Co., Ltd.	Government - related party	Financial assets at FVTPL - current	256,000	30,720	-	30,720	
	Mutual funds	-	Financial assets at FVTPL - non-current	3,440,351	54,717	-	54,717	
	KGI GALLANT Fund	-						
	Domestic limited partnership	-	Financial assets at FVTPL - non-current	-	29,111	3.19	29,111	
	Taiwan Capital Buffalo Fund V, LP.	-						
	Corporate bonds	-						
Domestic privately placed unsecured bonds - Kuang Ming Shipping Corp	Subsidiary	Financial assets at amortized cost - non-current	-	600,000	-	600,000		
Alphabet Inc.	-	Financial assets at amortized cost - non-current	-	57,599	-	57,694		
Apple Inc.	-	Financial assets at amortized cost - non-current	-	142,131	-	142,325		
BANK OF AMERICA CORP.	-	Financial assets at amortized cost - non-current	-	183,988	-	182,397		
Citigroup Global Markets Holdings	-	Financial assets at amortized cost - non-current	-	767,512	-	753,617		
Commonwealth Bank of Australia	-	Financial assets at amortized cost - non-current	-	57,087	-	57,579		
FOXCONN (FAR EAST) LTD.	-	Financial assets at amortized cost - non-current	-	205,212	-	202,430		
Intel Corporation	-	Financial assets at amortized cost - non-current	-	146,883	-	150,605		
International Business Machines Corporation	-	Financial assets at amortized cost - non-current	-	90,062	-	91,140		
JPMORGAN CHASE & CO.	-	Financial assets at amortized cost - non-current	-	121,750	-	120,662		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023			Note
				Shares	Carrying Amount	Percentage of Ownership (%)	
	Mitsubishi UFJ Financial Group, Inc.	-	Financial assets at amortized cost - non-current	-	\$ 145,195	-	\$ 145,255
	MIZUHO FINANCIAL GROUP	-	Financial assets at amortized cost - non-current	-	140,846	-	142,142
	QNB FINANCE LTD.	-	Financial assets at amortized cost - non-current	-	59,264	-	57,451
	The Walt Disney Company	-	Financial assets at amortized cost - non-current	-	88,733	-	90,810
	TSMC GLOBAL LTD.	-	Financial assets at amortized cost - non-current	-	353,525	-	352,429

(Concluded)



TABLE D

YANG MING MARINE TRANSPORT CORPORATION

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST \$300 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal		Ending Balance	
					Shares	Amount (Note B)	Shares	Amount	Shares	Amount	Shares	Amount (Note B)
Yang Ming Marine Transport Corporation	Mutual funds											
	Taishin 1699 Money Market Fund	Financial assets at FVTPL - current	-	-	618,770,911	\$ 8,550,000	924,180,267	\$ 12,793,921	\$ 12,750,000	-	\$ -	-
	Hua Nan Phoenix Money Market Fund	Financial assets at FVTPL - current	-	-	192,506,838	3,200,000	192,506,838	3,203,196	3,200,000	-	-	-
	Fubon Chi-Hsiang Money Market Fund	Financial assets at FVTPL - current	-	-	31,316,155	500,000	31,316,155	500,676	500,000	-	-	-
	Capital Money Market Fund	Financial assets at FVTPL - current	-	-	194,134,815	3,200,000	194,134,815	3,203,234	3,200,000	-	-	-
	Jih Sun Money Market Fund	Financial assets at FVTPL - current	-	-	39,557,873	600,000	39,557,873	600,551	600,000	-	-	-
	FSITC Taiwan Money Market Fund	Financial assets at FVTPL - current	-	-	95,763,848	1,500,000	95,763,848	1,501,364	1,500,000	-	-	-
	Taishin Ta Chong Money Market Fund	Financial assets at FVTPL - current	-	-	68,865,781	1,000,000	68,865,781	1,000,943	1,000,000	-	-	-
	CTBC Hua Win Money Market Fund	Financial assets at FVTPL - current	-	-	106,662,487	1,200,000	106,662,487	1,201,049	1,200,000	-	-	-
	Stock											
	Yang Ming Line (Singapore) Pte Ltd	Investments accounted for using the equity method	-	-	1,068,240,000 (Note A)	25,209,600 (Note A)	-	-	-	-	-	64,054,230

Notes:

- Yang Ming Line (Singapore) Pte Ltd applied for the cash capital increase of US\$800,000 thousand and issued 1,068,240,000 shares in December 2023.
- Mutual funds are the balance of the original investment cost; equity method investments are the balance of investments accounted for using the equity method.

TABLE E

YANG MING MARINE TRANSPORT CORPORATION

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
 DECEMBER 31, 2023
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
Yang Ming Marine Transport Corporation	All Oceans Transportation Inc.	Subsidiary	\$ 1,995,506 (Note A)	-	\$ -	-	\$ -	-
	Yang Ming (Singapore) Pte. Ltd.	Subsidiary	3,822,259	-	-	-	3,822,259	-
	YES Logistics Corp.	Subsidiary	510,510 (Note B)	-	-	-	12,600	-

Notes:

- A. Financing provided.
- B. Financial lease receivables and other receivables.
- C. Collections between related parties made according to "Agency Accounting Procedure" by the Company and local business conventions.



TABLE F

YANG MING MARINE TRANSPORT CORPORATION

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount (Note A)		As of December 31, 2023		Share of Profits (Loss)	Note	
				December 31, 2023	December 31, 2022	Shares	Percentage of Ownership (%)			Carrying Amount
Yang Ming Marine Transport Corporation	Kao Ming Container Terminal Corp.	Taiwan	Terminal operation and stevedoring	\$ 3,181,313	\$ 3,181,313	323,000,000	47.50	\$ 3,594,068	\$ 176,316 (Note B)	Investments in associates
	Yang Ming Line (B.V.L.) Holding Co., Ltd.	British Virgin Islands	Investment, shipping agency, forwarding agency and shipping managers	555,266	555,266	1,757	100.00	14,766,499	490,235	Subsidiary
	Yang Ming Line B.V.	Netherlands	Investment, shipping agency, forwarding agency and shipping managers	-	-	2,500	100.00	2,346,432	273,012	Subsidiary
	Kuang Ming Shipping Corp.	Taiwan	Shipping service, shipping agency and forwarding agency	8,927,857	8,927,857	98,882,111	98.88	2,802,352	121,173	Subsidiary
	Yang Ming Line (Singapore) Pte Ltd	Singapore	Investment, shipping service, sale and purchase of ships, chartering and forwarding agency	59,505,796	34,296,196	2,603,793,000	100.00	64,054,230	2,795,772	Subsidiary
	Yang Ming Line Holding Co.	U.S.A.	Investment, shipping agency, forwarding agency and shipping managers	143,860	143,860	13,500	100.00	4,235,143	231,666	Subsidiary
	All Oceans Transportation Inc.	Republic of Liberia	Shipping agency, forwarding agency and shipping managers	1,500,181	1,500,181	1,000	100.00	1,611,882	374,824	Subsidiary
	Yes Logistics Corp.	Taiwan	Sea and air freight forwarding agency and warehouse operation	1,141,691	1,141,691	115,630,977	96.36	1,496,091	104,881	Subsidiary
	Hong Ming Terminal & Stevedoring Corp.	Taiwan	Terminal operation and stevedoring	104,261	104,261	10,000,000	100.00	170,239	36,076	Subsidiary
	Jing Ming Transportation Co., Ltd.	Taiwan	Container transportation	35,844	35,844	8,615,923	50.98	136,587	6,117	Subsidiary
	Yan Ming Shipping Co., Ltd.	Taiwan	Investment and subsidiaries management	179,810	179,810	5,211,474	49.75	218,400	24,453	Investment in associates
	Taiwan Foundation International Pte. Ltd.	Singapore	Shipping agency, forwarding agency, shipping managers and shipping lines	103,802	103,802	3,400,000	34.00	115,371	23,164	Investments in associates
	Taiwan Navigation Co., Ltd.	Taiwan	Shipping agency, forwarding agency, shipping managers and shipping lines	4,367,004	4,367,004	70,793,243	16.96	2,700,252	1,662,800	Investments in associates
	Yang Ming (Singapore) Pte. Ltd.	Singapore	Shipping agency, forwarding agency, shipping managers and shipping lines	444,930	444,930	799,342,500	100.00	28,094,171	(9,142,981)	Subsidiary

Notes:

- A. This is translated into New Taiwan dollars at the exchange rate prevailing at the time of investment acquisition.
- B. This is an adjustment to the remainder investment of investment income or loss re-organized at fair value on the date of losing control.
- C. The original investment amount did not deduct the amount of offsetting the deficit of \$3,000,000 thousand and \$4,701,339 thousand in May 2021 and May 2017, respectively.
- D. Yang Ming Line (Singapore) Pte Ltd applied for the cash capital increase of US\$800,000 thousand and issued 1,068,240,000 shares in December 2023.
- E. The information on investments in mainland China is provided in Table G.

TABLE G

YANG MING MARINE TRANSPORT CORPORATION

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023 (Note J)	Investment Flows		Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note E)	Carrying Amount as of December 31, 2023 (Note E)	Accumulated Repatriation of Investment Income as of December 31, 2023
						Outflow	Inflow					
Yang Ming Marine Transport Corporation	Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	Shipping agency, forwarding agency and shipping managers	US\$ 1,000 thousand (Note H)	Indirect investment through Singapore based subsidiary's direct investment in mainland China	\$ -	\$ -	\$ -	\$ 90,060	100.00 (Note I)	\$ 90,060	\$ (164,379)	\$ -
	Sino Trans PFS Cold Chain Logistic Co., Ltd. (Note D)	Storage facilities construction and operation as well as providing supporting services related	US\$ 46,242 thousand	Direct investment in mainland China	22,558 (CNY 5,209 thousand)	-	(35,410)	6.67	(2,361)	15,876	456,394	-
Yes Logistics Corp.	Yes Logistics (Shanghai) Corp.	Forwarding agency	US\$ 4,300 thousand	Indirect investment through US based subsidiary's direct investment in mainland China	245,680 (US\$ 8,000 thousand)	-	3,296	96.36	3,465	456,394	-	-
	Chung Ming Logistics Company Limited (Note B)	Terminal operation and succeeding, storage, and shipping agency	CNY 144,800 thousand	Investee's direct investment in mainland China	289,204 (US\$ 7,930 thousand)	-	2,469	47.22	1,166	276,459	-	-
	Sino Trans PFS Cold Chain Logistic Co., Ltd.	Storage facilities construction and operation as well as providing supporting services related	US\$ 46,242 thousand	Investee's direct investment in mainland China	189,296 (US\$ 6,164 thousand)	-	(35,410)	12.85	(4,550)	31,882	-	-
	Shanghai United Cold Chain Logistics Co., Ltd. (Note F)	Storage facilities construction and operation as well as providing supporting services related	CNY 50,000 thousand	Investee's direct investment in mainland China	43,306 (CNY 10,000 thousand)	-	(61,163)	19.27	(11,786)	29,366	-	-

Company Name	Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2023 (Note J)	Investment Amounts Authorized by Investment Commission, MOEA (Note J)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Yang Ming Marine Transportation Corporation (Note D)	\$ 22,558 (CNY 5,209 thousand)	\$ 238,664 (US\$ 7,037 thousand) (CNY 5,209 thousand)	\$ 166,620,725
Yes Logistics Corp. (Note C)	747,844 (US\$ 17,301 thousand) (CNY 50,000 thousand)	747,844 (US\$ 17,301 thousand) (CNY 50,000 thousand)	1,044,774

Notes:

- Yes Logistics Corp. (the subsidiary of the Company) was authorized to invest in Mainland China by the Investment Commission, Ministry of Economic Affairs on June 3, 2004, July 4, 2006, December 26, 2006 and August 31, 2016.
- Yes Logistics Corp. (the subsidiary of the Company) was authorized to invest in Mainland China by the Investment Commission, Ministry of Economic Affairs on April 11, 2005, August 22, 2006, November 29, 2006 and December 2, 2008.
- Yes Logistics Corp. (the subsidiary of the Company) was authorized to invest in Mainland China by the Investment Commission, Ministry of Economic Affairs on December 16, 2013.
- The Company was authorized to invest in Mainland China by the Investment Commission, Ministry of Economic Affairs on August 25, 2021.
- Calculated by the % ownership of direct or indirect investment.
- Yes Logistics Corp. (the subsidiary of the Company) was authorized to invest in Mainland China by the Investment Commission, Ministry of Economic Affairs on May 12, 2017.
- The Company was authorized to invest in mainland China by Investment Commission, Ministry of Economic Affairs on December 25, 2019.
- Investing by the unappropriated earnings of Yang Ming Line (Singapore) Pte Ltd.
- Yang Ming Line (Singapore) Pte Ltd. contributed 51% of capital in terms of cash input, but de facto holds 100% of the equity based on terms stipulated in the joint venture agreement.
- United States dollars and Renminbi Yuan translated into New Taiwan dollars at the exchange rates of US\$1=NT\$30.71 and CNY1=NT\$4.3306 as of December 31, 2023.

**TABLE H****YANG MING MARINE TRANSPORT CORPORATION****INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2023**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
The Ministry of Transportation and Communications R.O.C.	467,682,372	13.39
National Development Fund	460,000,000	13.17

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the parent company only financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.

Yang Ming Marine Transport Corp.



Chairman: Cheng-Mount Cheng

Cheng, Cheng-Mount

