

**Yang Ming Marine Transport Corporation
and Subsidiaries**

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2021 and 2020 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Yang Ming Marine Transport Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Yang Ming Marine Transport Corporation (hereinafter referred to as YMTC) and its subsidiaries (the "Group") as of September 30, 2021 and 2020, the related consolidated statements of comprehensive income for the three months ended September 30, 2021 and 2020 and for the nine months ended September 30, 2021 and 2020, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as 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 Accounting Standards (IAS) 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the Statement of Auditing Standards No. 65, "Review of Financial Information Performed by the Independent Auditor of the Entity" in the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As disclosed in Note 13 to the accompanying consolidated financial statements, the financial statements of some non-significant subsidiaries were not reviewed. As of September 30, 2021 and 2020, the combined total assets of these non-significant subsidiaries were NT\$32,914,402 thousand and NT\$ 27,753,319 thousand, respectively, representing 10.05% and 14.31%, respectively, of the consolidated total assets, and the combined total liabilities of these non-significant subsidiaries were NT\$13,153,120 thousand and NT\$15,578,011 thousand, respectively, representing 8.86% and 8.96%, respectively, of the consolidated total liabilities; for the three months ended September 30, 2021 and 2020 and for the nine months ended September 30, 2021 and 2020, the amounts of the combined comprehensive income of these non-significant subsidiaries were NT\$1,513,610 thousand, NT\$(365,755) thousand, NT\$2,627,178 thousand and NT\$(1,600,165) thousand, respectively, representing 3.03%, (10.38%), 2.34% and (56.17%) respectively, of the consolidated total comprehensive income. As also disclosed in Note 14, as of September 30, 2021 and 2020, the investments accounted for using the equity method were NT\$7,840,429 thousand and NT\$7,877,760 thousand, respectively; and for the three months ended September 30, 2021 and 2020 and for the nine months ended September 30, 2021 and 2020, the amounts of the Group's share of the profit of such investments accounted for using the equity method were NT\$314,345 thousand, NT\$65,662 thousand, NT\$1,160,212 thousand and NT\$46,912 thousand, respectively. The information about investees disclosed in Note 40 and aforementioned in Note 14 were based on the subsidiaries', associates' and joint ventures' financial statements which have not been reviewed.

Qualified Conclusion

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and investments accounted for by using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2021 and 2020, its consolidated financial performance for the three months ended September 30, 2021 and 2020, and its consolidated financial performance and its cash flows for the nine months ended September 30, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 11, 2021

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’ review 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’ review report and consolidated financial statements shall prevail.

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2021 (Reviewed)		December 31, 2020 (Audited)		September 30, 2020 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 6 and 35)	\$ 90,124,977	28	\$ 24,518,721	13	\$ 17,853,058	9
Financial assets at fair value through profit or loss (FVTPL) - current (Note 7)	86,095	—	1,743,413	1	3,183,839	2
Financial assets at amortized cost - current (Notes 9, 35 and 36)	52,342,328	16	2,191,233	1	2,988,417	2
Contract assets, net (Notes 26 and 35)	7,225,703	2	2,890,274	1	2,001,233	1
Notes receivable, net (Notes 10 and 35)	23,945	—	8,245	—	22,284	—
Trade receivables, net (Notes 10 and 26)	20,951,068	7	11,004,046	6	10,496,291	5
Trade receivables from related parties (Notes 10, 26 and 35)	326,040	—	173,823	—	235,881	—
Finance lease receivables, net (Note 11)	20,137	—	19,938	—	19,872	—
Shipping fuel (Note 12)	3,245,623	1	2,189,744	1	2,250,760	1
Prepayments (Note 35)	480,930	—	412,350	—	580,229	—
Prepayments to shipping agents (Note 35)	169,640	—	102,610	—	347,736	—
Other current assets (Note 35)	1,100,217	—	1,006,822	1	1,046,285	1
Total current assets	176,096,703	54	46,261,219	24	41,025,885	21
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss (FVTPL) - non-current (Note 7)	15,097	—	—	—	—	—
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Note 8)	506,801	—	1,998,531	1	1,668,699	1
Financial assets at amortized cost - non-current (Notes 9, 35 and 36)	53,605	—	103,439	—	115,629	—
Investments accounted for using equity method (Note 14)	11,843,834	4	6,972,400	3	7,877,760	4
Property, plant and equipment (Notes 15, 23 and 36)	72,639,032	22	73,663,236	38	73,148,217	38
Right-of-use assets (Notes 16 and 35)	58,002,009	18	55,853,713	29	58,435,209	30
Investment properties (Notes 17 and 36)	6,317,106	2	6,317,219	3	6,313,207	3
Other intangible assets	88,903	—	88,268	—	96,450	—
Deferred tax assets (Note 4)	1,047,686	—	3,162,100	2	4,739,749	3
Prepayments for equipment (Note 35)	552,319	—	127,805	—	139,931	—
Refundable deposits	202,867	—	199,452	—	161,700	—
Finance lease receivables - non-current (Note 11)	132,092	—	147,220	—	152,229	—
Other financial assets - non-current	56,986	—	63,202	—	71,205	—
Other non-current assets	24,216	—	18,181	—	16,541	—
Total non-current assets	151,482,553	46	148,714,766	76	152,936,526	79
TOTAL	\$ 327,579,256	100	\$ 194,975,985	100	\$ 193,962,411	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 18 and 35)	\$ 1,560,000	—	\$ 2,072,156	1	\$ 2,296,500	1
Short-term bills payable (Notes 18 and 35)	536,744	—	12,113,626	6	10,408,327	6
Financial liabilities for hedging - current (Notes 16 and 34)	7,598,370	2	7,370,742	4	7,399,038	4
Contract liabilities - current (Notes 26 and 35)	1,031,910	—	134,998	—	170,383	—
Notes payable	26,505	—	25,404	—	23,361	—
Trade payables (Note 20)	21,370,357	7	15,677,632	8	15,726,596	8
Trade payables to related parties (Notes 20 and 35)	342,687	—	425,388	—	505,771	—
Other payables (Notes 21 and 35)	6,580,833	2	4,328,266	2	3,275,920	2
Current tax liabilities (Note 4)	15,696,003	5	264,165	—	102,778	—
Provisions - current (Note 22)	—	—	—	—	47,668	—
Lease liabilities - current (Notes 16 and 35)	2,285,693	1	2,146,472	1	2,368,289	1
Current portion of long-term liabilities (Notes 18, 19, 23, 35 and 36)	5,537,925	2	14,315,643	8	25,819,289	13
Other advance account	175,301	—	217,218	—	206,305	—
Other current liabilities	1,103,872	—	657,644	—	683,997	1
Total current liabilities	63,846,200	19	59,749,354	30	69,034,222	36
NON-CURRENT LIABILITIES						
Financial liabilities for hedging - non-current (Notes 16 and 34)	35,997,539	11	40,383,562	21	43,212,029	22
Bonds payable (Notes 19, 35 and 36)	10,846,718	3	4,945,877	3	4,983,147	3
Long-term borrowings (Notes 18, 35 and 36)	15,668,119	5	41,096,387	21	45,227,793	23
Provisions - non-current (Note 22)	1,326	—	1,396	—	1,377	—
Deferred tax liabilities (Note 4)	7,517,809	2	2,573,337	1	1,752,379	1
Lease liabilities - non-current (Notes 16 and 35)	11,094,378	4	6,089,430	3	6,542,889	4
Other advance account - non-current	104,309	—	163,942	—	195,677	—
Net defined benefit liabilities - non-current (Notes 4 and 24)	2,786,008	1	3,027,709	2	2,422,338	1
Other non-current liabilities	633,149	—	610,139	—	537,078	—
Total non-current liabilities	84,649,355	26	98,891,779	51	104,874,707	54
Total liabilities	148,495,555	45	158,641,133	81	173,908,929	90
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Share capital - ordinary shares	34,921,043	11	31,676,622	16	26,226,242	14
Capital surplus	27,975,030	8	384,106	—	311,066	—
Retained earnings (accumulated deficits)						
Legal reserve	166,092	—	—	—	—	—
Special reserve	1,494,827	1	—	—	—	—
Unappropriated earnings (deficit to be compensated)	112,065,601	34	1,660,919	1	(7,981,075)	(4)
Total retained earnings (accumulated deficit)	113,726,520	35	1,660,919	1	(7,981,075)	(4)
Other equity	1,884,272	1	1,956,585	1	855,002	—
Total equity attributable to owners of the Company	178,506,865	55	35,678,232	18	19,411,235	10
NON-CONTROLLING INTERESTS						
	576,836	—	656,620	1	642,247	—
Total equity	179,083,701	55	36,334,852	19	20,053,482	10
TOTAL	\$ 327,579,256	100	\$ 194,975,985	100	\$ 193,962,411	100

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' review report dated November 11, 2021)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2021		2020		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 16, 26 and 35)	\$ 95,452,440	100	\$ 38,854,605	100	\$ 231,006,145	100	\$ 105,247,069	100
OPERATING COSTS (Notes 12, 16, 27 and 35)	30,687,227	32	33,167,217	85	90,423,374	39	95,824,067	91
GROSS PROFIT	64,765,213	68	5,687,388	15	140,582,771	61	9,423,002	9
OPERATING EXPENSES (Notes 27 and 35)								
Selling and marketing expenses	1,910,878	2	1,373,841	3	5,624,335	2	4,056,725	4
General and administrative expenses	344,553	—	229,992	1	1,031,837	1	616,301	—
Expected credit loss	30,721	—	2,674	—	92,486	—	21,840	—
Total operating expenses	2,286,152	2	1,606,507	4	6,748,658	3	4,694,866	4
OTHER OPERATING INCOME AND EXPENSES (Notes 16 and 27)	43,093	—	63,174	—	124,639	—	273,061	—
PROFIT FROM OPERATIONS	62,522,154	66	4,144,055	11	133,958,752	58	5,001,197	5
NON-OPERATING INCOME AND EXPENSES (Notes 16, 23, 27 and 35)								
Interest income	74,063	—	29,380	—	141,980	—	108,338	—
Other income	28,164	—	95,238	—	73,327	—	123,537	—
Other gains and losses	191,422	—	102,036	—	220,974	—	631,753	1
Finance costs	(632,003)	(1)	(893,286)	(2)	(1,973,423)	(1)	(2,792,917)	(3)
Share of profit or loss of associates and joint ventures	502,835	1	81,596	—	1,122,228	1	95,394	—
Total non-operating income and expenses	164,481	—	(585,036)	(2)	(414,914)	—	(1,833,895)	(2)
PROFIT BEFORE INCOME TAX	62,686,635	66	3,559,019	9	133,543,838	58	3,167,302	3
INCOME TAX EXPENSE (Notes 4 and 28)	(11,792,283)	(13)	(740,462)	(2)	(23,443,777)	(10)	(1,126,870)	(1)
NET PROFIT FOR THE PERIOD	50,894,352	53	2,818,557	7	110,100,061	48	2,040,432	2
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 16, 25 and 28)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments at FVTOCI	(238,136)	—	38,971	—	2,854,335	1	(104,194)	—
Share of the other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	(480,510)	(1)	1,575	—	(209,218)	—	(2,789)	—
	(718,646)	(1)	40,546	—	2,645,117	1	(106,983)	—
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating the financial statements of foreign operations	(113,064)	—	(171,145)	—	(649,988)	—	(375,678)	—
Gain on hedging instruments	(163,939)	—	835,780	2	572,449	—	1,291,215	1
Income tax related to items that may be reclassified subsequently to profit or loss	55,812	—	—	—	(499,108)	—	—	—
	(221,191)	—	664,635	2	(576,647)	—	915,537	1
Other comprehensive income for the period, net of income tax	(939,837)	(1)	705,181	2	2,068,470	1	808,554	1
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	\$ 49,954,515	52	\$ 3,523,738	9	\$ 112,168,531	49	\$ 2,848,986	3
NET PROFIT ATTRIBUTABLE TO :								
Owners of the Company	\$ 50,825,854	53	\$ 2,736,718	7	\$ 109,877,965	48	\$ 1,850,823	2
Non-controlling interests	68,498	—	81,839	—	222,096	—	189,609	—
	\$ 50,894,352	53	\$ 2,818,557	7	\$ 110,100,061	48	\$ 2,040,432	2
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO :								
Owners of the Company	\$ 49,883,966	52	\$ 3,474,519	9	\$ 111,993,288	49	\$ 2,732,515	3
Non-controlling interests	70,549	—	49,219	—	175,243	—	116,471	—
	\$ 49,954,515	52	\$ 3,523,738	9	\$ 112,168,531	49	\$ 2,848,986	3
ERNINGS PER SHARE (Note 29)								
Basic	\$ 14.66		\$ 1.05		\$ 32.73		\$ 0.71	
Diluted	\$ 14.62		\$ 0.86		\$ 32.42		\$ 0.60	

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

(With Deloitte & Touche auditors' review report dated November 11, 2021)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Company												
	Share Capital (Note 25)		Capital Surplus (Note 4 and 25)	Retained Earnings (Accumulated Deficits) (Note 25)			Exchange Differences on Translating the Financial Statements of Foreign Operations (Note 25)	Other Equity		Gain on Hedging Instruments (Note 25)	Total	Non-controlling Interests (Note 25)	Total Equity
	Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings (Deficit to be compensated)		Unrealized Valuation Gain/Loss on Financial Assets at Fair Value Through Other Comprehensive Income (Note 25)					
BALANCE AT JANUARY 1, 2020	2,601,336	\$ 26,013,357	\$ 1,939,381	\$ —	\$ —	\$ (11,462,514)	\$ (205,946)	\$ (1,039,266)	\$ 1,218,522	\$ 16,463,534	\$ 618,665	\$ 17,082,199	
Capital surplus used to offset accumulated deficits	—	—	(1,630,616)	—	—	1,630,616	—	—	—	—	—	—	
Net profit (loss) for the nine months ended September 30, 2020	—	—	—	—	—	1,850,823	—	—	—	1,850,823	189,609	2,040,432	
Other comprehensive income for the nine months ended September 30, 2020, net of income tax	—	—	—	—	—	—	(302,532)	(106,991)	1,291,215	881,692	(73,138)	808,554	
Total comprehensive income for the nine months ended September 30, 2020	—	—	—	—	—	1,850,823	(302,532)	(106,991)	1,291,215	2,732,515	116,471	2,848,986	
Convertible bonds converted to ordinary shares	21,288	212,885	2,301	—	—	—	—	—	—	215,186	—	215,186	
Decrease in non-controlling interests	—	—	—	—	—	—	—	—	—	—	(92,889)	(92,889)	
BALANCE AT SEPTEMBER 30, 2020	<u>2,622,624</u>	<u>\$ 26,226,242</u>	<u>\$ 311,066</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (7,981,075)</u>	<u>\$ (508,478)</u>	<u>\$ (1,146,257)</u>	<u>\$ 2,509,737</u>	<u>\$ 19,411,235</u>	<u>\$ 642,247</u>	<u>\$ 20,053,482</u>	
BALANCE AT JANUARY 1, 2021	3,167,662	\$ 31,676,622	\$ 384,106	\$ —	\$ —	\$ 1,660,919	\$ (713,510)	\$ (785,730)	\$ 3,455,825	\$ 35,678,232	\$ 656,620	\$ 36,334,852	
Appropriation of 2020 earnings													
Legal reserve	—	—	—	166,092	—	(166,092)	—	—	—	—	—	—	
Special reserve	—	—	—	—	1,494,827	(1,494,827)	—	—	—	—	—	—	
Net profit for the nine months ended September 30, 2021	—	—	—	—	—	109,877,965	—	—	—	109,877,965	222,096	110,100,061	
Other comprehensive income (loss) for the nine months ended September 30, 2021, net of income tax	—	—	—	—	—	—	(296,562)	2,645,091	(233,206)	2,115,323	(46,853)	2,068,470	
Total comprehensive income (loss) for the nine months ended September 30, 2021	—	—	—	—	—	109,877,965	(296,562)	2,645,091	(233,206)	111,993,288	175,243	112,168,531	
Issuance of ordinary shares for cash	160,000	1,600,000	27,520,000	—	—	—	—	—	—	29,120,000	—	29,120,000	
Convertible bonds converted to ordinary shares	164,442	1,644,421	19,551	—	—	—	—	—	—	1,663,972	—	1,663,972	
Share-based payment (Note 30)	—	—	51,373	—	—	—	—	—	—	51,373	—	51,373	
Disposal of equity instruments at FVTOCI	—	—	—	—	—	2,187,636	—	(2,187,636)	—	—	—	—	
Decrease in non-controlling interests	—	—	—	—	—	—	—	—	—	—	(255,027)	(255,027)	
BALANCE AT SEPTEMBER 30, 2021	<u>3,492,104</u>	<u>\$ 34,921,043</u>	<u>\$ 27,975,030</u>	<u>\$ 166,092</u>	<u>\$ 1,494,827</u>	<u>\$ 112,065,601</u>	<u>\$ (1,010,072)</u>	<u>\$ (328,275)</u>	<u>\$ 3,222,619</u>	<u>\$ 178,506,865</u>	<u>\$ 576,836</u>	<u>\$ 179,083,701</u>	

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' review report dated November 11, 2021)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 133,543,838	\$ 3,167,302
Adjustments for :		
Depreciation expenses	12,820,090	12,868,310
Amortization expenses	41,192	38,978
Expected credit loss recognized	92,486	21,840
Net gain on fair value change of financial assets/liabilities at FVTPL	(13,589)	(38,741)
Finance costs	1,973,423	2,792,917
Interest income	(141,980)	(108,338)
Dividend income	(4,475)	(58,444)
Share-based payment cost	51,373	—
Share of profit of associates and joint ventures	(1,122,228)	(95,394)
Gain on disposal of property, plant and equipment	(64,930)	(226,707)
Loss on disposal of associates	—	696
Impairment loss (reversal gain) recognized on right-of-use assets	(591,211)	488,660
Reversal of shipping fuel	(179,249)	67,756
Net gain on foreign currency exchange	(560,230)	(311,200)
Loss on changes in fair value of investment properties	3,187	113
Loss (gain) on lease modification	(6,730)	334
Recognized of provisions	—	30,340
Bargain purchase gain	(3,171)	—
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at FVTPL	1,644,614	(2,875,477)
Contract assets	(4,368,579)	(214,661)
Notes receivable	(15,700)	(17,492)
Trade receivables	(9,992,839)	(541,085)
Trade receivables from related parties	(152,217)	(90,140)
Shipping fuel	(875,152)	1,471,580
Prepayments	(59,393)	1,758
Prepayments to shipping agents	(67,030)	(266,421)

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YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2021	2020
Other current assets	\$ (37,072)	\$ 211,611
Financial liabilities held for trading	—	(9,987)
Notes payable	1,101	4,968
Trade payables	5,690,274	3,460,087
Trade payables to related parties	(82,701)	34,346
Other payables	1,488,329	(391,081)
Current liabilities	896,912	48,557
Provisions	—	(1,009,194)
Other advance account	(101,550)	58,123
Other current liabilities	488,019	192,866
Net defined benefit liabilities	(241,701)	(81,333)
Cash generated from operations	140,053,111	18,625,447
Interest received	116,671	119,669
Dividends received	349,753	184,321
Interest paid	(1,812,042)	(2,508,630)
Income tax paid	(1,482,263)	(324,999)
Net cash generated from operating activities	137,225,230	16,095,808
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at FVTOCI	(20,000)	—
Proceeds from sale of financial assets at FVTOCI	282	—
Purchase of financial assets at amortized cost	(52,617,936)	(251,247)
Proceeds from sale of financial assets at amortized cost	2,462,003	686,569
Acquisition of associates and joint ventures	—	(1,791)
Proceeds from disposal of associates	—	3,675
Acquisition of subsidiary (Note 31)	8,442	—
Payments for property, plant and equipment	(3,303,258)	(6,381,160)
Proceeds from disposal of property, plant and equipment	130,260	958,079
Increase in refundable deposits	(3,415)	(19,963)
Payments for intangible assets	(47,495)	(17,806)
Payments for investment property	(3,074)	—
Decrease in financial lease receivables	14,929	14,732

(Continued)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2021	2020
Decrease in other financial assets	\$ 6,216	\$ 118
Increase in other non-current assets	(6,844)	(51)
Increase in prepayments for equipment	(476,195)	(118,693)
Net cash used in investing activities	(53,856,085)	(5,127,538)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	(512,156)	(2,324,534)
Repayments of short-term bills payable	(11,602,500)	(3,090,000)
Proceeds from issuance of bonds payable	5,900,000	—
Proceeds from long-term borrowings	1,380,244	23,617,501
Repayments of long-term borrowings	(33,857,255)	(20,369,597)
Repayments of the principal portion of lease liabilities	(7,459,246)	(7,872,358)
Decrease in other financial liabilities	—	(192,319)
Increase in other non-current liabilities	23,010	251,052
Net change in non-controlling interests	(255,027)	(92,889)
Net cash used in financing activities	(17,262,930)	(10,073,144)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	(499,959)	(219,407)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	65,606,256	675,719
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	24,518,721	17,177,339
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	\$ 90,124,977	\$ 17,853,058

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

(With Deloitte & Touche auditors' review report dated November 11, 2021)

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020

**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)
(Reviewed, Not Audited)**

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 the London Stock Exchange were delisted on December 5, 2019.

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 November 11, 2021.

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

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

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

Amendment to IFRS 16 “Covid-19-Related Rent Concessions after June 30, 2021”

The Group elected to apply the amendment and extended the practical expedient provided in the amendment to IFRS 16 for the payments expired before June 30, 2022. The related accounting policies for the practical expedient are stated in the summary of significant accounting policies in the consolidated financial statements for the year ended December 31, 2020.

The Group applied the amendment from January 1, 2021.

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

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

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

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

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

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

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

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

The Group will recognize the cumulative effect of the initial application of the amendments in the retained earnings at the date of the initial application.

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

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

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 2)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 3)
Amendments to IAS 12 “Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction”	January 1, 2023 (Note 4)

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

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

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

Note 4 : Unless recognized deferred tax for the temporary difference of the lease and decommissioning obligations on January 1, 2022, the amendments are applicable to transactions occurred on or after January 1, 2022.

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

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

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

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

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

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

The amendments also illustrate that accounting policy information is likely to be considered as material to the 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 judgements or assumptions in applying an accounting policy, and the Group discloses those judgements or assumptions; or
- e) The accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosures required in a full set of annual consolidated financial statements.

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. Basis of consolidation

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

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

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

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

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

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

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

d. Other significant accounting policies

Unless the below mentioned, the summary of significant accounting policies for these interim consolidated financial statements are the same as those applied for the consolidated financial statements for the year ended December 31, 2020.

1) Business combinations

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

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

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. Other types of non-controlling interests are measured at fair value.

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

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

2) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

3) Employee share options

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus – employee share options. It is recognized as an expense in full at the grant date if vested immediately. Employee share options are measured at the subscription price determined by the Group's board of directors as the grant date.

4) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The critical accounting judgments and key sources of estimation uncertainty for these interim consolidated financial statements are the same as those applied for the consolidated financial statements for the year ended December 31, 2020.

6. CASH AND CASH EQUIVALENTS

	September 30, 2021	December 31, 2020	September 30, 2020
Cash on hand	\$ 170,608	\$ 202,651	\$ 85,262
Checking accounts and demand deposits	48,113,494	14,658,750	11,846,993
Cash equivalents (investments with original maturities of 3 months or less)			
Time deposits	39,431,850	8,022,568	3,137,904
Repurchase agreements	2,409,025	1,634,752	2,782,899
	<u>\$ 90,124,977</u>	<u>\$ 24,518,721</u>	<u>\$ 17,853,058</u>

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

	September 30, 2021	December 31, 2020	September 30, 2020
Time deposits	0.08%~18.50%	0.10%-6.30%	0.05%-11%
Repurchase agreements	0.30%~0.43%	0.38%-0.55%	0.40%-0.73%

7. FINANCIAL INSTRUMENTS AT FVTPL - CURRENT

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Financial assets at FVTPL - current</u>			
Financial assets mandatorily classified as at FVTPL			
Derivative financial assets (not under hedge accounting)			
- Call option of bonds payable	\$ —	\$ 8,636	\$ 7,452
- Oil option contract	384	—	—
Non-derivative financial assets			
- Domestic listed shares	—	23,923	28,053
- Foreign listed shares	—	—	—
- Mutual funds	85,711	1,710,854	3,148,334
	<u>\$ 86,095</u>	<u>\$ 1,743,413</u>	<u>\$ 3,183,839</u>
<u>Financial assets at FVTPL - non-current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
- Domestic limited partnership	<u>\$ 15,097</u>	<u>\$ —</u>	<u>\$ —</u>

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

Outstanding oil option contract at the end of the reporting period was as follows:

	Maturity Date	Unsettled Amount	
		Notional Amount	Fair Value
September 30, 2021	December 31, 2021	USD\$885 thousand	\$384

8. FINANCIAL ASSETS AT FVTOCI - NON-CURRENT

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Domestic investments in equity instruments</u>			
Listed shares and emerging market shares			
Ordinary shares - Taiwan Navigation Co., Ltd. (Note)	\$ —	\$ 1,492,999	\$ 1,195,814
Unlisted shares			
Ordinary shares - Taipei Port Container Terminal Co., Ltd.	487,234	496,702	461,925
Ordinary shares - United Stevedoring Corp.	5,410	6,024	5,490
Ordinary shares - United Raw Material Solutions Inc.	2,264	1,564	1,351
Ordinary shares - Ascentek Venture Capital Corporation	—	1,242	4,119
Ordinary shares - Pro-Ascentek Investment Corporation	11,893	—	—
	<u>\$ 506,801</u>	<u>\$ 1,998,531</u>	<u>\$ 1,668,699</u>

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

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

Dividends of \$693 thousand, \$57,505 thousand, \$2,480 thousand and \$57,505 thousand were recognized for the three months ended September 30, 2021 and 2020 and for the nine months ended September 30, 2021 and 2020, respectively.

9. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2021	December 31, 2020	September 30, 2020
Time deposits with original maturity of more than 3 months	\$ 50,810,279	\$ 468,391	\$ 287,726
Deposits of stand-by letter of credit (Notes 23 and 36)	—	—	2,500,447
Restricted bank balance (Note 36)	58,969	271,779	295,873
Repurchase agreements	1,506,685	1,534,502	—
Corporate bonds	20,000	20,000	20,000
	<u>\$ 52,395,933</u>	<u>\$ 2,294,672</u>	<u>\$ 3,104,046</u>
Current	<u>\$ 52,342,328</u>	<u>\$ 2,191,233</u>	<u>\$ 2,988,417</u>
Non-current	<u>\$ 53,605</u>	<u>\$ 103,439</u>	<u>\$ 115,629</u>

10. NOTES RECEIVABLE AND TRADE RECEIVABLES

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Notes receivable - operating</u>	<u>\$ 23,945</u>	<u>\$ 8,245</u>	<u>\$ 22,284</u>
<u>Trade receivables</u>			
At amortized cost			
Trade receivables - non-related parties	\$ 21,055,110	\$ 11,055,284	\$ 10,554,116
Trade receivables - related parties	326,040	173,823	235,881
Less : Allowance for impairment loss	(104,042)	(51,238)	(57,825)
	<u>\$ 21,277,108</u>	<u>\$ 11,177,869</u>	<u>\$ 10,732,172</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 (Expected Credit Losses). The expected credit losses on notes receivable, trade receivables and contract assets are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the

reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, and the Group's customers are scattered around the world and not related to each other. The management believes there is no significant concentration of credit risk for trade receivables. The provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base. The Group recognize contract assets by completion ratio of transportation. According to historical experience, the completion of transportation period is within 60 days. The recognition method of the Group to assess contract assets which have expected credit loss is same as the trade receivables, and to assess within 60 days after invoice date.

The Group writes off notes receivable, trade receivables and contract assets when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables, notes 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.

September 30, 2021

	No Signs of Default By Client					Signs of Default By Client	Total
	Less than 60 Days	61 to 90 days	91 to 180 days	181 to 365 days	Over 365 days		
Expected credit loss rate	0%-0.73%	0.50%-1.73%	0.50%-5.23%	0.50%-10.23%	0.50%-20.23%	100.00%	
Gross carrying amount	\$ 20,737,530	\$ 568,258	\$ 80,105	\$ 9,903	\$ 5,124	\$ 4,175	\$ 21,405,095
Loss allowance (Lifetime ECLs)	(94,362)	(2,479)	(2,537)	(395)	(94)	(4,175)	(104,042)
Amortized cost	<u>\$ 20,643,168</u>	<u>\$ 565,779</u>	<u>\$ 77,568</u>	<u>\$ 9,508</u>	<u>\$ 5,030</u>	<u>\$ —</u>	<u>\$ 21,301,053</u>

December 31, 2020

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

September 30, 2020

	No Signs of Default By Client					Signs of Default By Client	Total
	Less than 60 Days	61 to 90 days	91 to 180 days	181 to 365 days	Over 365 days		
Expected credit loss rate	0%-0.64%	0.50%-1.64%	0.50%-5.14%	0.50%-10.14%	0.50%-20.14%	100.00%	
Gross carrying amount	\$ 10,481,674	\$ 229,403	\$ 72,557	\$ 12,039	\$ 6,715	\$ 9,893	\$ 10,812,281
Loss allowance (Lifetime ECLs)	(42,303)	(2,779)	(2,244)	(496)	(110)	(9,893)	(57,825)
Amortized cost	<u>\$ 10,439,371</u>	<u>\$ 226,624</u>	<u>\$ 70,313</u>	<u>\$ 11,543</u>	<u>\$ 6,605</u>	<u>\$ —</u>	<u>\$ 10,754,456</u>

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

	For the Nine Months Ended September 30	
	2021	2020
Balance at January 1	\$ 51,238	\$ 50,419
Add : Acquired in a business combination	372	—
Add : Net remeasurement of loss allowance	59,195	11,647
Less : Amounts written off	(3,444)	(2,994)
Foreign exchange gains and losses	(3,319)	(1,247)
Balance at September 30	<u>\$ 104,042</u>	<u>\$ 57,825</u>

11. FINANCE LEASE RECEIVABLES

	September 30, 2021	December 31, 2020	September 30, 2020
Undiscounted lease payments			
Year 1	\$ 22,011	\$ 22,011	\$ 22,011
Year 2	22,011	22,011	22,011
Year 3	22,011	22,011	22,011
Year 4	22,011	22,011	22,011
Year 5	22,011	22,011	22,011
Year 6 onwards	49,522	66,030	71,533
	<u>159,577</u>	<u>176,085</u>	<u>181,588</u>
Less : Unearned finance income	<u>(7,348)</u>	<u>(8,927)</u>	<u>(9,487)</u>
Net investment in leases presented as finance lease receivables	<u>\$ 152,229</u>	<u>\$ 167,158</u>	<u>\$ 172,101</u>
Current	<u>\$ 20,137</u>	<u>\$ 19,938</u>	<u>\$ 19,872</u>
Non-current	<u>\$ 132,092</u>	<u>\$ 147,220</u>	<u>\$ 152,229</u>

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

The interest rates inherent in leases are fixed at the contract dates for the entire term of the lease. The interest rate inherent in the finance lease was approximately 1.33% as of September 30, 2021, December 31, 2020 and September 30, 2020.

The Group measures the loss allowance for finance lease receivables at an amount equal to lifetime ECLs. The respective leased equipment served as collateral for the finance lease receivables. At the end of the reporting period, no finance lease receivable was past due. The Group has not recognized a loss allowance for finance lease receivables after taking into consideration the historical default experience and the future prospects of the industries in which the lessees operate, together with the value of collateral held over these finance lease receivables.

12. SHIPPING FUEL

	September 30, 2021	December 31, 2020	September 30, 2020
Shipping fuel	<u>\$ 3,245,623</u>	<u>\$ 2,189,744</u>	<u>\$ 2,250,760</u>

The cost of shipping fuel recognized as operating cost for the three months ended September 30, 2021 and 2020 and for the nine months ended September 30, 2021 and 2020 were \$4,148,359 thousand, \$3,639,651 thousand, \$12,006,536 thousand and \$12,709,688 thousand, respectively.

The cost of shipping fuel recognized as operating cost for the three months ended September 30, 2021 and for the nine months ended September 30, 2021 included reversals of shipping fuel write-downs of \$8,697 thousand and \$179,249 thousand, respectively. Previous write-downs were reversed as a result of increased profit from marine operations.

The cost of shipping fuel recognized as operating cost for the three months ended September 30, 2020 and for the nine months ended September 30, 2020 included shipping fuel write-downs of \$73,141 thousand and \$67,756 thousand, respectively.

13. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Note
			September 30, 2021	December 31, 2020	September 30, 2020	
Yang Ming Marine Transport Corporation	Yang Ming Line (B.V.I.) Holding Co., Ltd. (YML-BVI)	Investment, shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	
"	Yang Ming Line B.V. (YML-BV)	Investment, shipping agency, forwarding agency and shipping managers	100.00	100.00	—	Note a
"	Yang Ming Line (Singapore) Pte Ltd (YML-Singapore)	Investment, shipping service, chartering, sale and purchase of ships, and forwarding agency	100.00	100.00	100.00	
"	Ching Ming Investment Corp. (Ching Ming)	Investment	100.00	100.00	100.00	Note b
"	All Oceans Transportation Inc. (AOT)	Shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	
"	YES Logistics Corp. (Yes Logistics)	Warehouse operation and forwarding agency	50.00	50.00	50.00	

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Note
			September 30, 2021	December 31, 2020	September 30, 2020	
"	Kuang Ming Shipping Corp. (Kuang Ming)	Shipping service, shipping agency and forwarding agency	98.88	98.88	98.88	
"	Hong Ming Terminal & Stevedoring Corp. (Hong Ming)	Terminal operation and stevedoring	79.17	79.17	79.17	
"	Jing Ming Transportation Co., Ltd. (Jing Ming)	Container transportation	50.98	50.98	50.98	
"	Yang Ming Line Holding Co. (YML Holding)	Investment, shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	
Ching Ming	Hong Ming	Terminal operation and stevedoring	20.83	20.83	20.83	
"	YES Logistics Corp.	Warehouse operation and forwarding agency	46.36	46.36	46.36	
YML Holding	Yang Ming (America) Corp. (Yang Ming-America)	Shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	
"	Triumph Logistics, Inc.	Container transportation	—	100.00	100.00	Note c
"	Topline Transportation, Inc.	Container transportation	—	100.00	100.00	Note c
"	Transcont Intermodal Logistics, Inc.	Inland forwarding agency	100.00	100.00	100.00	
"	Yang Ming Shipping (Canada) Ltd.	Shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	
YML-BVI	Yang Ming Line N.V. (YML-NV)	Investment, shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	Note d
"	Yang Ming (UK) Ltd (Yangming-UK)	Shipping agency, forwarding agency, shipping managers and shipping lines	97.84	—	—	Note e
YML-NV	Yang Ming Line B.V. (YML-BV)	Investment, shipping agency, forwarding agency and shipping managers	—	—	100.00	Note a
YML-BV	Yangming-UK	Shipping agency, forwarding agency and shipping managers	2.16	100.00	100.00	Note e
"	Yang Ming Shipping Europe GmbH	Shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	
"	Yang Ming Italy S.p.A. (Yang Ming-Italy)	Shipping agency	50.00	50.00	50.00	
"	Yang Ming (Netherlands) B.V.	Shipping agency	100.00	100.00	100.00	
"	Yang Ming (Belgium) N.V.	Shipping agency	89.92	89.92	89.92	
"	Yang Ming (Russia) LLC	Shipping agency	60.00	60.00	60.00	
"	Yang Ming (Spain), S.L.	Shipping agency	60.00	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	100.00	
Yang Ming (Netherlands) B.V.	Yang Ming (Belgium) N.V.	Shipping agency	10.08	10.08	10.08	
Yang Ming-Italy	Yang Ming (Naples) S.r.l.	Forwarding agency	60.00	60.00	60.00	
Yangming-UK	Corstor Ltd.	Warehouse management and container haulage services	100.00	—	—	Note f
YML-Singapore	Young-Carrier Company Ltd.	Investment, shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	
"	Yang Ming Shipping (B.V.I.) Inc.	Forwarding agency and shipping agency	100.00	100.00	100.00	
"	Yangming (Japan) Co., Ltd. (Yangming-Japan)	Shipping services, chartering, sale and purchase of ships, and forwarding agency	100.00	100.00	100.00	
"	Sun-Baked Pte. Ltd.	Insurance	100.00	100.00	100.00	Note g

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Note
			September 30, 2021	December 31, 2020	September 30, 2020	
"	Yang Ming Line (Hong Kong) Ltd. (YML-HK)	Forwarding agency and shipping agency	1.44	100.00	100.00	Note h
"	Yang Ming (Singapore) Pte. Ltd.	Shipping agency, forwarding agency, shipping managers and shipping lines	100.00	100.00	100.00	
"	Yang Ming Line (M) Sdn. Bhd.	Shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	
"	Yang Ming Line (India) Pvt. Ltd.	Shipping agency, forwarding agency and shipping managers	60.00	60.00	60.00	
"	Yang Ming (Korea) Co. Ltd.	Shipping agency, forwarding agency and shipping managers	60.00	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	50.00	
"	Yang Ming Shipping (Vietnam) Co., Ltd.	Forwarding agency and shipping managers	100.00	100.00	100.00	
"	Yang Ming Shipping Philippines, Inc. (Yang Ming Philippines)	Forwarding agency and shipping managers	100.00	100.00	100.00	
"	Yang Ming (Latin America) Corp.	Shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	
"	Yang Ming Line (Thailand) Co., Ltd. (YML-Thailand)	Shipping agency, forwarding agency and shipping managers	49.00	49.00	49.00	
"	Yang Ming Line shipping (Thailand) Co., Ltd.	Shipping agency	49.00	49.00	49.00	
"	Yang Ming Insurance Co., Ltd.	Insurance	100.00	100.00	100.00	
"	PT Yang Ming Shipping Indonesia (PT Yang Ming Indonesia)	Shipping agency, forwarding agency and shipping managers	49.00	49.00	49.00	
"	Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	Shipping agency, forwarding agency and shipping managers	51.00	51.00	51.00	
"	Yang Ming (France) SAS	Shipping agency, forwarding agency and shipping managers	60.00	60.00	60.00	Note i
YML-Thailand	Yang Ming Line shipping (Thailand) Co., Ltd.	Shipping agency	50.00	50.00	50.00	
Yang Ming Line shipping (Thailand) Co., Ltd.	YML-Thailand	Shipping agency, forwarding agency and shipping managers	49.00	49.00	49.00	
Yangming (Japan)	Manwa Co., Ltd.	Forwarding agency and shipping agency	100.00	100.00	100.00	
YMS-BVI	Karlman Properties Limited	Property agency	100.00	100.00	100.00	
"	YML-HK	Forwarding agency and shipping agency	98.56	—	—	Note h
Kuang Ming	Kuang Ming (Liberia) Corp.	Forwarding agency	100.00	100.00	100.00	
YES Logistics Corp.	Yes Logistics Corp. USA (Yes-USA)	Shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	
"	Yes Yangming Logistics (Singapore) Pte. Ltd. (Yes-Singapore)	Investment and subsidiaries management	100.00	100.00	100.00	
"	Yes Logistics (Shanghai) Corp. (Yes-Shanghai)	Forwarding agency	69.80	69.80	69.80	
"	PT. YES Logistics Indonesia	Forwarding agency	51.00	51.00	51.00	
Yes-USA	Yes Logistics (Shanghai) Corp. (Yes-Shanghai)	Forwarding agency	30.20	30.20	30.20	
"	Golden Logistics USA Corporation	Container transportation	100.00	100.00	100.00	
"	Yes Logistics Europe GmbH (Yes-ERO)	Forwarding agency	100.00	100.00	100.00	
Yes-Singapore	Yes Logistics Company Ltd.	Forwarding agency	100.00	100.00	100.00	

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Note
			September 30, 2021	December 31, 2020	September 30, 2020	
"	Yes Logistics Benelux B.V.	Forwarding agency	70.00	70.00	70.00	
Yes-ERO	YES MLC GmbH	Import and export, storage and delivery, and other warehousing related business	100.00	100.00	100.00	
YES MLC GmbH	Merlin Logistics GmbH	Warehouse operation and logistics	100.00	100.00	100.00	
Merlin Logistics GmbH	YES Logistics Bulgaria Ltd.	Cargo consolidation service and forwarding agency	100.00	100.00	100.00	

(Concluded)

Note a: The Group reorganized the organization in December 2020 and adjusted the holding structure of the Group in Europe. YMTC acquired equity of YML-BV from YML-NV.

Note b: The Group's board of directors resolved in July 2021 to apply for the short-form merger of YMTC and Ching Ming in order to simplify the investment structure and resource integration. The reference date of the merger was November 1, 2021.

Note c: The Group's board of directors resolved in March 2020 to liquidate Triumph Logistics, Inc. and Topline Transportation, Inc. The liquidation was completed in May 2021.

Note d: The Group's board of directors resolved on August 12, 2021 to liquidate Yang Ming Line N.V.

Note e: The Group's board of directors resolved in January 2021 to apply for capital increase of YM (UK) by the accounts receivable of YML-BVI to YM (UK). YML-BVI acquired about 68,098 thousand shares of YM (UK) in the amount of GBP 68,098 thousand and completed the registration in March 2021.

Note f: The Group acquired 500 shares of Corstor Ltd. in the amount of GBP 190 thousand in July, 2021 and the shareholding ratio was increased from 50% to 100% after acquisition. The Group obtained control of the mentioned company and listed it as the subsidiary since July, 2021. The information about acquisition is disclosed in Note 31.

Note g: The Group's board of directors resolved in January 2020 to liquidate Sun-Baked Pte. Ltd.

Note h: The Group's board of directors resolved in January 2021 to apply for capital increase of Yang Ming Line (Hong Kong) Ltd. by the accounts receivable of Yang Ming Shipping (B.V.I.) Inc. to Yang Ming Line (Hong Kong) Ltd. Yang Ming Shipping (B.V.I.) Inc acquired about 68,556 thousand shares of Yang Ming Line (Hong Kong) Ltd. in the amount of HK\$68,556 thousand and completed the registration in March 2021.

Note i: The Group's board of directors resolved to establish Yang Ming (France) SAS in August 2018 and had completed registration in January 2020.

Although YMTC directly or indirectly owns no more than 50% of shares with voting rights of Yang Ming-Italy, Yang Ming Anatolia Shipping Agency S.A. and PT Yang Ming Shipping 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.

Except for the accompanying consolidated financial statements of YML-BVI, AOT, Yangming-UK and Yang Ming (Singapore) Pte. Ltd. for the nine months ended September 30, 2021 and the financial statements of YML-BVI, AOT and Yangming-UK for the nine months ended September 30, 2020, the financial statements of other non-significant subsidiaries were not reviewed.

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	September 30, 2021	December 31, 2020	September 30, 2020
Investment in associates	\$ 11,457,765	\$ 6,602,649	\$ 7,516,143
Investment in joint ventures	386,069	369,751	361,617
	<u>\$ 11,843,834</u>	<u>\$ 6,972,400</u>	<u>\$ 7,877,760</u>

- a. Investment in associates

	September 30, 2021	December 31, 2020	September 30, 2020
Associates that are not individually material			
Kao Ming Container Terminal Corp.	\$ 4,805,733	\$ 4,759,757	\$ 5,779,808
Taiwan Navigation Co., Ltd. (Note a)	4,003,405	—	—
West Basin Container Terminal LLC	1,726,745	1,049,619	973,939
United Terminal Leasing LLC	269,092	271,175	275,424
Sino Trans PFS Cold Chain Logistics Co., Ltd.	104,321	108,384	114,445
Yunn Wang Investment Co., Ltd.	282,736	132,962	107,619
Taiwan Foundation International Pte. Ltd.	96,876	98,219	100,574
Shanghai United Cold Chain logistics Co., Ltd.	53,673	51,882	49,763
Yang Ming Shipping (Egypt) S.A.E.	40,106	49,170	42,334

(Continued)

	September 30, 2021	December 31, 2020	September 30, 2020
Yang Ming (U.A.E.) LLC	\$ 42,015	\$ 43,616	\$ 41,465
Yang Ming (Australia) Pty. Ltd.	27,863	23,938	19,872
Corstor Ltd. (Note b)	—	8,513	5,295
PT. Formosa Sejati Logistics	5,200	5,414	5,605
Yang Ming (Vietnam) Corp. (Note c)	—	—	—
Formosa International Development Corporation	—	—	—
	<u>\$ 11,457,765</u>	<u>\$ 6,602,649</u>	<u>\$ 7,516,143</u>

(Concluded)

Note a : The Group obtained two directors after the directors re-election in the shareholders' meeting of Taiwan Navigation Co., Ltd. on July 12, 2021. The Group has had a significant influence on the company.

Note b : The Group acquired Corstor Ltd. in July, 2021 and the shareholding ratio was increased from 50% to 100% after acquisition. The Group obtained control of the mentioned company and listed it as the subsidiary since July, 2021.

Note c : Yang Ming (Vietnam) Corp had been liquidated in May 2020.

Except for the investments accounted for using the equity method of Taiwan Navigation Co., Ltd. for the nine months ended September 30, 2021, the investments accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments for the nine months ended September 30, 2021 and 2020 were based on the associates' financial statements which have not been reviewed.

All the associates are accounted for using the equity method.

b. Investments in joint ventures

	September 30, 2021	December 31, 2020	September 30, 2020
Joint ventures that are not individually material			
Chang Ming Logistics Company Limited	\$ 279,319	\$ 273,663	\$ 269,171
YES LIBERAL Logistics Corp.	77,261	74,430	73,188
LogiTrans Technology Private Limited	19,871	18,886	16,546
Jambatan Merah Formosa Depot Sdn Bhd. (Note)	2,925	1,733	1,551
Yes And HQL Logistics Company	6,693	1,039	1,161
	<u>\$ 386,069</u>	<u>\$ 369,751</u>	<u>\$ 361,617</u>

Note: The Group's board of directors resolved to establish Jambatan Merah Formosa Depot Sdn Bhd. in March 2019 and had completed registration in July 2020.

The investments accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were based on the joint ventures' financial statements which have not been reviewed

All the joint ventures are accounted for using the equity method.

15. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2021	December 31, 2020	September 30, 2020
Assets used by the Group	\$ 64,364,128	\$ 66,746,767	\$ 66,044,797
Assets leased under operating leases	8,274,904	6,916,469	7,103,420
	<u>\$ 72,639,032</u>	<u>\$ 73,663,236</u>	<u>\$ 73,148,217</u>

a. Assets used by the Group

	Land	Buildings	Container and Chassis	Ships	Leasehold Improvements	Miscellaneous Equipment	Property under Construction	Total
Cost								
Balance at January 1, 2021	\$ 697,586	\$ 1,511,544	\$ 24,866,453	\$ 88,649,976	\$ 285,249	\$ 3,221,794	\$ 1,591,930	\$ 120,824,532
Additions	—	428	—	620,729	3,192	116,559	3,188,472	3,929,380
Disposals	—	—	(367,862)	(116,824)	(374)	(517,972)	—	(1,003,032)
Transfers from assets leased under operating leases	—	—	—	503,735	—	7,445	—	511,180
Transfer to assets leased under operating leases	—	—	—	(2,206,497)	—	—	—	(2,206,497)
Acquired in a business combination	—	—	—	—	—	835	—	835
Reclassification	—	—	—	3,638,381	—	1,314	(3,590,859)	48,836

	Land	Buildings	Container and Chassis	Ships	Leasehold Improvements	Miscellaneous Equipment	Property under Construction	Total
Effects of foreign currency exchange differences	(733)	(16,867)	(28)	(2,742)	(3,195)	(19,225)	(47)	(42,837)
Balance at September 30, 2021	\$ 696,853	\$ 1,495,105	\$ 24,498,563	\$ 91,086,758	\$ 284,872	\$ 2,810,750	\$ 1,189,496	\$ 122,062,397
Accumulated depreciation and impairment								
Balance at January 1, 2021	\$ —	\$ 568,553	\$ 14,095,711	\$ 36,424,426	\$ 248,339	\$ 2,740,736	\$ —	\$ 54,077,765
Disposals	—	—	(323,916)	(116,824)	(374)	(454,797)	—	(895,911)
Transfers from assets leased under operating leases	—	—	—	297,809	—	7,445	—	305,254
Transfers to assets leased under operating leases	—	—	—	(261,961)	—	—	—	(261,961)
Depreciation expenses	—	23,731	1,169,452	3,181,522	8,846	113,188	—	4,496,739
Acquired in a business combination	—	—	—	—	—	835	—	835
Effects of foreign currency exchange differences	—	(5,282)	—	(850)	(2,262)	(16,058)	—	(24,452)
Balance at September 30, 2021	\$ —	\$ 587,002	\$ 14,941,247	\$ 39,524,122	\$ 254,549	\$ 2,391,349	\$ —	\$ 57,698,269
Balance at September 30, 2021, net value	\$ 696,853	\$ 908,103	\$ 9,557,316	\$ 51,562,636	\$ 30,323	\$ 419,401	\$ 1,189,496	\$ 64,364,128
Balance at December 31, 2020 and January 1, 2021, net value	\$ 697,586	\$ 942,991	\$ 10,770,742	\$ 52,225,550	\$ 36,910	\$ 481,058	\$ 1,591,930	\$ 66,746,767
Cost								
Balance at January 1, 2020	\$ 697,331	\$ 1,529,835	\$ 23,773,568	\$ 87,389,224	\$ 566,091	\$ 3,384,184	\$ 2,851,888	\$ 120,192,121
Additions	—	4,175	1,358,041	329,360	6,080	83,028	4,321,355	6,102,039
Disposals	—	(1,297)	(389,019)	(6,329,198)	(232,710)	(113,631)	—	(7,065,855)
Transfer to assets leased under operating leases	—	—	—	(75,685)	—	—	—	(75,685)
Reclassification	—	—	193,004	4,957,403	—	2,317	(4,781,971)	370,753
Effects of foreign currency exchange differences	90	(17,539)	(42)	(155,497)	(1,099)	(12,240)	—	(186,327)
Balance at September 30, 2020	\$ 697,421	\$ 1,515,174	\$ 24,935,552	\$ 86,115,607	\$ 338,362	\$ 3,343,658	\$ 2,391,272	\$ 119,337,046
Accumulated depreciation and impairment								
Balance at January 1, 2020	\$ —	\$ 547,236	\$ 13,239,912	\$ 38,300,508	\$ 486,100	\$ 2,854,325	\$ —	\$ 55,428,081
Disposals	—	(1,036)	(342,597)	(5,603,371)	(232,710)	(97,958)	—	(6,277,672)
Transfer to assets leased under operating leases	—	—	—	(7,884)	—	—	—	(7,884)
Depreciation expenses	—	23,024	1,188,107	2,940,321	39,459	91,803	—	4,282,714
Effects of foreign currency exchange differences	—	(5,302)	—	(117,679)	(462)	(9,547)	—	(132,990)
Balance at September 30, 2020	\$ —	\$ 563,922	\$ 14,085,422	\$ 35,511,895	\$ 292,387	\$ 2,838,623	\$ —	\$ 53,292,249
Balance at September 30, 2020, net value	\$ 697,421	\$ 951,252	\$ 10,850,130	\$ 50,603,712	\$ 45,975	\$ 505,035	\$ 2,391,272	\$ 66,044,797

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 36.

b. Assets leased under operating leases

	Ship	Miscellaneous Equipment	Total
<u>Cost</u>			
Balance at January 1, 2021	\$ 10,144,723	\$ 7,445	\$ 10,152,168
Additions	37,339	—	37,339
Disposals	(45,772)	—	(45,772)
Transfers from assets used by the Group	2,206,497	—	2,206,497
Transfer to assets used by the Group	(503,735)	(7,445)	(511,180)
Reclassification	2,780	—	2,780
Effects of foreign currency exchange differences	(137,247)	—	(137,247)
Balance at September 30, 2021	<u>\$ 11,704,585</u>	<u>\$ —</u>	<u>\$ 11,704,585</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2021	\$ 3,228,254	\$ 7,445	\$ 3,235,699
Disposals	(45,772)	—	(45,772)
Transfers from assets used by the Group	261,961	—	261,961
Transfer to assets used by the Group	(297,809)	(7,445)	(305,254)
Depreciation expenses	339,337	—	339,337
Effects of foreign currency exchange differences	(56,290)	—	(56,290)
Balance at September 30, 2021	<u>\$ 3,429,681</u>	<u>\$ —</u>	<u>\$ 3,429,681</u>

	Ship	Miscellaneous Equipment	Total
Balance at September 30, 2021, net value	\$ 8,274,904	\$ —	\$ 8,274,904
Balance at December 31, 2020 and January 1, 2021, net value	\$ 6,916,469	\$ —	\$ 6,916,469
<u>Cost</u>			
Balance at January 1, 2020	\$ 10,391,147	\$ 7,445	\$ 10,398,592
Transfers from assets used by the Group	75,685	—	75,685
Effects of foreign currency exchange differences	(194,123)	—	(194,123)
Balance at September 30, 2020	\$ 10,272,709	\$ 7,445	\$ 10,280,154
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2020	\$ 2,896,505	\$ 7,445	\$ 2,903,950
Transfers from assets used by the Group	7,884	—	7,884
Depreciation expenses	338,733	—	338,733
Effects of foreign currency exchange differences	(73,833)	—	(73,833)
Balance at September 30, 2020	\$ 3,169,289	\$ 7,445	\$ 3,176,734
Balance at September 30, 2020, net value	\$ 7,103,420	\$ —	\$ 7,103,420

The maturity analysis of lease payments receivable under operating lease payments was as follows:

	September 30, 2021	December 31, 2020	September 30, 2020
Year 1	\$ 1,570,316	\$ 651,800	\$ 310,516
Year 2	78,258	16,807	9,354
Year 3	4,148	9,833	9,354
Year 4	—	1,912	4,158
Year 5 onwards	—	—	—
	\$ 1,652,722	\$ 680,352	\$ 333,382

At the end of the lease terms of ships under operating leases, the Group assessed the demand of voyage line deployment to determine whether they should be reclassified to freehold or should be adjusted based on the market rent to continue leasing. At the end of the lease terms of equipment under operating leases, the Group adjusts the rent by market rent and continues leasing to reduce the risk of the residual assets of the lease assets.

In addition to fixed lease payments, the lease contracts also indicate that the leases should make variable payments which shall be determined daily at 104%-120% of Baltic Dry Index average daily rent.

The above items of property, plant and equipment leased under operating leases are depreciated on a straight-line basis over their estimated useful lives as follows:

Ships	20-25 years
Dry dock	2.5-5 years
Miscellaneous equipment	3-18 years

The dry dock is a significant component of ships.

Property, plant and equipment leased under operating leases and pledged as collateral for bank borrowings are set out in Note 36.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2021	December 31, 2020	September 30, 2020
Carrying amounts			
Land	\$ 43,885	\$ 50,412	\$ 52,588
Buildings	2,173,103	2,400,451	2,417,791
Container and chassis	—	121,302	184,288
Ships	55,700,687	53,214,935	55,750,507
Miscellaneous equipment	84,334	66,613	30,035
	<u>\$ 58,002,009</u>	<u>\$ 55,853,713</u>	<u>\$ 58,435,209</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Additions to right-of-use assets	<u>\$ 4,516,575</u>	<u>\$ 8,338,144</u>	<u>\$ 9,685,816</u>	<u>\$ 9,990,254</u>
Depreciation expenses for right-of-use assets				
Land	\$ 2,176	\$ 2,209	\$ 6,527	\$ 6,498

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Buildings	123,156	120,534	357,391	352,375
Container and chassis	11,544	87,334	121,302	262,000
Ships	2,572,753	2,499,354	7,474,040	7,602,160
Miscellaneous equipment	8,685	6,600	24,754	23,830
	<u>\$ 2,718,314</u>	<u>\$ 2,716,031</u>	<u>\$ 7,984,014</u>	<u>\$ 8,246,863</u>
Income from the subleasing of right-of-use assets (presented in operating revenue and other income)	<u>\$ 284,269</u>	<u>\$ 262,369</u>	<u>\$ 731,730</u>	<u>\$ 623,657</u>

Foreseeing the recoverable in bulk shipping market price in middle 2021, the Group expected the future cash flows from right-of-use assets of bulk shipping department to increase. Therefore, the recoverable amount will be higher than the carrying amount after recognizing an impairment loss. The review led to the recognition of an impairment reversal gain of \$591,211 thousand which was recognized in operating costs for the nine months ended September 30, 2021. The Group determined the recoverable amounts of the relevant right-of-assets on the basis of their value in use. The range of discount rate used in measuring the value in use were 8.15%-8.65% per annum for the reporting period.

Foreseeing the continued decline in bulk shipping market price in middle 2020, 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 \$488,660 thousand which was recognized in operating costs for the nine months ended September 30, 2020. 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 were 5.58%-6.53% per annum for the reporting period.

Except for the aforementioned additions, depreciation expenses and the impairment loss (reversal gain), no significant subleasing of the right-of-use assets was recorded for the three months ended September 30, 2021 and 2020 and for the nine months ended September 30, 2021 and 2020.

b. Lease liabilities

	September 30, 2021	December 31, 2020	September 30, 2020
Carrying amounts			
Current	<u>\$ 2,285,693</u>	<u>\$ 2,146,472</u>	<u>\$ 2,368,289</u>
Non-current	<u>\$ 11,094,378</u>	<u>\$ 6,089,430</u>	<u>\$ 6,542,889</u>
Lease liabilities designated as hedging (presented in financial liabilities for hedging)			
Current	<u>\$ 7,598,370</u>	<u>\$ 7,370,742</u>	<u>\$ 7,399,038</u>
Non-current	<u>\$ 35,997,539</u>	<u>\$ 40,383,562</u>	<u>\$ 43,212,029</u>

Financial liabilities designated as hedging

The Group designated certain USD-denominated lease liabilities as hedging instruments to hedge future volatility of USD-denominated operating revenue, and the accounting treatment is applicable to cash flow hedges. The information on the contracts are summarized as follow:

	<u>Maturity Period</u>	<u>Account</u>	<u>Carrying Amount</u>
September 30, 2021	2025/01/31-2031/01/31	Financial liabilities for hedging	\$ 43,595,909
December 31, 2020	2025/01/31-2030/09/30	Financial liabilities for hedging	47,754,304
September 30, 2020	2020/10/31-2030/09/30	Financial liabilities for hedging	50,611,067

Impact on comprehensive income (loss):

	<u>Recognized in Other Comprehensive Income</u>	<u>Amount Reclassified to Profit or Loss</u>
For the three months ended September 30, 2021	\$ 15,771	\$ (179,710)
For the nine months ended September 30, 2021	\$ 1,055,876	\$ (483,427)
For the three months ended September 30, 2020	\$ 903,129	\$ (67,349)
For the nine months ended September 30, 2020	\$ 1,439,621	\$ (148,406)

There was no other source of hedge ineffectiveness during hedging period.

The range of discount rate for lease liabilities (including USD-denominated lease contracts designated as hedge instruments) was as follows:

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Land	1.12%-1.49%	1.12%-1.49%	1.23%-1.49%
Buildings	0.85%-10.00%	0.85%-10.00%	0.99%-10.00%
Container and chassis	—	3.65%-3.87%	3.65%-3.87%
Ships	0.09%-7.24%	1.51%-7.24%	1.51%-7.24%
Miscellaneous equipment	0.84%-13.00%	1.23%-13.00%	1.00%-13.00%

c. Material lease-in activities and terms

Many of the ship leases across the Group contain extension options, some of them also contain purchase options. These terms are used to maximize operational flexibility in terms of managing contracts. When the rents are lower than the market price of lease market, the Group will extend the lease term; when the purchase option prices are better than the market price, the Group will consider if the purchase options are exercised or not. These terms are not reflected in measuring lease liabilities in many cases because the options are not reasonably certain to be exercised. The table below summarizes potential future rental payments relating to periods following the exercise dates of extension and purchase options.

Containership Department	Lease Liabilities Recognized (Discounted)	Potential Future Lease Payments and Purchase Option Not Included in Lease Liabilities (Discounted)	Historical Ratio for Exercising Extension and Purchase Options
<u>September 30, 2021</u>			
Ships	\$ 45,660,318	\$ 20,182,194	0%
<u>December 31, 2020</u>			
Ships	\$ 41,520,613	\$ 18,134,116	0%
<u>September 30, 2020</u>			
Ships	\$ 44,672,476	\$ 18,353,477	0%

For the purpose of managing the storage, reforming, processing, transfer and distribution of goods, YMTC collaborated with the Port of Kaohsiung, Taiwan International Ports Corporation, Ltd. on the construction and operation of the First and Second Logistics Centers of the Kaohsiung Third Container Center. YMTC is entitled to the use of the First and Second Logistics Centers for 30 years and 28 years and 9 months, respectively, based on the initial investment made by YMTC. The Centers are amortized over the period in use. Furthermore, in accordance with the requirements, YMTC should pay land-use fees and administration fees every month for 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 tones, respectively, and the administration fees will be adjusted under the annual Wholesale Price Index in Taiwan.

The Group signed a leaseback contract of YM Uberty in August 2008. After evaluation in 2019, the ship's repurchase option price in the contract was higher than market price. The Group returned the ship to its owner in August 2020. However, according to the lease contract, the Group was responsible for the ship owner's outstanding principal and interest and paid the compensation of approximately \$1,009,194 thousand when returning the ship. The Group recognized the loss in 2019.

The Group signed a leaseback contract of YM Utopia in December 2009. The Group decided that the ship's repurchase option price in the contract was higher than market price according to the evaluation conducted in 2019 and returned the ship to its owner in February 2020. However, the ship owner did not have enough capital to settle the creditor bank's loan and was not able to

return the Group's refundable deposits of \$310,866 thousand. The Group recognized an expected credit loss from refundable deposits in full in 2019.

d. Subleases

In addition to those described in Note 11, the other sublease transactions are set out below.

Sublease of right-of-use assets

The Group subleases its right-of-use assets for property, plant and equipment under operating leases with lease terms of 1 to 2 years. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The leases do not have bargain purchase options to acquire the assets at the expiry of the lease periods.

In addition to fixed lease payments, the lease contracts also indicate that the leases should make variable payments which shall be determined daily at 104%-120% of Baltic Dry Index average daily rent.

The maturity analysis of lease payments receivable under operating subleases was as follows:

	September 30, 2021	December 31, 2020	September 30, 2020
Year 1	\$ 478,160	\$ 300,031	\$ 328,079
Year 2	71,220	662	38,856
Year 3 onwards	—	—	—
	<u>\$ 549,380</u>	<u>\$ 300,693</u>	<u>\$ 366,935</u>

e. Other lease information

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Expenses relating to short-term leases	<u>\$ 247,389</u>	<u>\$ 236,837</u>	<u>\$ 786,212</u>	<u>\$ 1,367,552</u>
Expenses relating to low-value asset leases	<u>\$ 820,590</u>	<u>\$ 980,771</u>	<u>\$ 2,474,474</u>	<u>\$ 2,854,710</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ (16,157)</u>	<u>\$ (8,206)</u>	<u>\$ (57,211)</u>	<u>\$ (100,522)</u>
Expenses relating to service cost payments not included in the measurement of lease liabilities	<u>\$ 836,455</u>	<u>\$ 869,263</u>	<u>\$ 2,590,298</u>	<u>\$ 2,544,890</u>
Total cash outflow for leases			<u>\$ (15,130,642)</u>	<u>\$ (16,618,567)</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 \$10,490,595 thousand, \$14,844,828 thousand and \$15,634,560 thousand as of September 30, 2021, December 31, 2020 and September 30, 2020, respectively.

The amounts of lease commitments for future service cost which was recognized as non-lease components of contracts were \$18,648,821 thousand, \$18,242,252 thousand and \$19,548,435 thousand as of September 30, 2021, December 31, 2020 and September 30, 2020, respectively.

17. INVESTMENT PROPERTIES

	September 30, 2021	December 31, 2020	September 30, 2020
Completed Investment Property	<u>\$ 6,317,106</u>	<u>\$ 6,317,219</u>	<u>\$ 6,313,207</u>

Expect for the recognition of the changes in fair value, there are not significant additions, disposals and impairment losses for the nine months ended September 30, 2021 and 2020.

The property located in Zhongzheng District, Taipei City were offered to Chunghwa Post Co., Ltd. for Zhongnan Post Office. The Group needs to obtain approval from Chunghwa Post Co., Ltd. and Ministry of Transportation and Communication's approval for reclaiming the property in the future. The Group decided to negotiate with Chunghwa Post Co., Ltd. on the value of the property that may be ceded, which is estimated to be \$450,000 thousand approximately. The two parties will proceed it in accordance with approval procedures and are scheduled to complete negotiation before the year end of 2021. After reporting to Ministry of Transportation and Communication for final approval, the related matters can be settled.

The fair values of investment properties measured on a recurring basis were as follows:

	September 30, 2021	December 31, 2020	September 30, 2020
Independent valuation	\$ 6,309,844	\$ 6,309,844	\$ 6,305,794
Valuation by the Group	7,262	7,375	7,413
	<u>\$ 6,317,106</u>	<u>\$ 6,317,219</u>	<u>\$ 6,313,207</u>

The maturity analysis of lease payments receivable under operating lease of investment properties as of September 30, 2021, December 31, 2020 and September 30, 2020, respectively was as follows:

	September 30, 2021	December 31, 2020	September 30, 2020
Year 1	\$ 71,292	\$ 56,384	\$ 54,996
Year 2	53,302	37,490	29,120
Year 3	30,012	18,852	13,518
Year 4	13,666	9,186	3,148
Year 5	7,322	5,671	931
Year 6 onwards	3,429	4,114	4,343
	<u>\$ 179,023</u>	<u>\$ 131,697</u>	<u>\$ 106,056</u>

The carrying amounts of investment properties pledged by the Group to secure borrowings granted to the Group were reflected in Note 36.

18. BORROWINGS

a. Short-term borrowings

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Unsecured borrowings</u>			
Line of credit borrowings	\$ 1,130,000	\$ 1,401,276	\$ 1,596,900
Loans from related parties (Note 35)	430,000	670,880	699,600
	<u>\$ 1,560,000</u>	<u>\$ 2,072,156</u>	<u>\$ 2,296,500</u>

- 1) The range of weighted average effective interest rate on credit borrowings was 1.15%-1.50%, 1.35%-2.50% and 1.15%-2.50% per annum as of September 30, 2021, December 31, 2020 and September 30, 2020, respectively.
- 2) Loans from related parties of the Group were the amounts repayable to government-related entities. Interest rates were 1.32%-1.57%, 1.32%-2.20% and 1.07%-2.20% per annum as of September 30, 2021, December 31, 2020 and September 30, 2020, respectively.

b. Short-term bills payable

	September 30, 2021	December 31, 2020	September 30, 2020
Commercial paper	\$ 200,000	\$ 9,940,000	\$ 8,240,000
Less : Unamortized discount on bills payable	384	17,575	27,569
	<u>199,616</u>	<u>9,922,425</u>	<u>8,212,431</u>
Loans from related parties (Note 35)	337,500	2,200,000	2,200,000
Less : Unamortized discount on bills payable	372	8,799	4,104

September 30, 2021	December 31, 2020	September 30, 2020
337,128	2,191,201	2,195,896
<u>\$ 536,744</u>	<u>\$ 12,113,626</u>	<u>\$ 10,408,327</u>

Interest rates of the outstanding short-term bills payable were 1.46%, 0.69%-2.27% and 1.03%-2.27% per annum as of September 30, 2021, December 31, 2020 and September 30, 2020, respectively.

Interest rates of the outstanding related parties' short-term bills payable were 1.39%, 1.02%-2.00% and 1.05%-2.00% per annum as of September 30, 2021, December 31, 2020 and September 30, 2020, respectively.

c. Long-term borrowings

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Secured borrowings</u> (Note 36)			
Secured bank loans	\$ 842,257	\$ 2,331,332	\$ 2,601,887
Loans from related parties (Note 35)	12,584,681	15,197,848	15,468,614
Other borrowings	355,974	469,644	651,231
	<u>13,782,912</u>	<u>17,998,824</u>	<u>18,721,732</u>
<u>Unsecured borrowings</u>			
Line of credit borrowings	115,521	371,043	442,943
Loans from related parties (Note 35)	2,913,000	13,743,344	14,751,516
	<u>3,028,521</u>	<u>14,114,387</u>	<u>15,194,459</u>
<u>Commercial paper</u>			
Line of credit borrowings	4,400,000	20,150,000	20,150,000
Less : Unamortized discount on bills payable	5,389	23,735	27,944
	<u>4,394,611</u>	<u>20,126,265</u>	<u>20,122,056</u>
Loans from related parties (Note 35)	—	1,500,000	1,500,000
Less : Unamortized discount on bills payable	—	1,255	1,750
	<u>—</u>	<u>1,498,745</u>	<u>1,498,250</u>
	<u>4,394,611</u>	<u>21,625,010</u>	<u>21,620,306</u>
Subtotal	21,206,044	53,738,221	55,536,497
Less : Current portion	5,537,925	12,641,834	10,308,704
Long-term borrowings	<u>\$15,668,119</u>	<u>\$ 41,096,387</u>	<u>\$ 45,227,793</u>

Bank loans are repayable in installments at varying amounts or fully repaid at maturity in New Taiwan dollars, U.S. dollars, MYR, and CAD. The Group's loan features and terms are as follows:

	September 30, 2021	December 31, 2020	September 30, 2020
<u>NT\$</u>			
Amount	\$ 17,227,713	\$ 48,480,221	\$ 49,839,817
Interest rate	1.14%-4.00%	1.02%-4.00%	1.02%-4.00%
Contract term	2014/04/24- 2031/05/15	2012/08/10- 2031/05/15	2012/08/10- 2031/05/15
<u>US\$</u>			
Foreign currency amount	142,467	184,147	195,064
New Taiwan dollar amount	\$ 3,967,704	\$ 5,245,008	\$ 5,676,338
Interest rate	1.12%-2.78%	1.00%-2.84%	1.00%-2.90%
Contract term	2015/01/07- 2028/02/09	2011/04/19- 2028/02/09	2011/04/19- 2028/02/09
<u>MYR</u>			
Foreign currency amount	1,466	1,707	2,781
New Taiwan dollar amount	\$ 9,751	\$ 12,098	\$ 19,473
Interest rate	3.25%	3.25 %	3.25 %
Contract term	2019/08/26- 2034/04/01	2019/08/26- 2034/04/01	2019/08/26- 2034/04/01
<u>CAD</u>			
Foreign currency amount	40	40	40
New Taiwan dollar amount	\$ 876	\$ 894	\$ 869
Interest rate	5.00%	5.00 %	5.00 %
Contract term	2020/06/03- 2022/12/31	2020/06/03- 2022/12/31	2020/06/03- 2025/12/31

Secured borrowings

1) Secured bank loans

The secured bank loans of the Group will be repaid in U.S. dollars, MYR and New Taiwan dollars. The loans are repayable in installment at varying amounts before April 1, 2034. Interest rates were 1.24%-3.25%, 1.25%-3.25% and 1.25%-3.25% on September 30, 2021, December 31, 2020 and September 30, 2020, respectively. The Group's buildings, ships, containers, and investment properties are pledged as collaterals for the secured loans.

2) Loans from related parties

The Group's loans from related parties are borrowings repaid in New Taiwan dollars and U.S. dollars from government-related entities. The loans are repayable in installment at varying amounts before March 29, 2031. Interest rates were 1.12%-1.72%, 1.13%-1.83% and 1.13%-2.45% on September 30, 2021, December 31, 2020 and September 30, 2020, respectively. The Group's buildings, ships, containers and investment properties are pledged as collaterals for the secured loans.

3) Other borrowings

Other borrowings were secured loans from a finance company. The loans are repayable in installment at varying amounts before March 25, 2022. Interest rates were 4.00%, 4.00% and 2.15%-4.00% on September 30, 2021, December 31, 2020 and September 30, 2020, respectively. The Group's containers and cash in bank are pledged as collateral for the secured loans.

Unsecured borrowings

1) Line of credit borrowings

The Group's unsecured bank loans will be repaid in New Taiwan dollars, U.S. dollars and CAD dollars in installments at very amounts or repaid in one-lump sum payment at maturity as the borrowing terms. The loans are expected to be fully repaid before November 21, 2024. Interest rates were 1.45%-5.00%, 1.00%-5.00% and 1.00%-5.00% on September 30, 2021, December 31, 2020 and September 30, 2020, respectively.

2) Loans from related parties

The Group's loans from related parties are borrowings repaid in New Taiwan dollars from government-related entities, and will be repaid in installments at varying amounts or repaid in one-lump sum payment as the borrowing terms. The loans are expected to be fully repaid before May 15, 2031. Interest rates were 1.18%-1.50%, 1.02%-2.46% and 1.02%-2.79% on September 30, 2021, December 31, 2020 and September 30, 2020, respectively.

In accordance with the "Regulations on Relief and Revitalization Measures for Industries and Enterprises Affected by Severe Pneumonia with Novel Pathogens" endorsed by the Ministry of Transportation and Communications, "Operational Guides on Relief Loan Guarantees for Ailing Marine Industry Affected by Severe Pneumonia with Novel Pathogens", and the "Operational Guides on Subsidized Interest of Relief Loan for Marine Industry Affected by Severe Pneumonia with Novel Pathogens", the Group applied for project finance loans from financial institutions to maintain its operations. Special funds, credit guarantees along with subsidized interest rates at 1-Year Time Variable Savings Deposits Rate posted by Chunghwa Post Co., Ltd. till June 30, 2021 were provided by the government. The total amount of the loans is \$8,500,000 thousand, which shall be repaid within 2 years from the date of initial drawdown. The Group has made a drawdown by \$200,000 thousand with the same amount available as of September 30, 2021, by \$7,636,500 thousand with \$8,500,000 thousand available as of as of December 31, 2020, and by \$7,634,000 thousand with \$8,500,000 thousand available as of as of September 30, 2020. \$7,500,000 thousand was repaid on January 25, 2021.

Commercial paper

YMTC signed 3-5 years underwriting contracts for the issuance of commercial paper with a bill finance institution. YMTC can issue the commercial papers in a revolving scheme during the period of the financing contracts. The commercial papers expected to be fully repaid before May 2023. During the issuance period, YMTC's short-term and long-term credit ratings (rated by Taiwan ratings or other rating organization recognized by authority) are required maintained at a certain level specified in the contracts. As of September 30, 2021, December 31, 2020 and September 30, 2020, YMTC had met the above requirements.

1) Line of credit borrowings

The Group's commercial paper will be fully repaid in the New Taiwan dollar before May 24, 2023. Interest rates were 1.43%-1.59%, 1.41%-1.59% and 1.42%-1.59% on September 30, 2021, December 31, 2020 and September 30, 2020, respectively.

2) Loans from related parties

The Group's loans from related parties are borrowings repaid in the New Taiwan dollars from government-related entities. The loan has been fully repaid on August 23, 2021. Interest rates were 1.40%-1.45% and 1.41%-1.46% on December 31, 2020 and September 30, 2020, respectively.

19. BONDS PAYABLE

	September 30, 2021	December 31, 2020	September 30, 2020
Secured domestic bonds	\$ 10,846,718	\$ 4,945,877	\$ 6,982,630
Unsecured domestic bonds	—	—	3,900,000
Domestic secured convertible bonds	—	1,673,809	7,205,863
	<u>10,846,718</u>	<u>6,619,686</u>	<u>18,088,493</u>
Less : Current portion	—	1,673,809	13,105,346
	<u>\$ 10,846,718</u>	<u>\$ 4,945,877</u>	<u>\$ 4,983,147</u>

a. Secured domestic bonds

YMTC issued five-year secured domestic bonds with an aggregate par value of \$4,000,000 thousand on October 12, 2015 (the October 2015 Bonds).

The bond features and terms are as follows:

Bonds issued in October 2015: Type A - aggregate par value: \$2,000,000 thousand; repayments: 50% - October 12, 2019 and 50% - October 12, 2020, an annual simple interest rate of 1.10%.

Type B - aggregate par value: \$1,000,000 thousand; repayments: 50% - October 12, 2019 and 50% - October 12, 2020, an annual simple interest rate of 1.10%.

Type C - aggregate par value: \$500,000 thousand; repayments: 50% - October 12, 2019 and 50% - October 12, 2020, an annual simple interest rate of 1.10%.

Type D - aggregate par value: \$500,000 thousand; repayments: 50% - October 12, 2019 and 50% - October 12, 2020, an annual simple interest rate of 1.10%.

The October 2015 bonds had been fully repaid.

YMTC issued five-year 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 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 \$3,000,000 thousand, \$5,000,000 thousand, and \$4,400,000 thousand, respectively are guaranteed by government-related banks.

b. Unsecured domestic bonds

On various dates, YMTC issued unsecured domestic bonds; the dates and the aggregate par values were as follows: \$5,000,000 thousand on November 1, 2013 (the November 2013 Bonds).

The bond features and terms were as follows:

Bonds issued in November 2013:	Type A - aggregate par value: \$1,100,000 thousand and maturity on November 1, 2018. The principal will be repaid in a lump sum on November 1, 2018; 2.20% annual interest is repayable annually.
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	Type B - aggregate par value: \$3,900,000 thousand and maturity on November 1, 2020. The principal will be repaid in a lump sum on November 1, 2020; 2.45% annual interest is repayable annually.
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The Type A Bonds had been repaid \$1,100,000 thousand as of October 30, 2018 and the Type B Bonds had been repaid \$3,900,000 thousand as of November 2, 2020.

The November 2013 Bonds had been fully repaid.

c. Domestic secured convertible bonds

On May 29, 2018, YMTC issued five-year domestic secured bonds (the 2018 Convertible Bonds) with an aggregate par value of \$7,600,000 thousand, and the issuance price was 101% of the par value. Bond settlement is as follows:

- 1) Lump-sum payment to the holders upon maturity at the par value;
- 2) Conversion by the holders, from August 30, 2018 to May 29, 2023 before the due date, into YMTC's common shares at the prevailing conversion price;
- 3) Reselling to YMTC by the holders before maturity.
- 4) Redemption by YMTC, under certain conditions, at par value before bond maturity.
- 5) Repurchase and write-off by YMTC from securities dealer office.

The initial conversion price was \$10.40 as of the date of issuance. The bonds contained liability component and equity component to recognize capital surplus - share warrants of \$308,765 thousand. The bondholders could request YMTC to repurchase bonds at par value before 30 days of the issuance for 3 years. There were \$7,600,000 thousand of bonds converted into 730,768 thousand common shares as of March 12, 2021.

The bond is guaranteed by banks, of which \$7,100,000 thousand is guaranteed by government-related banks.

20. TRADE PAYABLES

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Trade payables - operating</u>			
Trade payables - non-related parties	\$ 21,370,357	\$ 15,677,632	\$ 15,726,596
Trade payables - related parties	342,687	425,388	505,771
	<u>\$ 21,713,044</u>	<u>\$ 16,103,020</u>	<u>\$ 16,232,367</u>
Payable for cost of voyage in sailing	\$ 10,517,862	\$ 10,656,203	\$ 12,403,905
Payable for fuel	2,223,136	1,735,049	1,424,342
Payable for space hire	8,239,072	3,263,589	1,843,188
Payable for freight expenses	568,537	347,550	386,714
Payable for stevedoring expenses	159,707	95,829	172,186
Payable for management expenses	4,730	4,800	2,032
	<u>\$ 21,713,044</u>	<u>\$ 16,103,020</u>	<u>\$ 16,232,367</u>

21. OTHER PAYABLES

	September 30, 2021	December 31, 2020	September 30, 2020
Payable for container lease	\$ 619,564	\$ 889,476	\$ 661,058
Payable for salary and bonus	2,776,235	1,188,057	372,556
Payable for interest expenses	180,304	75,517	214,204
Payable for equipment M&R expenses	238,700	211,143	201,100
Payable for annual leave	126,693	220,137	214,576
Payable for vessel charter hire	108,257	142,381	195,428
Payable for equipment	870,410	214,910	28,194
Others	1,660,670	1,386,645	1,388,804
	<u>\$ 6,580,833</u>	<u>\$ 4,328,266</u>	<u>\$ 3,275,920</u>

22. PROVISIONS

	September 30, 2021	December 31, 2020	September 30, 2020
Restoration cost for leased assets (a)	\$ 1,326	\$ 1,396	\$ 1,377
Others (b)	—	—	47,668
	<u>\$ 1,326</u>	<u>\$ 1,396</u>	<u>\$ 49,045</u>
Current	\$ —	\$ —	\$ 47,668
Non-current	1,326	1,396	1,377
	<u>\$ 1,326</u>	<u>\$ 1,396</u>	<u>\$ 49,045</u>

	Restoration Cost		
	for Leased Assets	Others	Total
Balance at January 1, 2021	\$ 1,396	\$ —	\$ 1,396
Effect of foreign currency exchange differences	(70)	—	(70)
Balance at September 30, 2021	<u>\$ 1,326</u>	<u>\$ —</u>	<u>\$ 1,326</u>
Balance at January 1, 2020	\$ 1,444	\$ 1,032,332	\$ 1,033,776
Additional provisions recognized (reversing the balances)	—	48,896	48,896
Amount used	—	(1,009,194)	(1,009,194)
Reversal of unused balance	—	(18,556)	(18,556)
Effect of foreign currency exchange differences	(67)	(5,810)	(5,877)
Balance at September 30, 2020	<u>\$ 1,377</u>	<u>\$ 47,668</u>	<u>\$ 49,045</u>

- a. When returning operating leased assets, lessees have legal or construction obligation to restore operating leased assets to original status. Lessees need to accrue restoration costs provision over the lease term on a straight-line basis.
- b. Other provisions are mainly the risk of compensation responsibility for ship owner's outstanding principle and interest after the term expired if the Group did not exercise the repurchase option; the possible loss if the Group terminated the capital lease agreements of ship before expiration. Refer to Note 16 for additional information.

23. OTHER FINANCIAL LIABILITIES

	September 30, 2021	December 31, 2020	September 30, 2020
Others	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2,405,239</u>
Current (presented in current portion of long-term liabilities)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2,405,239</u>

YML-BVI leased ships under 25-year capital lease agreements in 2000 and 2001, which were recognized as property, plant and equipment to evaluate the substance of transactions involving the legal form of the lease. The lease contracts were secured by stand-by letters of credit issued by a bank. YML-BVI pledged a portion of its lease payments in bank as collaterals, which were recorded as financial assets at amortized cost. The balance was \$2,500,447 thousand as of September 30, 2020.

The Group's board of directors resolved in August 13, 2020 to terminate the capital lease agreements of YML-BVI for consideration of the Group's organizational structure and operation. The Group

terminated the lease contracts with the lessor on October 14, 2020, and YMTC signed the sales and purchase contracts with the lessor to acquire the ships.

Other financial liabilities are paid quarterly. The principal and interest payment are reset quarterly based on three months' Libor rate.

Related gains and losses for the three months ended September 30, 2021 and 2020 and for the nine months ended September 30, 2021 and 2020 are included in the following:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Non-operating income and expenses				
Other income	\$ —	\$ 4,525	\$ —	\$ 15,807
Finance costs	\$ —	\$ (2,856)	\$ —	\$ (11,184)

24. RETIREMENT BENEFIT PLANS

For the three months ended September 30, 2021 and 2020 and for the nine months ended September 30, 2021 and 2020, employee benefits expenses in respect of the Group's defined benefit retirement plan were calculated using the actuarially determined pension cost discount rate as of December 31, 2020 and 2019, the amounts are \$24,033 thousand, \$23,351 thousand, \$75,842 thousand and \$74,032 thousand, respectively.

25. EQUITY

a. Share capital

1) Ordinary shares

	September 30, 2021	December 31, 2020	September 30, 2020
Numbers of shares authorized (in thousands)	4,500,000	4,500,000	4,500,000
Shares authorized	\$ 45,000,000	\$ 45,000,000	\$ 45,000,000
Numbers of shares issued and fully paid (in thousands)	3,492,104	3,167,662	2,622,624
Shares issued	\$ 34,921,043	\$ 31,676,622	\$ 26,226,242

Fully paid ordinary shares, which have a par value at \$10, carry one vote per share and carry a right to dividends.

The board of directors resolved on May 19, 2021 to apply a capital increase by cash through the issuance of 160,000 thousand ordinary shares with a par value at \$10 by book building. The ordinary shares were issued at premium price of \$182 per share, which have been resolved by the board of directors on July 12, 2021 and the share capital was increased to \$34,921,043 thousand. The above transaction was approved by FSC on June 23, 2021. The board of directors had determined the subscription base date to be July 16, 2021 and completed change registration in August 2021. See Note 30 for detailed information.

The change in YMTC's share capital for the nine months ended September 30, 2021 was mainly due to the domestic secured convertible bonds had been converted into ordinary shares. Bonds holders converted YMTC's ordinary shares in the amount of \$1,644,421 thousand (164,442 thousand shares). The board of directors had determined the subscription base date to be May 12, 2021 and completed change registration in June 2021.

The change in YMTC's share capital in 2020 was mainly due to the domestic secured convertible bonds have been converted into ordinary shares. Bonds holders converted YMTC's ordinary shares in the amount of \$5,663,265 thousand (566,326 thousand shares). The board of directors had determined the subscription base date to be November 12, 2020 and January 27, 2021 and completed change registration in December 2020 and February 2021, respectively.

As of September 30, 2021, December 31, 2020 and September 30, 2020, there were still 697,394 thousand privately placed ordinary shares were not converted into publicly placed shares. The board of directors resolved to covert the privately placed ordinary shares into publicly placed shares on November 11, 2021.

The rights and obligations of privately placed ordinary shares are the same as other ordinary shares, except that there are restrictions on transaction as stipulated by the Securities and Exchange Act, and 3 full years from the delivery date is required before applying for listing.

2) Preference shares

The board of directors resolved on May 6, 2020 to privately place Type A preference shares with a limit of 300,000,000 shares and approved by 2020 Annual Shareholders Meeting. However, this plan was not executed and became unnecessary as the Company's financial status has been significantly improving from the 2nd half of year 2020.

3) Global depositary receipts

On November 14, 1996, YMTC issued 10 million units of global depositary receipts (GDRs), representing 100 million shares, at an issue price of US\$11.64 dollar per unit. The board of directors resolved to cancel the GDRs on August 13, 2019 and delisted them on December 5, 2019. There were no outstanding GDRs after June, 2020.

b. Capital surplus

	May Be Used to Offset a Deficit, Distributed as Cash Dividends, or Transferred to Share Capital (1)	May Be Used to Offset a Deficit Only		May Not Be Used for Any Purpose	
	Issuance of Ordinary Shares	Changes in Percentage of Ownership Interests in Subsidiaries (2)	Expiration of employee share options	Share Warrants	Total
Balance at January 1, 2020	\$ 1,630,593	\$ 23	\$ —	\$ 308,765	\$ 1,939,381
Convertible bonds converted to ordinary shares	11,296	—	—	(8,995)	2,301
Capital surplus used to offset accumulated deficit	(1,630,593)	(23)	—	—	(1,630,616)
Balance at September 30, 2020	<u>\$ 11,296</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 299,770</u>	<u>\$ 311,066</u>
Balance at January 1, 2021	\$ 314,626	\$ —	\$ —	\$ 69,480	\$ 384,106
Convertible bonds converted to ordinary shares	89,031	—	—	(69,480)	19,551
Capital increase by cash	27,520,000	—	—	—	27,520,000
Share-based payment	1,486	—	49,887	—	51,373
Balance at September 30, 2021	<u>\$ 27,925,143</u>	<u>\$ —</u>	<u>\$ 49,887</u>	<u>\$ —</u>	<u>\$ 27,975,030</u>

- 1) Such capital surplus may be used to offset a deficit, or be distributed as cash dividends or transferred to share capital when the Company has no deficit, with the limit to a certain percentage stipulated and for once a year.
- 2) Such capital surplus arises from the effect of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions, or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the amended Articles, when Company makes profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the expansion of transportation equipment and improvement of financial structure, and then any remaining profit together with any undistributed retained earnings, distributed at least 25%, shall be proposed by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and of bonus of shareholders. For the policies on distribution of compensation of employees and remuneration of directors and supervisors before and after amendment, refer to Note 27 h. compensation of employees and remuneration of directors.

YMTC should consider certain factors, including YMTC's profits, the change in the environment of the industry, potential growth of YMTC, costs, expenditures and the working capital for operation in proposing stock dividend appropriation plan. YMTC shall declare at least 20% of the amount declared as dividends in the form of cash as opposed to stock.

Appropriation of earnings to legal reserve is required up to the amount no less than the Company's paid-in capital. Legal reserve may be used to offset a deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

Items referred to under Rule No. 1010012865 and Rule No. 1030006415 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Company.

The statements of deficit compensation for 2019 approved in the shareholders' meeting on June 17, 2020, were as follows:

	Offsetting of Deficit
Capital surplus - issuance of ordinary shares	\$ 1,630,593
Capital surplus - changes in percentage of ownership interest in subsidiaries	23
	<u>\$ 1,630,616</u>

The appropriation of earnings for 2020 approved in the shareholders' meeting on May 14, 2021, were as follows:

	Appropriation of Earnings
Legal reserve	<u>\$ 166,092</u>
Special reserve	<u>\$ 1,494,827</u>

d. Special reserves

Special reserve should be appropriated for the amount equal to the net debit balance reserves. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and thereafter distributed.

On the initial application of fair value model to investment properties, the Company appropriated for a special reserve at the amount that were the same as the net increase arising by 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 Nine Months Ended September 30	
	2021	2020
Balance at January 1	\$ (713,510)	\$ (205,946)
Recognized for the period		
Exchange differences on translation of the financial statements of foreign operations	(603,109)	(302,499)
Related income tax	306,547	—
Reclassification adjustment		
Share from the disposal of associates accounted for using the equity method	—	(33)
Other comprehensive income loss recognized for the period	(296,562)	(302,532)
Balance at September 30	\$ (1,010,072)	\$ (508,478)

2) Unrealized valuation gain (loss) on financial assets at FVTOCI

	For the Nine Months Ended September 30	
	2021	2020
Balance at January 1	\$ (785,730)	\$ (1,039,266)
Recognized for the period		
Unrealized gain (loss) Equity instruments	2,854,309	(104,202)
Share from associates and joint ventures accounted for using the equity method	(209,218)	(2,789)
Other comprehensive income recognized for the period	2,645,091	(106,991)
Cumulative unrealized loss of equity instruments transferred to retained earnings	(2,175,784)	—
Cumulative unrealized loss of equity instruments transferred to retained earnings from associates	(11,852)	—
Balance at September 30	\$ (328,275)	\$ (1,146,257)

3) Gain on hedging instruments

	For the Nine Months Ended September 30	
	2021	2020
Balance at January 1	\$ 3,455,825	\$ 1,218,522

	For the Nine Months Ended September 30	
	2021	2020
Recognized for the period		
Foreign currency risk- lease liabilities	1,055,876	1,439,621
Related income tax	(805,655)	—
Reclassification adjustments		
Foreign currency risk- operating revenue	(483,427)	(148,406)
Other comprehensive income recognized for the period	(233,206)	1,291,215
Balance at September 30	<u>\$ 3,222,619</u>	<u>\$ 2,509,737</u>

f. Non-controlling interests

	For the Nine Months Ended September 30	
	2021	2020
Balance at January 1	\$ 656,620	\$ 618,665
Share of profit for the period	222,096	189,609
Other comprehensive income (loss) during the period		
Exchange difference on translating the financial statements of foreign entities	(46,879)	(73,146)
Unrealized gain on financial assets at FVTOCI	26	8
Increasing in non-controlling interests by establishing foreign subsidiaries	—	2,016
Cash dividends distributed by subsidiaries	(255,027)	(94,905)
Balance at September 30	<u>\$ 576,836</u>	<u>\$ 642,247</u>

26. REVENUE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Revenue from contracts with customers				
Cargo revenue	\$ 90,602,627	\$ 35,228,275	\$ 216,482,781	\$ 94,030,098
Slottage revenue	610,101	440,280	2,459,587	2,125,920
Rental income				
Rental revenue on vessel	704,203	548,727	1,753,792	1,535,002
Other operating revenue	3,535,509	2,637,323	10,309,985	7,556,049
	<u>\$ 95,452,440</u>	<u>\$ 38,854,605</u>	<u>\$ 231,006,145</u>	<u>\$ 105,247,069</u>

a. Contract balances

	September 30, 2021	December 31, 2020	September 30, 2020	January 1, 2020
Trade receivable (Note 10)	<u>\$ 21,277,108</u>	<u>\$ 11,177,869</u>	<u>\$ 10,732,172</u>	<u>\$ 10,111,347</u>
Contract assets				
Cargo revenue	\$ 7,274,831	\$ 2,906,252	\$ 2,011,697	\$ 1,797,036
Less : Allowance for impairment loss	(49,128)	(15,978)	(10,464)	(8,898)
Contract assets	<u>\$ 7,225,703</u>	<u>\$ 2,890,274</u>	<u>\$ 2,001,233</u>	<u>\$ 1,788,138</u>
Contract liabilities - Current				
Advance on contract	<u>\$ 1,031,910</u>	<u>\$ 134,998</u>	<u>\$ 170,383</u>	<u>\$ 121,826</u>

The Group measures the loss allowance for contract assets at an amount equal to lifetime ECLs. The contract assets will be transferred to accounts receivable when the container shipping services have been completed, and the contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables can be applied to the contract assets (Note 10).

The movements of the loss allowance of contract assets were as follows:

	For the Nine Months Ended September 30	
	2021	2020
Balance at January 1	\$ 15,978	\$ 8,898
Add : Net remeasurement of loss allowance	33,291	1,584
Foreign exchange gains and losses	(141)	(18)
Balance at September 30	<u>\$ 49,128</u>	<u>\$ 10,464</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 41 for information about disaggregation of revenue.

27. NET PROFIT (LOSS)

a. Other operating income and expenses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Gain (loss) on disposal and retirement of property, plant and equipment	\$ 11,657	\$ 44,402	\$ 64,930	\$ 226,707
Reimbursement income	31,436	18,772	59,709	46,354
	<u>\$ 43,093</u>	<u>\$ 63,174</u>	<u>\$ 124,639</u>	<u>\$ 273,061</u>

b. Interest income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Bank deposits	\$ 69,452	\$ 23,716	\$ 127,012	\$ 97,102
Net investments in leases	510	576	1,579	1,776
Short-term bills	3,930	3,154	12,615	5,136
Others	171	1,934	774	4,324
	<u>\$74,063</u>	<u>\$ 29,380</u>	<u>\$ 141,980</u>	<u>\$108,338</u>

c. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Rental income - operating leases	\$ 22,407	\$ 37,082	\$ 65,681	\$ 65,093
Bargain purchase gains	3,171	—	3,171	—
Dividends	2,586	58,156	4,475	58,444
	<u>\$ 28,164</u>	<u>\$ 95,238</u>	<u>\$ 73,327</u>	<u>\$ 123,537</u>

d. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Net foreign exchange gains	\$ 206,833	\$ 186,601	\$ 231,368	\$ 683,835
Fair value changes of financial assets and financial liabilities				

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Financial assets mandatorily classified as at FVTPL	(8,340)	9,398	13,589	(18,821)
Financial liabilities held for trading	—	6,900	—	57,562
Loss on disposal of associates	—	4	—	(696)
Gain (loss) arising from lease modifications	(857)	(7,248)	6,730	(334)
Loss arising from the change in fair value of investment properties	(3,111)	(38)	(3,187)	(113)
Others	(3,103)	(93,581)	(27,526)	(89,680)
	<u>\$ 191,422</u>	<u>\$ 102,036</u>	<u>\$ 220,974</u>	<u>\$ 631,753</u>

e. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Interest on bank loans	\$ 74,691	\$ 126,502	\$ 269,808	\$ 465,395
Interest on lease liabilities (including U.S. dollar lease contracts designated as hedging instruments)	476,910	552,308	1,457,970	1,718,135
Other interest expenses	80,978	223,750	253,606	641,174
	<u>632,579</u>	<u>902,560</u>	<u>1,981,384</u>	<u>2,824,704</u>
Less : Amounts included in the cost of qualifying assets	(576)	(9,274)	(7,961)	(31,787)
	<u>\$ 632,003</u>	<u>\$ 893,286</u>	<u>\$ 1,973,423</u>	<u>\$ 2,792,917</u>

Information about capitalized interest is as follow:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Capitalized interest amount	\$ 576	\$ 9,274	\$ 7,961	\$ 31,787
Capitalization rate	0.99%-1.35%	1.19%-1.56%	0.99%-1.47%	1.19%-1.76%

f. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
	Right-of-use assets	\$ 2,718,314	\$ 2,716,031	\$ 7,984,014
Property, plant and equipment	1,649,344	1,558,467	4,836,076	4,621,447
Intangible assets	14,433	12,715	41,192	38,978
	<u>\$ 4,382,091</u>	<u>\$4,287,213</u>	<u>\$ 12,861,282</u>	<u>\$ 12,907,288</u>
An analysis of depreciation by function				
Operating costs	\$ 4,274,846	\$ 4,187,855	\$ 12,557,968	\$ 12,605,836
Operating expenses	92,812	86,643	262,122	262,474
	<u>\$ 4,367,658</u>	<u>\$ 4,274,498</u>	<u>\$ 12,820,090</u>	<u>\$ 12,868,310</u>
An analysis of amortization by function				
Operating costs	\$ 1,831	\$ 1,403	\$ 4,935	\$ 6,509
Operating expenses	12,602	11,312	36,257	32,469
	<u>\$ 14,433</u>	<u>\$ 12,715</u>	<u>\$ 41,192</u>	<u>\$ 38,978</u>

g. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
	Post-employment benefits			
Defined contribution plans	\$ 67,199	\$ 66,399	\$ 208,500	\$ 201,016
Defined benefit plans (Note 24)	24,033	23,351	75,842	74,032
Termination benefits	5,561	6,644	17,702	33,984
Other employee benefits	2,683,353	1,851,664	7,911,309	5,412,667
Total employee benefits expense	<u>\$ 2,780,146</u>	<u>\$ 1,948,058</u>	<u>\$ 8,213,353</u>	<u>\$ 5,721,699</u>
An analysis of employee benefits by function				
Operating costs	\$ 931,116	\$ 744,691	\$ 2,680,547	\$ 2,179,987
Operating expenses	1,849,030	1,203,367	5,532,806	3,541,712
	<u>\$2,780,146</u>	<u>\$ 1,948,058</u>	<u>\$8,213,353</u>	<u>\$5,721,699</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. However, if there were accumulated deficit, the Company should reserve offset amount before resolving such compensation and remuneration first. The compensation of employees and the remuneration of directors for the three months ended September 30, 2021 and for the nine months ended September 30, 2021 are as follows:

Accrual rate

	For the Nine Months Ended September 30, 2021
Compensation of employees	1%
Remuneration of directors	—

Amount

	For the Three Months Ended September 30, 2021	For the Nine Months Ended September 30, 2021
Compensation of employees	\$ 625,020	\$ 1,332,545
Remuneration of directors	\$ —	\$ —

YMTC did not accrue compensation of employees and remuneration of directors because of offsetting accumulated deficits first according to the Company's Articles for the nine months ended September 30, 2020.

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.

The compensation of employees and the remuneration of directors for the year ended December 31, 2020 were approved by the Company's board of directors on March 25, 2021 are as follows:

Amount

	For the Year Ended December 31, 2020
	Cash
Compensation of employees	\$ 57,851
Remuneration of directors	\$ 57,851

For both compensation of employees and remuneration of directors, there are no differences between cash distribution and amounts recognized in the consolidated financial statements for the year ended December 31, 2020.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

28. INCOME TAXES

a. Income tax expense recognized in profit or loss

Major components of income tax expense are as follow:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Current tax				
In respect of the current period	\$ 10,990,075	\$ 94,483	\$ 16,864,272	\$ 264,948
Income tax on unappropriated earnings	—	150	1,648	250
Adjustments for prior years	47	—	15,963	6
	<u>10,990,122</u>	<u>94,633</u>	<u>16,881,883</u>	<u>265,204</u>
Deferred tax				
In respect of the current period	802,161	645,829	6,574,145	862,159
Adjustments for prior years	—	—	(12,251)	(493)
	<u>802,161</u>	<u>645,829</u>	<u>6,561,894</u>	<u>861,666</u>
Income tax expense recognized in profit or loss	<u>\$ 11,792,283</u>	<u>\$ 740,462</u>	<u>\$ 23,443,777</u>	<u>\$ 1,126,870</u>

b. Income tax recognized in other comprehensive income (loss)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
<u>Deferred tax</u>				
In respect of the current period				
- Translation of foreign operations	\$ (23,024)	\$ —	\$ (306,547)	\$ —
- Cash flow hedges	(32,788)	—	805,655	—
Income tax recognized in other comprehensive income (loss)	<u>\$ (55,812)</u>	<u>\$ —</u>	<u>\$ 499,108</u>	<u>\$ —</u>

c. Income tax assessments

<u>Group</u>	<u>Year</u>
Yang Ming Marine Transport Corporation	2018
Kuang Ming Shipping Corp.	2019
Hong Ming Terminal & Stevedoring Corp.	2019
Jing Ming Transportation Co., Ltd.	2019
YES Logistics Corp.	2018
Ching Ming Investment Corp.	2018

29. EARNINGS (LOSS) PER SHARE

Unit: NT\$ Per Share

	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Basic earnings (loss) per share	\$ 14.66	\$ 1.05	\$ 32.73	\$ 0.71
Diluted earnings (loss) per share	\$ 14.62	\$ 0.86	\$ 32.42	\$ 0.60

The earnings (loss) and weighted average number of ordinary shares outstanding in the computation of earnings (loss) per share were as follows:

Net Profit (Loss) for the Year

	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Earnings (loss) used in the computation of basic earnings (loss) per share	\$ 50,825,854	\$ 2,736,718	\$ 109,877,965	\$ 1,850,823
Effect of potentially dilutive ordinary shares :				
Interest on convertible bonds (after tax)	—	140,033	1,198	159,672
Earnings (loss) used in the computation of diluted earnings (loss) per share	\$ 50,825,854	\$ 2,876,751	\$ 109,879,163	\$ 2,010,495

Weighted Average Number of Ordinary Shares Outstanding (In Thousands of Shares)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Weighted average number of ordinary shares used in the computation of basic earnings (loss) per share	3,466,017	2,606,724	3,357,296	2,603,145
Effect of potentially dilutive ordinary shares :				
Convertible bonds	—	725,381	19,937	728,960
Compensation of employees	11,151	—	11,671	—
Weighted average number of ordinary shares used in the computation of diluted earnings (loss) per share	<u>3,477,168</u>	<u>3,332,105</u>	<u>3,388,904</u>	<u>3,332,105</u>

The Group may settle the compensation of employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

30. SHARE-BASED PAYMENT ARRANGEMENT

The Group's board of directors resolved on May 19, 2021 to apply for the capital increase by cash. According to the Company Act, a certain proportion of the shares issued was reserved and subscribed by employees. The subscribed numbers of shares and prices were determined in June and July, 2021. According to IFRS 2 "Share-based Payment", the fair value at the grant date of the employee share options is expensed as the remuneration cost (presented in salaries expenses) and capital surplus – employee share options of \$51,373 thousand.

Information on employee share options was as follows:

Employee share options	For the Nine Months Ended September 30	
	Numbers of options (in thousand)	Weighted-average Exercise Price (NT\$)
Balance at January 1	—	\$ —
Options granted	3,803	182
Options forfeited	(3,693)	182
Options exercised	(110)	182
Balance at September 30	<u>—</u>	
Options exercisable, end of the period	<u>—</u>	
Weighted-average fair value of options granted (\$)	<u>\$ 13.51</u>	

Options granted in July 2021 was priced using the Black-Scholes pricing model and the inputs to the model were as follows:

	<u>Employee Option Rights</u>
Grant-date share price (NT\$)	\$ 195.5
Exercise price (NT\$)	\$ 182
Expected volatility	31.15%
Expected life (in years)	0.008 years
Risk-free interest rate	0.0346%

31. BUSINESS COMBINATIONS

a. Subsidiaries acquired

<u>Subsidiary</u>	<u>Principal Activity</u>	<u>Date of Acquisition</u>	<u>Proportion of Voting Equity Interests Acquired (%)</u>	<u>Consideration Transferred</u>
Corstor Ltd.	Storage management and trailer transportation	July 13, 2021	50.00%	\$ 7,325

Corstor Ltd. was acquired in order to pursue the growth and continue the expansion of the Group's activities.

b. Consideration transferred

	<u>Corstor Ltd.</u>
Cash	<u>\$ 7,325</u>

c. Assets acquired and liabilities assumed at the date of acquisition

	<u>Corstor Ltd.</u>
Current Assets	
Cash	\$ 15,767
Trade receivables	10,059
Prepayments	2,865
Other current assets	1,165
Current Liabilities	
Trade payables	(2,451)
Other payables	(3,951)
Current tax liabilities	(2,463)
	<u>\$ 20,991</u>

d. Bargain purchase gain recognized on acquisitions

	<u>Corstor Ltd.</u>
Consideration transferred - Cash	\$ 7,325
Fair value of the equity held previously by the Group at the acquisition date	10,495
Less: Fair value of identifiable net assets acquired	(20,991)
Bargain purchase gain recognized on acquisitions	<u>\$ (3,171)</u>

The initial evaluation for a business combination of Corstor Ltd. is incomplete by the end of the reporting period, the provisional amounts was reported and will be adjusted retrospectively during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date.

e. Net cash inflow on acquisition of subsidiaries

	<u>Corstor Ltd.</u>
Consideration paid in cash	\$ (7,325)
Add : Cash balances acquired	15,767
	<u>\$ 8,442</u>

f. Impact of acquisitions on the results of the Group

The financial results of the acquirees since the acquisition dates, which are included in the consolidated statements of comprehensive income, were as follows:

	<u>Corstor Ltd.</u>
Operating revenue	\$ 11,528
Net profit for the period	<u>\$ 3,548</u>

Had the acquisition of Corstor Ltd. concluded at the beginning of the year 2021, the Group's consolidated revenue and the profit for the nine months ended September 30, 2021 would have been \$231,038,450 thousand and \$110,107,167 thousand, respectively. This pro-forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the acquisition year, nor is it intended to be a projection of future results.

32. CASH FLOW INFORMATION

Changes in Liabilities Arising from Financing Activities

For the nine months ended September 30, 2021

	<u>January 1, 2021</u>	<u>Cash Flows</u>	<u>Non-Cash Changes</u>		<u>September 30, 2021</u>
	\$	\$	New Leases	Others (Note)	\$
Short-term borrowings	2,072,156	(512,156)	\$ —	\$ —	\$ 1,560,000

	January 1, 2021	Cash Flows	Non-Cash Changes		September 30, 2021
			New Leases	Others (Note)	
Short-term bills payable	12,113,626	(11,602,500)	—	25,618	536,744
Long-term borrowings	53,738,221	(32,477,011)	—	(55,166)	21,206,044
Bonds payable	6,619,686	5,900,000	—	(1,672,968)	10,846,718
Lease liabilities	55,990,206	(7,459,246)	9,685,816	(1,240,796)	56,975,980
Other non-current liabilities	610,139	23,010	—	—	633,149
	<u>\$ 131,144,034</u>	<u>\$ (46,127,903)</u>	<u>\$ 9,685,816</u>	<u>\$ (2,943,312)</u>	<u>\$ 91,758,635</u>

For the nine months ended September 30, 2020

	January 1, 2020	Cash Flows	Non-Cash Changes		September 30, 2020
			New Leases	Others (Note)	
Short-term borrowings	\$ 4,621,034	\$ (2,324,534)	\$ —	\$ —	\$ 2,296,500
Short-term bills payable	13,485,840	(3,090,000)	—	12,487	10,408,327
Long-term borrowings	52,442,405	3,247,904	—	(153,812)	55,536,497
Bonds payable	18,097,816	—	—	(9,323)	18,088,493
Lease liabilities	59,128,341	(7,872,358)	9,990,254	(1,723,992)	59,522,245
Other financial liabilities	2,736,515	(192,319)	—	(138,957)	2,405,239
Other non-current liabilities	286,026	251,052	—	—	537,078
	<u>\$ 150,797,977</u>	<u>\$ (9,980,255)</u>	<u>\$ 9,990,254</u>	<u>\$ (2,013,597)</u>	<u>\$ 148,794,379</u>

Note: Other changes include lease modification, interest amortization of short-term bills payable, long-term borrowings, bonds payable, the reduction of bonds payable due to the convertible bondholders exercising the conversion option, and effect of foreign currency exchange rate.

33. 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 (accumulated deficit), other equity and non-controlling interests).

The gearing ratio at end of the reporting period was as follows:

	September 30, 2021	December 31, 2020	September 30, 2020
Debt (a)	\$ 148,495,555	\$ 158,641,133	\$ 173,908,929
Cash and cash equivalents	(90,124,977)	(24,518,721)	(17,853,058)
Net debt	<u>\$ 58,370,578</u>	<u>\$ 134,122,412</u>	<u>\$ 156,055,871</u>
Equity (b)	<u>\$ 179,083,701</u>	<u>\$ 36,334,852</u>	<u>\$ 20,053,482</u>
Net debt to equity ration	<u>32.59%</u>	<u>369.13%</u>	<u>778.20%</u>

- a. Debt is defined as long-term and short-term borrowing (excluding derivative instruments and financial guarantee contracts).

- b. Equity includes all capital, capital surplus, unappropriated earnings (deficit to be compensated), other equity and non-controlling interests, of the Group that are managed as capital.

34. FINANCIAL INSTRUMENTS

- a. Fair value of financial instruments not measured at fair value

September 30, 2021

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Finance lease receivables	\$ 152,229	\$ —	\$ 153,027	\$ —	\$ 153,027
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
- Secured domestic bonds	\$ 10,846,718	\$ —	\$ 10,852,337	\$ —	\$ 10,852,337

December 31, 2020

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Finance lease receivables	\$ 167,158	\$ —	\$ 168,345	\$ —	\$ 168,345
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
- Secured domestic bonds	\$ 4,945,877	\$ —	\$ 4,953,083	\$ —	\$ 4,953,083
- Domestic secured convertible bonds	1,673,809	—	4,468,568	—	4,468,568
Total	\$ 6,619,686	\$ —	\$ 9,421,651	\$ —	\$ 9,421,651

September 30, 2020

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Finance lease receivables	\$ 172,101	\$ —	\$ 173,375	\$ —	\$ 173,375
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
- Secured domestic bonds	\$ 6,982,630	\$ —	\$ 6,990,355	\$ —	\$ 6,990,355
- Unsecured domestic bonds	3,900,000	—	3,902,870	—	3,902,870
- Domestic secured convertible bonds	7,205,863	—	7,577,686	—	7,577,686
Total	\$ 18,088,493	\$ —	\$ 18,470,911	\$ —	\$ 18,470,911

The fair values of the financial assets and financial liabilities included in the Level 2 category above have been determined in accordance with income approaches based on a discounted cash flow analysis.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

September 30, 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Derivative financial assets				
- Oil option contract	\$ —	\$ —	\$ 384	\$ 384
Mutual funds	85,711	—	—	85,711
Domestic limited partnership	—	—	15,097	15,097
Total	<u>\$ 85,711</u>	<u>\$ —</u>	<u>\$ 15,481</u>	<u>\$ 101,192</u>

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI				
- Unlisted shares	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 506,801</u>	<u>\$ 506,801</u>

December 31, 2020

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Derivative financial assets				
- Call option of bonds	\$ —	\$ —	\$ 8,636	\$ 8,636
Domestic listed shares	23,923	—	—	23,923
Mutual funds	1,710,854	—	—	1,710,854
Total	<u>\$ 1,734,777</u>	<u>\$ —</u>	<u>\$ 8,636</u>	<u>\$ 1,743,413</u>

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI				
- Listed shares	\$ 1,492,999	\$ —	\$ —	\$ 1,492,999
- Unlisted shares	—	—	505,532	505,532
Total	<u>\$ 1,492,999</u>	<u>\$ —</u>	<u>\$ 505,532</u>	<u>\$ 1,998,531</u>

September 30, 2020

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Derivative financial assets				
- Call option of bonds	\$ —	\$ —	\$ 7,452	\$ 7,452
Domestic listed shares	28,053	—	—	28,053
Mutual funds	3,148,334	—	—	3,148,334
Total	<u>\$ 3,176,387</u>	<u>\$ —</u>	<u>\$ 7,452</u>	<u>\$ 3,183,839</u>

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments at FVTOCI				
- Listed shares	\$ 1,195,814	\$ —	\$ —	\$ 1,195,814
- Unlisted shares	—	—	472,885	472,885
Total	<u>\$ 1,195,814</u>	<u>\$ —</u>	<u>\$ 472,885</u>	<u>\$ 1,668,699</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 nine months ended September 30, 2021

Financial assets at FVTPL

	<u>Other Instruments</u>	<u>Derivatives</u>		<u>Total</u>
	<u>Domestic Limited Partnership</u>	<u>Oil Option Contract</u>	<u>Call Option of Bonds</u>	
Balance at January 1, 2021	\$ —	\$ —	\$ 8,636	\$ 8,636
Purchases	25,000	919	—	25,919
Recognized in profit or loss (included in other gains and losses)	(9,903)	(535)	2,560	(7,878)
Sales/settlements	—	—	(11,196)	(11,196)
Transfers out of Level 3	—	—	—	—
Balance at September 30, 2021	<u>\$ 15,097</u>	<u>\$ 384</u>	<u>\$ —</u>	<u>\$ 15,481</u>
Unrealized gain for the current period included in profit or loss relating to assets held at the end of the period	<u>\$ (9,903)</u>	<u>\$ (535)</u>	<u>\$ —</u>	<u>\$ (10,438)</u>

Financial assets at FVTOCI

	<u>Equity Instruments</u>
Balance at January 1, 2021	\$ 505,532
Purchases	20,000
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	(18,449)
Sales/settlements	(282)
Balance at September 30, 2021	<u>\$ 506,801</u>

For the nine months ended September 30, 2020

Financial assets at FVTPL

	<u>Derivative</u> <u>Call Option of</u> <u>Bonds</u>
Balance at January 1, 2020	\$ —
Recognized in profit or loss (included in other gains and losses)	7,720
Sales/settlements	(268)
Transfers out of Level 3	—
Balance at September 30, 2020	<u>\$ 7,452</u>
Unrealized gain for the current period included in profit or loss relating to assets held at the end of the period	<u>\$ 7,720</u>

Financial assets at FVTOCI

	<u>Equity Instruments</u>
Balance at January 1, 2020	\$ 516,934
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	(44,049)
Balance at September 30, 2020	<u>\$ 472,885</u>

Financial liabilities at FVTPL

	<u>Derivatives</u>		
	<u>Cross-currency</u> <u>Swap Option</u>	<u>Put Option of</u> <u>Bonds</u>	<u>Total</u>
Balance at January 1, 2020	\$ —	\$ 67,549	\$ 67,549
Recognized in profit or loss (included in other gains and losses)	9,987	(67,549)	(57,562)

	Derivatives		
	Cross-currency Swap Option	Put Option of Bonds	Total
Sales/settlements	(9,987)	—	(9,987)
Transfers out of Level 3	—	—	—
Balance at September 30, 2020	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Unrealized gain for the current period included in profit or loss relating to liabilities held at the end of the period	<u>\$ —</u>	<u>\$ (67,549)</u>	<u>\$ (67,549)</u>

3) Valuation techniques and inputs applied for the purpose of measuring Level 3 fair value measurement

- a) The fair value of oil option contract is determined using Black-Scholes valuation models where the significant unobservable inputs are implied volatility. A variation in the implied volatility used in isolation would result in an increase/decrease in the fair value of oil option contract.
- b) The fair values of call option of bonds are determined using convertible bonds of Binary tree pricing models where the significant unobservable inputs are volatility. An increase in the volatility used in isolation would result in an increase in the fair value of call option of bonds.
- c) 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

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Financial assets</u>			
FVTPL			
Held for trading	\$ 101,192	\$ 1,743,413	\$ 3,183,839
Financial assets at amortized cost (1)	164,148,545	38,266,073	31,925,634
Financial assets at FVTOCI			
Equity instruments	506,801	1,998,531	1,668,699

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Financial liabilities</u>			
Financial liabilities for hedging	43,595,909	47,754,304	50,611,067
Amortized cost (2)	59,566,960	93,592,185	107,679,572

- 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, deposits of stand-by letter of credit, restricted bank balance, notes receivable, trade receivables (including related parties), and other receivables.
- 2) The balances included financial liabilities measured at amortized cost, which comprise short-term and long-term loans, short-term bills payable, notes and trade payables (including related parties), other payables, bonds payable and other financial liabilities.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, trade receivables, financial assets at amortized cost, trade payables, other payables, bonds payable, borrowings, lease liabilities and other financial liabilities. The Group's Corporate Treasury function provides all kinds of financial service to each division by using different financial instruments. Also, the treasury function controls and analyzes the financial risks related to operations; these risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group sought to minimize the effects of these risks by managing stocks and flow and using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Group's policies "Regulations Governing the Acquisition and Disposal of Assets" approved by the board of directors. Compliance with policies was reviewed by the internal auditors on a continuous basis.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). The Group uses assets, liabilities and a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk.

There had been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Group's operations involve foreign currency transactions so the Group is exposed to foreign currency risk. The Group's transaction involve contain various currencies due to its industrial feature, operating revenue and operating costs are mainly denominated in U.S. dollars. Exchange rate exposures were managed within approved policy parameters utilizing net cash flows offset of the influence on net assets and liabilities, instruments of swap and options.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities are set out in Note 39.

Sensitivity analysis

Monetary assets and liabilities were mainly exposed to the U.S. dollars, GBP, CNY, EUR and HKD.

The following table details the Group's sensitivity to a 1% increase and decrease in New Taiwan dollars (the functional currency) against the U.S. dollars, GBP, CNY, EUR and HKD. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an increase in profit and other equity associated with New Taiwan dollars strengthening 1% against U.S. dollars, GBP, CNY, EUR and HKD. For a 1% weakening of New Taiwan dollars against the U.S. dollars, GBP, CNY, EUR and HKD, there would be an equal and opposite impact on profit or loss.

Profit (loss)/Equity of 1% Variation	For the Nine Months Ended September 30	
	2021	2020
Profit (loss) (i)		
U.S. dollars	\$ 307,965	\$ (49,334)
CNY	5,548	1,865
GBP	4,651	4,585
EUR	47,956	748
HKD	(2,253)	500
Equity(ii)		
U.S. dollars	(435,959)	(506,111)

- i. This was mainly attributable to the exposure of outstanding foreign currency deposits, receivables, payables, and bank loans at the end of the reporting period.
- ii. This was mainly attribute to the exposure of changing in foreign exchange rates of lease contracts designated as cash flow hedge.

The Group's sensitivity to foreign currency exchange rate during the current period was mainly due to the decrease in U.S. dollars and HKD monetary net liabilities caused by the increase in U.S. dollars monetary assets and the increase in HKD monetary liabilities ; the increase in GBP, EUR and CNY monetary net assets caused by the decrease in GBP monetary liabilities and the increase in EUR and CNY monetary assets.

Hedge accounting

The Group's hedging strategy is to enter into USD-denominated lease liabilities to avoid exchange rate exposure of 100% of highly probable forecast of USD-denominated operating revenue. Those transactions are designated as cash flow hedges.

The Group expects that the value of the U.S. dollars lease liabilities and the value of the corresponding hedged items will systematically change in opposite directions.

The source of hedge ineffectiveness in these hedging relationships is the USD-denominated operating revenue of the Group is lower than the distribution amount of settlement of lease liabilities.

Refer to Note 16 (b) for information relating to foreign exchange rates hedging instruments.

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings.

The carrying amount of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	September 30, 2021	December 31, 2020	September 30, 2020
Fair value interest rate risk			
- Financial assets	\$ 36,024,909	\$ 7,449,866	\$ 6,942,806
- Financial liabilities	69,738,672	89,437,508	105,104,078
Cash flow interest rate risk			
- Financial assets	105,024,401	18,472,785	12,968,670
- Financial liabilities	21,386,814	41,096,387	43,153,223

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 nine months ended September 30, 2021 would have increased/decreased by \$62,728 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 nine months ended September 30, 2020 would have decreased/increased by \$22,638 thousand, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings, other financial liabilities and variable-rate financial assets.

The Group's sensitivity to interest rate increased during the current year mainly due to the increase in variable-rate financial assets and decrease in variable-rate financial liabilities.

c) Other price risk

The Group was exposed to equity price risk through its investments in derivatives, 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, the other comprehensive income (loss) for the nine months ended September 30, 2021 would have increased/decreased by \$25,340 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 nine months ended September 30, 2020 would have increased/decreased by \$1,403 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income (loss) for the nine months ended September 30, 2020 would have increased/decreased by \$83,435 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 nine months ended September 30, 2021 would have increased/decreased by \$5,040 thousand, as a result of the changes in fair value of financial assets at FVTPL.

If mutual funds had been 5% higher/lower, pre-tax profit (loss) for the nine months ended September 30, 2020 would have increased/decreased by \$157,417 thousand, as a result of the changes in fair value of financial assets at FVTPL.

If oil option contract price had been 5% higher/lower, the fair value of the derivative financial assets - oil option contract (the purpose for hedge but not applied for the hedge accounting) for the nine months ended September 30, 2021 would have varied by \$19 thousand (USD \$0.69 thousand).

The Group's sensitivity to equity instrument price decreased during the current period mainly due to the decreased in financial assets at FVTOCI. The Group's sensitivity to limited partnership mutual funds price decreased during the current period mainly due to the decrease in mutual funds measured at FVTPL.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation and financial guarantees provided by the Group could arise from:

- a) The carrying amount of the respective recognized financial assets as stated in the balance sheets; and
- b) The amount of contingent liabilities in relation to financial guarantee issued by the Group.

There is no significant concentration of credit risk for the Group. Credit risk is from cash and cash equivalents deposit in banks, derivative financial instruments transactions with banks and financial institutions and trade receivable from customers.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient letter of bank guarantee and security deposit, where appropriate, as a means of mitigating the risk of financial loss from defaults. To reduce credit risk, the Group has established an internal monitoring procedures to monitor credit risk exposure and credit condition of counterparties.

The credit risk on liquid funds and derivatives was limited because the counterparties are banks with high credit ratings assigned by credit-rating agencies.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of September 30, 2021, December 31, 2020 and September 30, 2020, the Group had available unutilized bank loans facilities of \$13,914,807 thousand, \$15,972,373 thousand and \$17,850,446 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.

September 30, 2021

	Less than 1 Year	1-5 Years	5+ Years
Non-interest bearing Lease liabilities	\$ 28,320,382	\$ 558,943	\$ —
Variable interest rate liabilities	11,436,830	36,115,359	14,393,065
Fixed interest rate liabilities	4,329,108	13,323,968	3,986,584
Short-term and low value lease commitment	4,238,926	4,940,815	6,259,290
Lease commitment for future service costs	3,774,077	6,716,488	30
Financial guarantee liabilities	3,465,217	11,159,774	4,023,830
	173,054	—	—
	<u>\$ 55,737,594</u>	<u>\$ 72,815,347</u>	<u>\$ 28,662,799</u>

Additional information about the maturity analysis for lease liabilities :

	Less than 1 Year	1~5 Years	5~10 Years	10~15 Years	15~20 Years	20+Years
Lease liabilities	<u>\$ 11,436,830</u>	<u>\$ 36,115,359</u>	<u>\$ 14,373,473</u>	<u>\$ 19,592</u>	<u>\$ —</u>	<u>\$ —</u>

December 31, 2020

	Less than 1 Year	1-5 Years	5+ Years
Non-interest bearing Lease liabilities	\$ 20,456,690	\$ 514,763	\$ —
Variable interest rate liabilities	11,729,133	36,678,058	13,681,064
Fixed interest rate liabilities	5,621,172	43,841,475	4,132,128
Short-term and low value lease commitment	16,171,617	5,413,673	—
Lease commitment for future service costs	4,500,303	10,344,525	—
Financial guarantee liabilities	3,285,868	11,476,870	3,479,514
	176,968	—	—
	<u>\$ 61,941,751</u>	<u>\$ 108,269,364</u>	<u>\$ 21,292,706</u>

Additional information about the maturity analysis for lease liabilities :

	Less than 1 Year	1~5 Years	5~10 Years	10~15 Years	15~20 Years	20+Years
Lease liabilities	<u>\$ 11,729,133</u>	<u>\$ 36,678,058</u>	<u>\$ 13,655,999</u>	<u>\$ 22,574</u>	<u>\$ 2,491</u>	<u>\$ —</u>

September 30, 2020

	<u>Less than 1 Year</u>	<u>1-5 Years</u>	<u>5+ Years</u>
Non-interest bearing	\$ 19,531,648	\$ 490,688	\$ —
Lease liabilities	12,076,967	38,814,241	15,635,364
Other financial liabilities*	2,460,014	—	—
Variable interest rate liabilities	5,908,387	46,940,428	3,757,817
Fixed interest rate liabilities	26,450,519	5,576,590	—
Short-term and low value lease commitment	4,068,509	11,566,016	35
Lease commitment for future service costs	3,512,222	13,393,252	2,642,961
Financial guarantee liabilities	180,820	—	—
	<u>\$ 74,189,086</u>	<u>\$ 116,781,215</u>	<u>\$ 22,036,177</u>

Additional information about the maturity analysis for lease liabilities :

	<u>Less than 1 Year</u>	<u>1~5 Years</u>	<u>5~10 Years</u>	<u>10~15 Years</u>	<u>15~20 Years</u>	<u>20+Years</u>
Lease liabilities	<u>\$ 12,076,967</u>	<u>\$ 38,814,241</u>	<u>\$ 15,608,474</u>	<u>\$ 23,568</u>	<u>\$ 3,322</u>	<u>\$ —</u>

* Cash outflows of other financial liabilities of different terms will be offset by principal secured by standby letters of credit and interest revenue. Cash inflows expected to occur not later than one year, to occur later than one year and not later than five years, and to occur later than five years were \$1,942,252 thousand, \$0 thousand and \$0 thousand, respectively.

The amounts included above for financial guarantee contracts were within the limitation the Group can offer to related parties; i.e. the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the management considers that it is more likely than not that no amount will be payable under the arrangement.

b) Derivative instruments

The maturity date of all the derivative instruments held by the Group as of September 30, 2021 is within one year.

35. TRANSACTIONS WITH RELATED PARTIES

The Ministry of Transportation and Communications R.O.C. (MOTC), National Development Fund, and Taiwan International Ports Corporation, Ltd. held 32.06%, 39.11% and 47.23% of the ordinary shares of YMTC as of September 30, 2021, December 31, 2020 and September 30, 2020, respectively. Over 50% of the members of YMTC's board of directors were appointed by the MOTC, National Development Fund, and Taiwan International Ports Corporation, Ltd. Therefore,

the Group is a government - related entity, which is controlled by the central government. Transactions with other government - related entities were mainly bank deposits, borrowings and guarantees with government - related banks (see Notes 18 and 19), concession rights of the Port of Kaohsiung, Taiwan International Ports Corporation Kaohsiung harbor intercontinental container and logistics center (see Note 16), operating commission contracts signed with Taiwan Power Company (TPC) Corporation (see Note 37), and shipbuilding contracts signed with China Ship Building Corporation (CSBC) (see Note 37).

Balances and transactions between the Group and its subsidiaries, which are related party of the Group, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in other notes and Table A and B, details of transaction between the Group and other related parties are disclosed as follows:

a. Related party name and relationship

<u>Related Party Name</u>	<u>Relationship with the Group</u>
Formosa International Development Corporation	Associate
Yang Ming (U.A.E.) LLC	Associate
Yang Ming (Australia) Pty. Ltd.	Associate
West Basin Container Terminal LLC	Associate
Corstor Ltd.	Associate(Since YMTC has acquired the remaining equity of Corstor in July, 2021, the relationship with the Group is changed from Associate to Subsidiary)
Yang Ming Shipping (Egypt) S.A.E.	Associate
Kao Ming Container Terminal Corp.	Associate
Taiwan Navigation Co., Ltd.	Associate(Since YMTC has significant influence on Taiwan Navigation Co., Ltd. from July, 2021, the relationship with the Group is changed from Government – related party to Associate)
Yunn Wang Investment Co., Ltd.	Associate
LogiTrans Technology Private Limited	Joint venture
Chang Ming Logistics Group Limited	Joint venture
YES LIBERAL Logistics Corp.	Joint venture
YES and HQL Logistics Group	Joint venture
Chunghwa Telecom Co., Ltd.	Government – related party
Taiwan International Ports Corporation, Ltd.	Government – related party
Chunghwa Post Co., Ltd.	Government – related party
Agricultural Bank of Taiwan	Government – related party
Taipei Exchange	Government – related party

(continued)

<u>Related Party Name</u>	<u>Relationship with the Group</u>
First Commercial Bank	Government – related party
Mega International Commercial Bank Co., Ltd.	Government – related party
Chung Kuo Insurance Group, Limited	Government – related party
Mega Bills Finance Co., Ltd.	Government – related party
Bank of Taiwan	Government – related party
Bank Taiwan Securities Co., Ltd.	Government – related party
Land Bank of Taiwan	Government – related party
The Export-Import Bank of the Republic of China	Government – related party
Taiwan Cooperative Bank Co., Ltd.	Government – related party
Taiwan Cooperative Bills Finance Co., Ltd.	Government – related party
Taiwan Business Bank Co., Ltd.	Government – related party
Chang Hwa Bank Ltd.	Government – related party
Taiwan Power Group	Government – related party
Taiwan Water Corporation	Government – related party
China Steel Corporation	Government – related party
CPC Corporation, Taiwan	Government – related party
CSBC Corporation, Taiwan	Government – related party
Hua Nan Commercial Bank, Ltd.	Government – related party
Taiwan Stock Exchange Corporation	Government – related party
South China Insurance Co., Ltd.	Government – related party
First Financial Holding Co., Ltd.	Government – related party
Entrust Securities Co., Ltd.	Government – related party
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
Yang Ming Cultural Foundation	Other related party

(concluded)

b. Operating transaction

Line Item	Related Party Category/ Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2021	2020	2021	2020
Operating revenue	Associates	\$ 60,527	\$ 59,488	\$ 181,789	\$ 162,975

Line Item	Related Party Category/ Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2021	2020	2021	2020
	Joint ventures	660	818	1,887	1,870
	Government – related parties	48,793	74,986	183,863	252,402
		<u>\$ 109,980</u>	<u>\$ 135,292</u>	<u>\$ 367,539</u>	<u>\$ 417,247</u>
Operating cost	Associates	\$ 531,908	\$ 929,646	\$ 1,622,579	\$ 2,093,100
	Joint ventures	29,026	21,608	77,337	52,027
	Government – related parties	21,735	23,798	92,850	148,330
	Investors that have significant influence over the subsidiaries	86,481	81,475	253,109	256,852
		<u>\$ 669,150</u>	<u>\$ 1,056,527</u>	<u>\$ 2,045,875</u>	<u>\$ 2,550,309</u>
Operating expenses	Joint ventures	\$ 17,096	\$ 38,185	\$ 31,878	\$ 64,000
	Government – related parties	14,754	8,940	29,958	24,153
	Investors that have significant influence over the subsidiaries	50	220	288	580
	Other related parties	1,692	5,466	14,507	13,606
		<u>\$ 33,592</u>	<u>\$ 52,811</u>	<u>\$ 76,631</u>	<u>\$ 102,339</u>

The Group's transactions with related parties were conducted under contract terms.

c. Bank deposits

Bank deposits on reporting period (including financial assets at amortized cost and pledged time deposits as of September 30, 2021, December 31, 2020 and September 30, 2020) were as follows:

Related Party Category/ Name	September 30, 2021	December 31, 2020	September 30, 2020
Government – related parties			
Land Bank of Taiwan	\$ 10,834,031	\$ 4,984,106	\$ 2,002,472
Taiwan Cooperative Bank Co., Ltd.	14,413,126	1,116,310	407,175
Others	27,658,265	2,873,663	1,053,189
	<u>\$ 52,905,422</u>	<u>\$ 8,974,079</u>	<u>\$ 3,462,836</u>

d. Contract assets

Line Item	Related Party Category/Name	September 30, 2021	December 31, 2020	September 30, 2020
Contract assets	Associates	<u>\$ 159,955</u>	<u>\$ 94,760</u>	<u>\$ 56,419</u>

For the nine months ended September 30, 2021 and 2020, no impairment losses were recognized for contract assets from related parties.

e. Contract liabilities

Line Item	Related Party Category/Name	September 30, 2021	December 31, 2020	September 30, 2020
Contract liabilities	Government – related parties	\$ —	\$ 491	\$ 1,005

f. Receivables and payables from related parties

Line Item	Related Party Category/Name	September 30, 2021	December 31, 2020	September 30, 2020
Notes receivable	Investors that have significant influence over the subsidiaries	\$ —	\$ 3	\$ —
Trade receivables	Associates	\$ 324,395	\$ 172,632	\$ 234,983
	Joint ventures	1,645	901	808
	Government – related parties	—	290	90
		<u>\$ 326,040</u>	<u>\$ 173,823</u>	<u>\$ 235,881</u>
Other receivables (included in other current assets)	Associates	\$ 15,798	\$ 17,935	\$ 18,147
	Government – related parties	26,192	21,308	17,017
	Other related parties	4,844	2,753	—
		<u>\$ 46,834</u>	<u>\$ 41,996</u>	<u>\$ 35,164</u>
Trade payables	Associates	\$ 245,484	\$ 327,318	\$ 392,917
	Joint ventures	4,295	6,742	4,736
	Government – related parties	—	3,393	24,182
	Investors that have significant influence over the subsidiaries	92,908	87,935	83,936
		<u>\$ 342,687</u>	<u>\$ 425,388</u>	<u>\$ 505,771</u>
Other payables	Associates	\$ 21,179	\$ 44,480	\$ 41,884
	Joint ventures	624	772	—
	Government – related parties			
	CSBC Corporation, Taiwan	728,298	—	1,124
	Others	59,200	30,666	152,475
		<u>787,498</u>	<u>30,666</u>	<u>153,599</u>
	Investors that have significant influence over the subsidiaries	9	—	—
		<u>\$ 809,310</u>	<u>\$ 75,918</u>	<u>\$ 195,483</u>

For the nine months ended September 30, 2021 and 2020, no impairment losses were recognized for notes receivable, trade receivables and other receivables from related parties.

g. Financial assets at amortized cost

Repurchase agreements on reporting period (including repurchase agreements under cash and cash equivalents as of September 30, 2021, December 31, 2020 and September 30, 2020) were as follows:

Related Party Category/ Name	September 30, 2021	December 31, 2020	September 30, 2020
Government – related parties	\$ 139,250	\$ 391,181	\$ 146,449

h. Prepayments

Line Item	Related Party Category/ Name	September 30, 2021	December 31, 2020	September 30, 2020
Prepayments to shipping agents	Associates			
	Yang Ming (Australia) Pty. Ltd.	\$ 23,363	\$ —	\$ —
	Yang Ming (Egypt) S.A.E.	42,360	87,393	—
		<u>\$ 65,723</u>	<u>\$ 87,393</u>	<u>\$ —</u>
Prepayments	Associates	\$ 754	\$ 771	\$ 788
	Government – related parties	—	2,564	869
		<u>\$ 754</u>	<u>\$ 3,335</u>	<u>\$ 1,657</u>
Prepayments for equipment	Government – related parties	<u>\$ 195</u>	<u>\$ 480</u>	<u>\$ 480</u>

i. Lease arrangements

Line Item	Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2021	2020	2021	2020
Right-of-use assets	Associates	\$ —	\$ 4,624	\$ —	\$ 4,624
	Government – related parties	—	706,232	16,386	706,232
	Investors that have significant influence over the subsidiaries	—	603	—	603
		<u>\$ —</u>	<u>\$ 711,459</u>	<u>\$ 16,386</u>	<u>\$ 711,459</u>

Line Item	Related Party Category/Name	September 30, 2021	December 31, 2020	September 30, 2020
Lease liabilities	Associates	\$ 2,815	\$ 3,726	\$ 3,726
	Government – related parties	1,056,604	1,154,176	1,211,130
	Investors that have significant influence over the subsidiaries	9,510	13,541	10,056
		<u>\$ 1,068,929</u>	<u>\$ 1,171,443</u>	<u>\$ 1,224,912</u>

Line Item	Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2021	2020	2021	2020
Interest expense	Associates	\$ —	\$ 55	\$ 41	\$ 55
	Government – related parties	4,315	2,154	12,814	6,890
	Investors that have significant influence over the subsidiaries	212	194	726	812
		<u>\$ 4,527</u>	<u>\$ 2,403</u>	<u>\$ 13,581</u>	<u>\$ 7,757</u>

The Group's lease agreements with related parties were conducted under contract terms.

j. Bonds payable

Related Party Category/Name	September 30, 2021	December 31, 2020	September 30, 2020
Government – related parties			
Taiwan Cooperative Bank Co., Ltd.	\$ 1,800,000	\$ 1,700,000	\$ 1,700,000
Hua Nan Commercial Bank, Ltd.	1,200,000	500,000	500,000
Others	900,000	1,980,000	3,280,000
	<u>\$ 3,900,000</u>	<u>\$ 4,180,000</u>	<u>\$ 5,480,000</u>

Note: Original investment amount of domestic bonds.

k. Loans from related parties

Line Item	Related Party Category/Name	September 30, 2021	December 31, 2020	September 30, 2020
Short-term borrowings	Government – related parties			
	Land Bank of Taiwan	\$ 310,000	\$ 300,000	\$ 300,000
	Others	120,000	370,880	399,600
		<u>\$ 430,000</u>	<u>\$ 670,880</u>	<u>\$ 699,600</u>

Short-term bills payable	Government – related parties
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Line Item	Related Party Category/Name	September 30, 2021	December 31, 2020	September 30, 2020
	Mega Bills Finance Co., Ltd.	\$ 337,128	\$ 2,191,201	\$ 2,195,896
Long-term borrowings	Government – related parties			
Secured borrowings	Mega International Commercial Bank Co., Ltd.	\$ 2,139,928	\$ 2,757,237	\$ 2,961,582
	Taiwan Cooperative Bank Co., Ltd.	2,647,569	3,271,691	3,545,543
	Others	7,797,184	9,168,920	8,961,489
		<u>\$ 12,584,681</u>	<u>\$ 15,197,848</u>	<u>\$ 15,468,614</u>
Unsecured borrowings	Government – related parties	\$ 2,913,000	\$ 13,743,344	\$ 14,751,516
Commercial papers	Government – related parties	\$ —	\$ 1,498,745	\$ 1,498,250

l. Others

Line Item	Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2021	2020	2021	2020
Rental income	Associates	\$ 34	\$ 28	\$ 103	\$ 85
	Other related parties	477	357	1,667	1,786
		<u>\$ 511</u>	<u>\$ 385</u>	<u>\$ 1,770</u>	<u>\$ 1,871</u>
Interest income	Government – related parties	\$ 16,321	\$ 2,328	\$ 25,447	\$ 13,126
Finance cost	Government – related parties	\$ 97,616	\$ 156,669	\$ 324,016	\$ 498,733

The Group's transactions with related parties were conducted under contract terms.

m. Property

The Group acquired shipbuilding transactions from government-related parties. For the three months ended September 30, 2021 and 2020 and for the nine months ended September 30, 2021 and 2020, the amounts were \$0 thousand, \$2,420,053 thousand, \$3,549,817 thousand and \$4,854,917 thousand, respectively and included in Property, Plant and Equipment.

n. Remuneration of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2021	2020	2021	2020
Short-term employee benefits	\$ 45,187	\$ 7,915	\$ 94,475	\$ 27,655
Post-employment benefits	560	552	1,680	1,656
	<u>\$ 45,747</u>	<u>\$ 8,467</u>	<u>\$ 96,155</u>	<u>\$ 29,311</u>

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

36. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collaterals for syndicated bank loans, long-term bank loans, bonds and credit lines:

	September 30, 2021	December 31, 2020	September 30, 2020
Deposit of stand-by letter of credit (included in financial assets at amortized cost)	\$ —	\$ —	\$ 2,500,447
Pledged time deposits (included in financial assets at amortized cost)	58,969	271,779	295,873
Property, plant and equipment, net	26,865,722	45,751,447	46,263,461
Investment properties, net	4,698,219	4,698,219	4,795,387
	<u>\$ 31,622,910</u>	<u>\$ 50,721,445</u>	<u>\$ 53,855,168</u>

37. COMMITMENTS AND CONTINGENT LIABILITY

In addition to those mentioned in Table B, Notes 16 and 19, commitments and contingent liabilities on reporting periods were as follows:

- Kuang Ming Shipping Corp. signed a contract, “operating commission”, with Taiwan Power Group, Ltd. since January 2017 and the contract term is five years. Kuang Ming Shipping Corp. is responsible for managing and operating vessels owned by Taiwan Power Group.
- The Group signed ship lease contracts with other companies in 2018, contracts that are effective beginning either in 2020 with lease periods ranging from 10 to 12 years. As of September 30, 2021, December 31, 2020 and September 30, 2020, rentals for contracts that were yet in effect were respectively estimated from US\$760,000 thousand to US\$916,000 thousand, from US\$1,206,000 thousand to US\$1,454,000 thousand and from US\$1,206,000 thousand to US\$1,454,000 thousand.
- The Group’s shipping and port business were secured by the letter of guarantee issued by a bank for \$504,885 thousand, \$556,034 thousand and \$597,519 thousand as of September 30, 2021, December 31, 2020 and September 30, 2020, respectively.

- d. The Group signed shipbuilding contracts with government - related parties. As of September 30, 2021, December 31, 2020 and September 30, 2020, unpaid amounts for these contracts were \$340,904 thousand and US\$11,064 thousand, \$1,477,251 thousand and US\$47,944 thousand and \$2,215,876 thousand and US\$71,916 thousand, respectively.
- e. The Group signed container building contracts with other companies. As of September 30, 2021, prepayments for equipment for these contracts amounted to US\$12,338 thousand, and unpaid amounts for these contracts were US\$75,771 thousand.

38. OTHER ITEMS

The Company did not consider COVID-19 pandemic posing significant impact on the business scale and financial situation of the Group, since both containers and bulk shipping markets have been obviously recovering in the second half of the year 2020 with the accelerating recovery of global economic in the third season of the year 2021.

39. 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:

	September 30, 2021			
	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 2,260,360	27.8500	(USD : NTD)	\$ 62,951,014
GBP	70	1.3438	(GBP : USD)	2,634
CNY	274,161	4.3095	(CNY : NTD)	1,181,509
USD	12,417	8.8829	(USD : TRY)	345,815
EUR	179,994	32.3185	(EUR : NTD)	5,817,151
GBP	25,489	37.4234	(GBP : NTD)	953,883
HKD	81,662	3.5762	(HKD : NTD)	292,042
JPY	5,169,486	0.2489	(JPY : NTD)	1,286,769
USD	32,504	6.4624	(USD : CNY)	905,241
CAD	13,857	21.8938	(CAD : NTD)	303,371
<u>Non-monetary items</u>				
Investments accounted for using the equity method				
USD	75,142	27.8500	(USD : NTD)	2,092,713
AUD	1,389	20.0617	(AUD : NTD)	27,863

September 30, 2021

	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount
AED	\$ 5,541	7.5824	(AED : NTD)	\$ 42,015
INR	52,975	0.3751	(INR : NTD)	19,871
CNY	101,477	4.3095	(CNY : NTD)	437,313
IDR	2,736,842	0.0019	(IDR : NTD)	5,200
VND	5,577,500	0.0012	(VND : NTD)	6,693
EGP	22,623	1.7728	(EGP : NTD)	40,106
MYR	440	6.6527	(MYR : NTD)	2,925
Financial asset at FVTPL				
USD	14	27.8500	(USD : NTD)	384

Financial liabilities

Monetary items

USD	2,735,112	27.8500	(USD : NTD)	76,172,862
CNY	147,516	4.3095	(CNY : NTD)	635,725
EUR	31,609	32.3185	(EUR : NTD)	1,021,545
USD	4,112	8.8829	(USD : TRY)	114,516
JPY	1,714,283	0.2489	(JPY : NTD)	426,713
GBP	13,132	37.4234	(GBP : NTD)	491,434
USD	25,642	6.4624	(USD : CNY)	714,131
HKD	144,657	3.5762	(HKD : NTD)	517,330
CAD	9,601	21.8938	(CAD : NTD)	210,210

December 31, 2020

	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 401,382	28.4800	(USD : NTD)	\$ 11,431,351
CNY	264,225	4.3548	(CNY : NTD)	1,150,649
USD	20,166	7.3892	(USD : TRY)	574,321
EUR	32,134	35.0033	(EUR : NTD)	1,124,789
GBP	5,232	38.8781	(GBP : NTD)	203,394
HKD	186,284	3.6740	(HKD : NTD)	684,406
JPY	1,643,278	0.2761	(JPY : NTD)	453,648
USD	13,596	6.5399	(USD : CNY)	387,227
CAD	2,720	22.3451	(CAD : NTD)	60,772

December 31, 2020

	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount
<u>Non-monetary items</u>				
Investments accounted for using the equity method				
USD	\$ 49,825	28.4800	(USD : NTD)	\$ 1,419,013
AUD	1,091	21.9396	(AUD : NTD)	23,938
AED	5,625	7.7539	(AED : NTD)	43,616
INR	48,450	0.3898	(INR : NTD)	18,886
GBP	219	38.8781	(GBP : NTD)	8,513
CNY	99,644	4.3548	(CNY : NTD)	433,929
IDR	2,707,000	0.0020	(IDR : NTD)	5,414
VND	865,833	0.0012	(VND : NTD)	1,039
EGP	27,151	1.8110	(EGP : NTD)	49,170
MYR	244	7.0881	(MYR : NTD)	1,733
Financial asset at FVTPL				
USD	1,594	28.4800	(USD : NTD)	45,408
CNY	2,565	4.3548	(CNY : NTD)	11,173
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	2,298,838	28.4800	(USD : NTD)	65,470,914
CNY	164,801	4.3548	(CNY : NTD)	717,677
EUR	29,325	35.0033	(EUR : NTD)	1,026,461
USD	5,542	7.3892	(USD : TRY)	157,834
JPY	1,848,196	0.2761	(JPY : NTD)	510,218
GBP	3,754	38.8781	(GBP : NTD)	145,941
USD	14,041	6.5399	(HKD : NTD)	399,880
HKD	870	3.6740	(CAD : NTD)	3,197
CAD	7,548	22.3451	(USD : CNY)	168,670

September 30, 2020

	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 360,141	29.1000	(USD : NTD)	\$ 10,480,108
GBP	67,192	1.2829	(GBP : USD)	2,508,421

September 30, 2020

	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount
CNY	\$ 197,083	4.2724	(CNY : NTD)	\$ 842,017
USD	19,696	7.7923	(USD : TRY)	573,139
EUR	25,818	34.1212	(EUR : NTD)	880,929
GBP	5,330	37.3324	(GBP : NTD)	198,964
HKD	118,025	3.7548	(HKD : NTD)	443,163
JPY	1,560,679	0.2755	(JPY : NTD)	429,890
USD	7,347	6.8112	(USD : CNY)	213,785
CAD	4,429	21.7205	(CAD : NTD)	96,208
 <u>Non-monetary items</u>				
Investments accounted for using the equity method				
USD	46,390	29.1000	(USD : NTD)	1,349,937
AUD	959	20.7294	(AUD : NTD)	19,872
AED	5,234	7.9229	(AED : NTD)	41,465
INR	41,952	0.3944	(INR : NTD)	16,546
GBP	142	37.3324	(GBP : NTD)	5,295
CNY	101,437	4.2724	(CNY : NTD)	433,379
IDR	2,950,000	0.0019	(IDR : NTD)	5,605
VND	893,077	0.0013	(VND : NTD)	1,161
EGP	22,956	1.8441	(EGP : NTD)	42,334
MYR	221	7.0032	(MYR : NTD)	1,551
Financial asset at FVTPL				
USD	1,507	29.1000	(USD : NTD)	43,854
CNY	3,400	4.2724	(CNY : NTD)	14,525
 <u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	2,282,125	29.1000	(USD : NTD)	66,409,836
GBP	56,563	1.2829	(GBP : USD)	21,111,646
CNY	153,432	4.2724	(CNY : NTD)	655,523
EUR	23,625	34.1212	(EUR : NTD)	806,122
USD	5,633	7.7923	(USD : TRY)	163,932
JPY	1,819,275	0.2755	(JPY : NTD)	501,121
GBP	3,677	37.3324	(GBP : NTD)	137,264
HKD	104,696	3.7548	(HKD : NTD)	393,115

September 30, 2020

	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount
CAD	\$ 7,373	21.7205	(CAD : NTD)	\$ 160,156
USD	8,169	6.8112	(USD : CNY)	237,727

For the three months ended September 30, 2021 and 2020 and for the nine months ended September 30, 2021 and 2020, realized and unrealized net foreign exchange (losses) and gains were \$206,833 thousand, \$186,601 thousand, \$231,368 thousand and \$683,835 thousand, respectively. It is impractical to disclose net foreign exchange loss or gains by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group.

40. SEPARATELY DISCLOSED ITEMS

- a. Information about significant transactions and investees
 - 1) Financing provided to others: See Table A attached;
 - 2) Endorsement/guarantee provided: See Table B attached;
 - 3) Marketable securities held: See Table C attached;
 - 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: See Table D attached;
 - 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None;
 - 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None;
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None;
 - 8) Receivable from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: See Table E attached;
 - 9) Trading in derivative instruments: See Note 7;
 - 10) Intercompany relationships and significant intercompany transactions: See Table F attached;
 - 11) Information on investees: See Table G attached;
- b. Information on investments in mainland China
 - 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: See Table H attached;

- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: See Table F attached;
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.
- c. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: See Table I attached.

41. 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:

- a. The segments have similar long-term gross profit;
- b. The methods used to provide the segments' services are similar; and
- c. 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 Nine Months Ended September 30, 2021				
	Containership Department	Bulk Shipping Department	Other Departments	Adjustment and Eliminations	Combined
Operating revenue					
Sales to customers	\$ 218,686,267	\$ 2,394,968	\$ 9,924,910	\$ —	\$ 231,006,145
Intercompany sales	4,673,951	—	1,032,638	(5,706,589)	—
Total revenue	<u>\$ 223,360,218</u>	<u>\$ 2,394,968</u>	<u>\$ 10,957,548</u>	<u>\$ (5,706,589)</u>	<u>\$ 231,006,145</u>
Segment operating income (loss)	<u>\$ 132,864,893</u>	<u>\$ 1,015,179</u>	<u>\$ 488,939</u>	<u>\$ 95,714</u>	\$ 134,464,725
Administration cost					(630,612)
Other operating income and expenses					124,639
Interest income					141,980
Other income					73,327
Other gains and losses					220,974
Financial costs					(1,973,423)
Share of profit of associates and joint ventures					1,122,228
Profit before income tax					<u>\$ 133,543,838</u>

	For the Nine Months Ended September 30, 2020				
	Containership Department	Bulk Shipping Department	Other Departments	Adjustment and Eliminations	Combined
Operating revenue					
Sales to customers	\$ 99,384,003	\$ 1,673,419	\$ 4,189,647	\$ —	\$ 105,247,069
Intercompany sales	1,276,660	—	1,048,080	(2,324,740)	—
Total revenue	<u>\$ 100,660,663</u>	<u>\$ 1,673,419</u>	<u>\$ 5,237,727</u>	<u>\$ (2,324,740)</u>	<u>\$ 105,247,069</u>
Segment operating income (loss)	<u>\$ 5,553,727</u>	<u>\$ (797,372)</u>	<u>\$ 125,655</u>	<u>\$ 91,874</u>	\$ 4,973,884
Administration cost					(245,748)
Other operating income and expenses					273,061
Interest income					108,338
Other income					123,537
Other gains and losses					631,753
Financial costs					(2,792,917)
Share of profit of associates and joint ventures					95,394
Profit before income tax					<u>\$ 3,167,302</u>

Segment profit represented the profit before tax earned by each segment without allocation of central administration costs and directors' salaries, other operating income and expenses, interest income, other income, other gains and losses, financial costs, share of profit or loss of associates and joint ventures and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Segment assets and liabilities

Because reportable segments do not regularly report measures to the chief operating decision maker, the measure of segment assets is zero.

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES
FINANCING PROVIDED TO OTHERS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

TABLE A

Unit : In Thousands of New Taiwan Dollars,
Unless Stated Otherwise

No.	Lender	Borrower	Financial Statement Account	Related 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	\$ 2,864,353	\$ 1,380,434	\$ 1,380,435	0.9737%~2.9949%	1	\$ —	-	\$ —	-	\$ —	\$ 71,402,745	\$ 89,253,432
1	Yang Ming Line (Singapore) Pte Ltd	Kuang Ming (Liberia) Corp.	Other receivables	Y	181,025 (USD 6,500 thousand)	181,025 (USD 6,500 thousand)	181,025 (USD 6,500 thousand)	1.8344%	2	—	Obtain working capital	—	-	—	1,925,288	5,775,865
		All Oceans Transportation Inc.	Other receivables	Y	278,500 (USD 10,000 thousand)	278,500 (USD 10,000 thousand)	278,500 (USD 10,000 thousand)	1.2451%	2	—	Obtain working capital	—	-	—	9,626,443	9,626,443
		Yang Ming (France) SAS	Other receivables	Y	10,239 (EUR 317 thousand)	10,239 (EUR 317 thousand)	10,239 (EUR 317 thousand)	1.7000%	2	—	Obtain working capital	—	-	—	1,925,288	5,775,865
		Yang Ming Line (Thailand) Co., Ltd.	Other receivables	Y	12,672 (THB 15,400 thousand)	10,697 (THB 13,000 thousand)	10,697 (THB 13,000 thousand)	2.4513%	2	—	Obtain working capital	—	-	—	1,925,288	5,775,865
		Yang Ming Line (Hong Kong) Ltd.	Other receivables	Y	82,158 (USD 2,950 thousand)	82,158 (USD 2,950 thousand)	82,158 (USD 2,950 thousand)	1.3359%	2	—	Obtain working capital	—	-	—	9,626,443	9,626,443
2	Kuang Ming Shipping Corp.	Kuang Ming (Liberia) Corp.	Other receivables	Y	69,625 (USD 2,500 thousand)	69,625 (USD 2,500 thousand)	— (USD 2,500 thousand)	—	2	—	Obtain working capital	—	-	—	180,028	540,084
3	YES Logistics Corp.	Yes Logistics Europe GmbH	Other receivables	Y	36,079 (EUR 1,116 thousand)	36,079 (EUR 1,116 thousand)	36,079 (EUR 1,116 thousand)	1.7000%~1.8500%	1	27,375	-	—	-	—	65,962	756,806
		Yes Logistics Europe GmbH	Other receivables	Y	54,941 (EUR 1,700 thousand)	48,478 (EUR 1,500 thousand)	48,478 (EUR 1,500 thousand)	0.6000%	2	—	Obtain working capital	—	-	—	75,680	151,361
		Yes Logistics (Shanghai) Corp.	Other receivables	Y	121,043 (USD 3,000 thousand and CNY 8,700 thousand)	121,043 (USD 3,000 thousand and CNY 8,700 thousand)	121,043 (USD 3,000 thousand and CNY 8,700 thousand)	2.7800%~3.0000%	1	271,907	-	—	-	—	227,041	756,806
		Yes Logistics Benelux B.V.	Other receivables	Y	3,393 (EUR 105 thousand)	808 (EUR 25 thousand)	808 (EUR 25 thousand)	1.7500%	1	58,225	-	—	-	—	133,588	756,806
		YES MLC GmbH	Other receivables	Y	38,782 (EUR 1,200 thousand)	38,782 (EUR 1,200 thousand)	38,782 (EUR 1,200 thousand)	0.6000%	2	—	Obtain working capital	—	-	—	75,680	151,361
4	Yang Ming Line Holding Co.	Kuang Ming (Liberia) Corp.	Other receivables	Y	181,025 (USD 6,500 thousand)	181,025 (USD 6,500 thousand)	181,025 (USD 6,500 thousand)	1.8373%	2	—	Obtain working capital	—	-	—	284,977	854,932
		Yang Ming (America) Corp.	Other receivables	Y	278,500 (USD 10,000 thousand)	225,585 (USD 8,100 thousand)	225,585 (USD 8,100 thousand)	0.7060%	2	—	Obtain working capital	—	-	—	1,424,888	1,424,888

Notes:

- A. Nature of financing:
1. The Company has transactions with the borrower.
2. The borrower needs short-term financing.
- B. 1. Yang Ming Marine Transport Corporation: The maximum financing amount is 60% of the net assets of the Company. For borrowers with transactions with the Company, maximum financing is 50% of the net assets of the Company. For the borrower with transactions with the Company, maximum financing is the lower of 15% of the net assets of the Company or the total amount of transactions between the Company and the borrower in the last two years. For a borrower that is a subsidiary of the Company, maximum financing is the lower of 40% of the latest net assets audited or reviewed by CPA of the Company or the total amount of transactions between the Company and the subsidiary in the last five years. For borrowers with short-term financing need, the maximum is 10% of the net assets of the Company. For the borrower needing short-term financing, maximum financing is 5% of the net assets of the Company.
2. Yang Ming Line (Singapore) Pte. Ltd.: The maximum financing amount is 50% of the net assets of the lender. For borrowers with transactions with the lender, maximum financing is 50% of the net assets of the lender. For the borrower with transactions with the lender, maximum financing is the lower of 25% of the net assets of the lender or the total amount of transactions between the lender and the borrower in the last five years. For borrowers with short-term financing need, the maximum is 30% of the net assets of the lender. For the borrower needing short-term financing, 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. For borrowers with transactions with the lender, maximum financing is 30% of the net assets of the lender. For the borrower with transactions with the lender, maximum financing is the lower of 15% of the net assets of the lender or the total amount of transactions between the lender and the borrower in the last two years. For subsidiaries with transactions with the lender, maximum financing is 30% of the latest net assets. For borrowers with short-term financing need, the maximum is 30% of the net assets of the lender. For the borrower needing short-term financing maximum financing is 10% of the net assets of the lender.
4. Yes Logistics Corp.: The maximum financing amount is the 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 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.
5. Yang Ming Line Holding Co.: The maximum financing amount is 80% of the net assets of the lender. For borrowers with transactions with the lender, maximum financing is 50% of the net assets of the lender. For the borrower with transactions with the lender, maximum financing is the lower of 25% of the net assets of the lender or the total amount of transactions between the lender and the borrower in the last five years. For borrowers with short-term financing need, the maximum is 30% of the net assets of the lender. For the borrower needing short-term financing, 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.
- C. United States dollars, Thai Baht, Euros and Chinese Yuan translated into New Taiwan dollars at the exchange rates of US\$1=NT\$27.85, THB1= NT\$0.8229, EUR1= NT\$32.3185 and CNY1= NT\$4.3095 as of September 30, 2021.
- D. Except for Yang Ming Line (B.V. I.) Holding Co., Ltd., All Oceans Transportation Inc., Yang Ming (UK) Ltd. and Yangming Shipping (Singapore) Pte. Ltd., others were based on the investees' financial statements which have not been reviewed.

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES
ENDORSEMENT/GUARANTEE PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

TABLE B

Unit : In Thousands of New Taiwan Dollars,
Unless Stated Otherwise

No.	Endorser/Guarantor	Endorser/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note A)	Maximum Amount Endorsed/ Guaranteed During the Period (Note B)	Outstanding Endorsement/Guarantee at the End of the Period (Note B)	Actual Borrowing Amount (Note B)	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note A)	Endorsement /Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement /Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement /Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	Yang Ming Marine Transport Corporation	All Oceans Transportation Inc.	Subsidiary	\$ 285,610,983	\$ 2,272,588	\$ 1,609,236	\$ 1,609,236	\$ —	0.90%	\$ 535,520,594	Y	N	N
		Kuang Ming Shipping Corp.	Subsidiary	285,610,983	(USD 81,601 thousand) 6,354,541	(USD 57,782 thousand) 5,824,541	(USD 57,782 thousand) 4,175,675	—	3.26%	535,520,594	Y	N	N
		Kuang Ming (Liberia) Corp.	Subsidiary	285,610,983	(USD 78,260 thousand and NTD 4,175,000 thousand) 1,740,969	(USD 78,260 thousand and NTD 3,645,000 thousand) 684,882	(USD 60,742 thousand and NTD 2,484,000 thousand) 488,261	—	0.38%	535,520,594	Y	N	N
		Yang Ming (America) Corp.	Subsidiary	285,610,983	(USD 62,512 thousand) 222,800	(USD 24,592 thousand) 83,550	(USD 17,532 thousand) —	—	0.05%	535,520,594	Y	N	N
1	Yang Ming Line Holding Co.	West Basin Container Terminal LLC	Investments in associates	1,188,794	123,895	123,895	54,121	—	0.07%	1,485,993	N	N	N
		United Terminal Leasing LLC	Investments in associates	1,188,794	(USD 4,449 thousand) 49,159	(USD 4,449 thousand) 49,159	(USD 1,943 thousand) 20,138	—	0.03%	1,485,993	N	N	N
2	All Oceans Transportation Inc.	Yang Ming Marine Transport Corporation	Parent	31,438,469	(USD 1,765 thousand) 6,874,688	(USD 1,765 thousand) 5,168,250	(USD 723 thousand) 5,168,250	5,168,250 (Note C)	2.90%	36,678,214	N	Y	N
3	Kuang Ming Shipping Corp.	Kuang Ming (Liberia) Corp.	Subsidiary	25,062,153	779,800	779,800	502,069	—	0.44%	31,327,691	N	N	N
4	Yang Ming Line (Singapore) Pte Ltd	Yang Ming Line (M) Sdn. Bhd.	Subsidiary	7,704,243	(USD 28,000 thousand) 26,611	(USD 28,000 thousand) 26,611	(USD 18,028 thousand) 9,751	—	0.01%	9,630,304	N	N	N
5	Karlman Properties Limited	Yang Ming Marine Transport Corporation	Parent	307,005	(MYR 4,000 thousand) 201,500	(MYR 4,000 thousand) —	(MYR 1,466 thousand) —	—	—	383,757	N	Y	N

Notes:

- A. 1. Represents 300% of the latest net assets audited or reviewed by CPA of Yang Ming Marine Transport Corporation (the "Corporation"). Represents 160% of the amount as aforementioned.
2. Represents 400% of the latest net assets audited or reviewed by CPA of the Company and subsidiaries. Represents 180% of the amount as aforementioned.
3. Represents 50% of assets of Yang Ming Line Holding Co. Represents 80% of the amount as aforementioned.
4. Represents 700% of asset of All Oceans Transportation, Inc. Represents 600% of the amount as aforementioned.
5. Represents 400% of asset of Kuang Ming Shipping Corp. Represents 320% of the amount as aforementioned.
6. Represents 50% of asset of Yang Ming Line (Singapore) Pte. Ltd. Represents 40% of the amount as aforementioned.
7. Represents 500% of assets of Karlman Properties Limited. Represents 400% of the amount as aforementioned.

B. United States dollars and Malaysian ringgit translated into New Taiwan dollars at the exchange rates of US\$1=\$27.85 and MYR\$1=6.6527 as of September 30, 2021.

C. Represents 8 ships used as guarantees, with carrying value of \$9,924,093 thousand as of September 30, 2021.

D. Except for Yang Ming Line (B.V. I.) Holding Co., Ltd., All Oceans Transportation Inc., Yang Ming (UK) Ltd. and Yangming Shipping (Singapore) Pte. Ltd., others were based on the investees' financial statements which have not been reviewed.

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES
MARKETABLE SECURITIES HELD
SEPTEMBER 30, 2021

TABLE C

Unit : 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	September 30, 2021				Note
				Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Yang Ming Marine Transport Corporation	<u>Domestic unlisted shares</u>							
	Taipei Port Container Terminal Co., Ltd.	-	Financial assets at FVTOCI - non-current	51,000,000	\$ 487,234	9.81	\$ 487,234	
	United Stevedoring Corp.	-	Financial assets at FVTOCI - non-current	500,000	5,410	10.00	5,410	
	<u>Mutual funds</u>							
	Hua Nan Sele Inc Multi-Asset Fd MD TWD	-	Financial assets at FVTPL - current	355,849	5,697	—	5,697	
Ching Ming Investment Corp.	<u>Corporate bonds</u>							
	Domestic privately placed unsecured bonds – Kuang Ming Shipping Corp.	Subsidiary	Financial assets at amortized cost - non-current	—	600,000	—	600,000	
	<u>Domestic unlisted shares</u>							
	Pro-Ascentek Investment Corporation	-	Financial assets at FVTOCI - non-current	2,000,000	11,893	1.67	11,893	
	<u>Domestic limited partnership</u>							
Taiwania Capital Buffalo Fund V, LP.	-	Financial assets at FVTPL - non-current	—	15,097	3.30	15,097		
YES Logistics Corp.	<u>Domestic listed shares</u>							
	Mega Diamond Money Market Fund	-	Financial assets at FVTPL - current	6,314,327	80,014	—	80,014	
	<u>Corporate bonds</u>							
	Cathy Life Insurance, 3% perp., TWD	-	Financial assets at amortized cost - current	20,000	20,000	—	20,000	
	<u>Domestic unlisted shares</u>							
United Raw Material Solutions Inc./URMS	-	Financial assets at FVTOCI - non-current	319,751	2,264	2.76	2,264		

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES
MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NTS300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

TABLE D

Unit : In Thousands of New Taiwan Dollars

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Change of Investment Accounted for Using the Equity Method	Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying Amount	Gain (Loss) on Disposal		Shares	Amount
Yang Ming Marine Transport Corporation	Mutual funds Jih Sun Money Market Fund	Financial assets at FVTPL - current	—	—	70,245,928	\$ 1,050,000	—	\$ —	70,245,928	\$ 1,050,454	\$ 1,050,000	\$ 454	—	—	\$ —

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES
RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NTS100 MILLION OR 20 OF THE PAID-IN CAPITAL
SEPTEMBER 30, 2021

TABLE E

Unit : In Thousands of New Taiwan Dollars

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	\$ 1,577,415 (Note A)	—	\$ —	-	\$ —	\$ —
	Yang Ming (Belgium) N.V.	Subsidiary	105,551	—	—	-	105,551	—
	Yang Ming (Netherlands) B.V.	Subsidiary	131,386	—	—	-	131,386	—
	Yang Ming Shipping Europe GmbH	Subsidiary	272,937	—	—	-	272,937	—
	Yang Ming (Italy) S.p.A.	Subsidiary	803,213	—	—	-	726,774	—
	Yang Ming (UK) Ltd	Subsidiary	246,385	—	—	-	246,385	—
	Yang Ming (Singapore) Pte. Ltd.	Subsidiary	105,714	—	—	-	84,106	—
	Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	Subsidiary	693,070	—	—	-	693,070	—
	YES Logistics Corp.	Subsidiary	549,256 (Note B)	—	—	-	14,434	—
	Hong Ming Terminal & Stevedoring Corp.	Yang Ming Marine Transport Corporation	Parent company	116,457	—	—	-	69,463
Jing Ming Transportation Co., Ltd.	Yang Ming Marine Transport Corporation	Parent company	125,041	—	—	-	27,862	—
Yang Ming Line (Singapore) Pte Ltd	All Oceans Transportation Inc.	The same parent company	281,585 (Note A)	—	—	-	—	—
	Kuang Ming (Liberia) Corp.	The same parent company	183,543 (Note A)	—	—	-	—	—
Yang Ming (Singapore) Pte. Ltd.	Yang Ming Marine Transport Corporation	Parent company	5,914,744	—	—	-	5,698,264	—
	Yang Ming (UK) Ltd	The same parent company	130,191	—	—	-	130,191	—
	Yang Ming (Spain), S.L.	The same parent company	382,187	—	—	-	376,887	—
	Yang Ming Line (Thailand) Co., Ltd.	The same parent company	142,486	—	—	-	93,878	—
	Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	The same parent company	970,752	—	—	-	970,752	—
	Yang Ming (Australia) Pty. Ltd.	Associate	146,503	—	—	-	146,503	—
Yang Ming Anatolia Shipping Agency S.A.	Yang Ming Marine Transport Corporation	Parent company	132,683	—	—	-	132,683	—
Yang Ming Line Holding Co.	Yang Ming (America) Corp.	Subsidiary	229,857 (Note A)	—	—	-	—	—
	Kuang Ming (Liberia) Corp.	The same parent company	183,547 (Note A)	—	—	-	—	—
Yang Ming (America) Corp.	Yang Ming Marine Transport Corporation	Parent company	247,899	—	—	-	247,899	—
	Yang Ming (UK) Ltd	The same parent company	116,769	—	—	-	116,769	—
YES Logistics Corp.	Yes Logistics (Shanghai) Corp.	Subsidiary	160,720 (Note C)	—	—	-	31,352	—
Yang Ming (UK) Ltd	Yang Ming Marine Transport Corporation	Parent company	741,831	—	—	-	741,831	—
	Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	The same parent company	102,771	—	—	-	102,771	—
Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	Yang Ming Marine Transport Corporation	Parent company	190,176	—	—	-	190,176	—
	Yang Ming (Singapore) Pte. Ltd.	The same parent company	158,987	—	—	-	158,987	—
	Yes Logistics (Shanghai) Corp.	The same parent company	985,652	—	—	-	530,444	—

Notes:

- A. Interest receivable, financing provided.
- B. Finance lease receivables and other receivables.
- C. Financing provided, interest receivable, 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.

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

TABLE F

Unit : In Thousands of New Taiwan Dollars

Number (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details			
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Total Sales or Assets
0	Yang Ming Marine Transport Corporation	All Oceans Transportation Inc.	1	Right-of-use assets	\$ 22,371,309	Conducted as agreed terms	0.07
				Long-term notes receivable and trade receivables	1,577,415	Conducted as agreed terms	—
				Lease liabilities	5,000,849	Conducted as agreed terms	0.01
				Operating cost	3,223,577	Conducted as agreed terms	0.01
				Interest revenue	18,787	Conducted as agreed terms	—
				Right-of-Use Assets Sublease Benefit	4,454	Conducted as agreed terms	—
				Interest expense	63,103	Conducted as agreed terms	—
		Hong Ming Terminal & Stevedoring Corp.	1	Trade receivables	27	Conducted as agreed terms	—
				Finance lease receivables	7,073	Conducted as agreed terms	—
				Other receivables	856	Conducted as agreed terms	—
				Right-of-use assets	3,468	Conducted as agreed terms	—
				Long-term lease receivables	27,140	Conducted as agreed terms	—
				Other payables	116,457	Conducted as agreed terms	—
				Lease liabilities	3,543	Conducted as agreed terms	—
				Operating revenue	2,275	Conducted as agreed terms	—
				Operating cost	361,389	Conducted as agreed terms	—
				Marketing expense	242	Conducted as agreed terms	—
				Interest revenue	9,453	Conducted as agreed terms	—
				Rent income	707	Conducted as agreed terms	—
				Interest expense	45	Conducted as agreed terms	—
		Jing Ming Transportation Co., Ltd.	1	Lease Term Modification Loss	87,347	Conducted as agreed terms	—
				Trade receivables	92	Conducted as agreed terms	—
				Right-of-use assets	2,820	Conducted as agreed terms	—
				Other payables	125,041	Conducted as agreed terms	—
				Lease liabilities	2,929	Conducted as agreed terms	—
				Guarantee deposits received	137	Conducted as agreed terms	—
				Operating revenue	1,845	Conducted as agreed terms	—
				Operating cost	434,415	Conducted as agreed terms	—
				Rent income	588	Conducted as agreed terms	—
				Interest expense	74	Conducted as agreed terms	—
Ching Ming Investment Corp.	1	Rent income	825	Conducted as agreed terms	—		
		Interest expense	1	Conducted as agreed terms	—		

(Continued)

Number (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details			
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Total Sales or Assets
		Yang Ming Line (Hong Kong) Ltd.	1	Payables to shipping agents	\$ 58,830	Conducted as agreed terms	—
				Operating cost	124,017	Conducted as agreed terms	—
		Yang Ming Line (India) Pvt. Ltd.	1	Advances to shipping agents	32,762	Conducted as agreed terms	—
				Operating cost	21,596	Conducted as agreed terms	—
		Yang Ming (Korea) Co. Ltd.	1	Contract assets	34,802	Conducted as agreed terms	—
				Payables to shipping agents	75,032	Conducted as agreed terms	—
				Operating cost	93,460	Conducted as agreed terms	—
		Yangming (Japan) Co., Ltd.	1	Contract assets	114,218	Conducted as agreed terms	—
				Trade receivables	50,880	Conducted as agreed terms	—
				Other Current Assets	16	Conducted as agreed terms	—
				Payables to shipping agents	57,117	Conducted as agreed terms	—
				Other Current Liabilities-Others	454	Conducted as agreed terms	—
				Operating cost	115,635	Conducted as agreed terms	—
		Yang Ming (Singapore) Pte. Ltd.	1	Contract assets	58,259	Conducted as agreed terms	—
				Trade receivables	105,714	Conducted as agreed terms	—
				Contract liabilities	4,361	Conducted as agreed terms	—
				Payables to shipping agents	20,254	Conducted as agreed terms	—
				Trade payables	250,661	Conducted as agreed terms	—
				Other payables	5,643,829	Conducted as agreed terms	0.02
				Operating revenue	4,832,815	Conducted as agreed terms	0.02
				Operating cost	64,392	Conducted as agreed terms	—
		Yang Ming Line (M) Sdn. Bhd.	1	Payables to shipping agents	74,674	Conducted as agreed terms	—
				Operating cost	26,271	Conducted as agreed terms	—
		Yang Ming Shipping (Vietnam) Co., Ltd.	1	Contract assets	1,054,739	Conducted as agreed terms	—
				Trade receivables	88,858	Conducted as agreed terms	—
				Payables to shipping agents	26,646	Conducted as agreed terms	—
				Operating cost	27,091	Conducted as agreed terms	—
		Yang Ming Anatolia Shipping Agency S.A.	1	Contract assets	133,494	Conducted as agreed terms	—
				Trade receivables	94,233	Conducted as agreed terms	—
				Payables to shipping agents	132,683	Conducted as agreed terms	—
				Operating cost	139,977	Conducted as agreed terms	—
		Yang Ming Shipping Philippines, Inc.	1	Payables to shipping agents	27,617	Conducted as agreed terms	—
				Operating cost	25,093	Conducted as agreed terms	—
		Yang Ming (Latin America) Corp.	1	Payables to shipping agents	1,426	Conducted as agreed terms	—
				Operating cost	14,610	Conducted as agreed terms	—
		Yang Ming Line (Thailand) Co., Ltd.	1	Payables to shipping agents	52,901	Conducted as agreed terms	—
				Operating cost	19,799.00	Conducted as agreed terms	—

(Continued)

Number (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details			
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Total Sales or Assets
		Yang Ming Insurance Co., Ltd.	1	Prepayments	\$ 2,736.00	Conducted as agreed terms	—
				Operating cost	21,843.00	Conducted as agreed terms	—
		PY Yang Ming Shipping Indonesia	1	Advances to shipping agents	7,958.00	Conducted as agreed terms	—
				Operating cost	21,967	Conducted as agreed terms	—
		Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	1	Contract assets	963,913	Conducted as agreed terms	—
				Trade receivables	693,070	Conducted as agreed terms	—
				Payables to shipping agents	119,813	Conducted as agreed terms	—
				Trade payables	70,363	Conducted as agreed terms	—
				Operating revenue	7,161	Conducted as agreed terms	—
				Operating cost	527,196	Conducted as agreed terms	—
		Yang Ming (France) SAS	1	Contract assets	3,788	Conducted as agreed terms	—
				Trade receivables	10,121	Conducted as agreed terms	—
				Operating cost	27,382	Conducted as agreed terms	—
				Other Non-operating Expenses	1,965	Conducted as agreed terms	—
		Yang Ming (America) Corp.	1	Payables to shipping agents	247,899	Conducted as agreed terms	—
				Operating cost	779,333	Conducted as agreed terms	—
		Yang Ming (Belgium) N.V.	1	Contract assets	117,991	Conducted as agreed terms	—
				Trade receivables	105,551	Conducted as agreed terms	—
				Payables to shipping agents	13,248	Conducted as agreed terms	—
				Operating cost	25,533	Conducted as agreed terms	—
		Yang Ming (Netherlands) B.V.	1	Contract assets	241,608	Conducted as agreed terms	—
				Trade receivables	131,386	Conducted as agreed terms	—
				Payables to shipping agents	20,605	Conducted as agreed terms	—
				Operating revenue	10,075	Conducted as agreed terms	—
				Operating cost	30,651	Conducted as agreed terms	—
		Yang Ming (Italy) S.p.A.	1	Contract assets	263,638	Conducted as agreed terms	—
				Trade receivables	803,213	Conducted as agreed terms	—
				Payables to shipping agents	41,036	Conducted as agreed terms	—
				Operating cost	65,945	Conducted as agreed terms	—
		Yang Ming (UK) Ltd	1	Contract assets	150,881	Conducted as agreed terms	—
				Trade receivables	246,385	Conducted as agreed terms	—
				Prepayments	5,026	Conducted as agreed terms	—
				Payables to shipping agents	28,554	Conducted as agreed terms	—
				Trade payables	713,277	Conducted as agreed terms	—
				Operating revenue	2,127,753	Conducted as agreed terms	0.01
				Operating cost	595,920	Conducted as agreed terms	—
		Yang Ming Shipping Europe GmbH	1	Contract assets	189,603	Conducted as agreed terms	—

(Continued)

Number (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details			
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Total Sales or Assets
				Trade receivables	\$ 272,937	Conducted as agreed terms	—
				Payables to shipping agents	91,358	Conducted as agreed terms	—
				Operating cost	164,687	Conducted as agreed terms	—
		Yang Ming (Russia) LLC	1	Contract assets	6,962	Conducted as agreed terms	—
				Trade receivables	6,895	Conducted as agreed terms	—
				Payables to shipping agents	912	Conducted as agreed terms	—
				Operating cost	9,064	Conducted as agreed terms	—
		Yang Ming (Spain), S.L.	1	Contract assets	38,798	Conducted as agreed terms	—
				Trade receivables	43,401	Conducted as agreed terms	—
				Payables to shipping agents	3,929	Conducted as agreed terms	—
				Operating cost	8,815	Conducted as agreed terms	—
		Yang Ming (MEDITERRANEAN) Marine Services Single-Member Limited Liability Company	1	Payables to shipping agents	3,953	Conducted as agreed terms	—
				Operating cost	16,628	Conducted as agreed terms	—
		Kuang Ming Shipping Corp.	1	Other receivables	17,685	Conducted as agreed terms	—
				Financial assets at amortized cost - non-current	600,000	Conducted as agreed terms	—
				Right-of-use assets	1,575	Conducted as agreed terms	—
				Refundable deposits	126	Conducted as agreed terms	—
				Lease liabilities	1,600	Conducted as agreed terms	—
				Operating revenue	1,426	Conducted as agreed terms	—
				Marketing expense	526	Conducted as agreed terms	—
				Interest revenue	8,078	Conducted as agreed terms	—
				Rent income	2,020	Conducted as agreed terms	—
				Interest expense	16	Conducted as agreed terms	—
		Kuang Ming (Liberia) Corp.	1	Operating revenue	10	Conducted as agreed terms	—
		YES Logistics Corp.	1	Trade receivables	1,060	Conducted as agreed terms	—
				Finance lease receivables	37,953	Conducted as agreed terms	—
				Other receivables	89	Conducted as agreed terms	—
				Long-term lease receivables	510,154	Conducted as agreed terms	—
				Other payables	3,083	Conducted as agreed terms	—
				Operating revenue	868,014	Conducted as agreed terms	—
				Operating cost	10,782	Conducted as agreed terms	—
				Marketing expense	192	Conducted as agreed terms	—
				Interest revenue	9,920	Conducted as agreed terms	—
				Rent income	4,424	Conducted as agreed terms	—
		Yes Logistics Corp. USA	1	Other receivables	25,061	Conducted as agreed terms	—
				Trade payables	113	Conducted as agreed terms	—
				Operating revenue	269,821	Conducted as agreed terms	—

(Continued)

Number (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details			
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Total Sales or Assets
1	All Oceans Transportation Inc.	Golden Logistics USA Corporation	1	Operating cost	\$ 517	Conducted as agreed terms	—
				Trade payables	492	Conducted as agreed terms	—
		Yes Logistics (Shanghai) Corp. Yang Ming Shipping (Canada) Ltd.	1	Operating cost	2,397	Conducted as agreed terms	—
				Operating revenue	3,522,993	Conducted as agreed terms	—
		Yang Ming Line (Singapore) Pte Ltd	2	Payables to shipping agents	10,657	Conducted as agreed terms	—
				Operating cost	29,607	Conducted as agreed terms	—
				Other payables	281,585	Conducted as agreed terms	—
				Interest expense	3,113	Conducted as agreed terms	—
		Yang Ming Insurance Co., Ltd.	2	Prepayments	6,595	Conducted as agreed terms	—
				Operating cost	71,182	Conducted as agreed terms	—
2	Hong Ming Terminal & Stevedoring Corp.	Jing Ming Transportation Co., Ltd.	2	Other payables	15,804	Conducted as agreed terms	—
				Guarantee deposits received	1	Conducted as agreed terms	—
		YES Logistics Corp.	2	Operating cost	50,942	Conducted as agreed terms	—
				Other receivables	128	Conducted as agreed terms	—
3	Jing Ming Transportation Co., Ltd.	YES Logistics Corp.	2	Other payables	6,346	Conducted as agreed terms	—
				Operating revenue	1,020	Conducted as agreed terms	—
				Operating cost	24,835	Conducted as agreed terms	—
4	Yang Ming Line (Singapore) Pte Ltd	Yang Ming Line (Hong Kong) Ltd.	2	Trade receivables	1,724	Conducted as agreed terms	—
				Operating revenue	7,911	Conducted as agreed terms	—
		Yang Ming Line (Thailand) Co., Ltd.	2	Other receivables	832	Conducted as agreed terms	—
				Long-term notes receivable and trade receivables	82,158	Conducted as agreed terms	—
				Interest revenue	843	Conducted as agreed terms	—
				Other receivables	48	Conducted as agreed terms	—
		Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	2	Long-term notes receivable and trade receivables	10,697	Conducted as agreed terms	—
				Interest revenue	237	Conducted as agreed terms	—
		Yang Ming (France) SAS	2	Other payables	242	Conducted as agreed terms	—
				Guarantee deposits received	7,213	Conducted as agreed terms	—
Rent income	21,598			Conducted as agreed terms	—		
Other receivables	130			Conducted as agreed terms	—		
Kuang Ming (Liberia) Corp.	2	Long-term notes receivable and trade receivables	10,239	Conducted as agreed terms	—		
		Interest revenue	132	Conducted as agreed terms	—		
Yes Logistics (Shanghai) Corp.	2	Other receivables	183,543	Conducted as agreed terms	—		
		Interest revenue	2,539	Conducted as agreed terms	—		
		Guarantee deposits received	142	Conducted as agreed terms	—		
				Rent income	430	Conducted as agreed terms	—

(Continued)

Number (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details			
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Total Sales or Assets
5	Yang Ming Line (Hong Kong) Ltd.	Young-Carrier Company Ltd.	2	Rent income	\$ 260	Conducted as agreed terms	—
		Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	2	Rent income	881	Conducted as agreed terms	—
6	Karlman Properties Limited	Yes Logistics Company Ltd.	2	Rent income	163	Conducted as agreed terms	—
		Yang Ming Line (Hong Kong) Ltd.	2	Guarantee deposits received	715	Conducted as agreed terms	—
7	Yangming (Japan) Co., Ltd.	Manwa Co., Ltd.	2	Rent income	6,507	Conducted as agreed terms	—
				Other receivables	85	Conducted as agreed terms	—
8	Manwa Co., Ltd.	YES Logistics Corp.	2	Operating revenue	321	Conducted as agreed terms	—
				Rent income	116	Conducted as agreed terms	—
9	Yang Ming (Singapore) Pte. Ltd.	Yang Ming Line (M) Sdn. Bhd.	2	Operating revenue	242	Conducted as agreed terms	—
				Contract assets	60,889	Conducted as agreed terms	—
		Yang Ming Shipping (Vietnam) Co., Ltd.	2	Trade receivables	48,438	Conducted as agreed terms	—
				Payables to shipping agents	11,442	Conducted as agreed terms	—
		Yang Ming Shipping Philippines, Inc.	2	Operating cost	12,425	Conducted as agreed terms	—
				Contract assets	61,757	Conducted as agreed terms	—
		Yang Ming Line (Thailand) Co., Ltd.	2	Trade receivables	50,793	Conducted as agreed terms	—
				Payables to shipping agents	47,148	Conducted as agreed terms	—
		Yang Ming Insurance Co., Ltd.	2	Operating cost	27,221	Conducted as agreed terms	—
				Payables to shipping agents	1,651	Conducted as agreed terms	—
		PY Yang Ming Shipping Indonesia	2	Operating cost	4,513	Conducted as agreed terms	—
				Contract assets	79,360	Conducted as agreed terms	—
		Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	2	Trade receivables	142,486	Conducted as agreed terms	—
				Payables to shipping agents	10,491	Conducted as agreed terms	—
		Yang Ming (France) SAS	2	Operating cost	38,416	Conducted as agreed terms	—
				Prepayments	40	Conducted as agreed terms	—
				Operating cost	40	Conducted as agreed terms	—
				Contract assets	39,530	Conducted as agreed terms	—
				Trade receivables	1,145	Conducted as agreed terms	—
				Payables to shipping agents	12,566	Conducted as agreed terms	—
				Operating cost	16,043	Conducted as agreed terms	—
				Contract assets	1,084,197	Conducted as agreed terms	—
				Trade receivables	970,752	Conducted as agreed terms	—
				Payables to shipping agents	158,987	Conducted as agreed terms	—
				Operating cost	41,968	Conducted as agreed terms	—
				Contract assets	2,968	Conducted as agreed terms	—
				Trade receivables	2,918	Conducted as agreed terms	—
				Operating cost	3,235	Conducted as agreed terms	—

(Continued)

Number (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details			
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Total Sales or Assets
10	Yang Ming Line (Thailand) Co., Ltd.	Yang Ming (Belgium) N.V.	2	Contract assets	\$ 26	Conducted as agreed terms	—
				Trade receivables	1,496	Conducted as agreed terms	—
				Operating cost	316	Conducted as agreed terms	—
		Yang Ming (Netherlands) B.V.	2	Contract assets	68,309	Conducted as agreed terms	—
				Trade receivables	25,121	Conducted as agreed terms	—
				Payables to shipping agents	1,514	Conducted as agreed terms	—
				Operating cost	10,349	Conducted as agreed terms	—
		Yang Ming (Italy) S.p.A.	2	Contract assets	40,968	Conducted as agreed terms	—
				Trade receivables	41,683	Conducted as agreed terms	—
				Payables to shipping agents	1,574	Conducted as agreed terms	—
				Operating cost	2,231	Conducted as agreed terms	—
		Yang Ming (UK) Ltd	2	Contract assets	236,145	Conducted as agreed terms	—
				Trade receivables	130,191	Conducted as agreed terms	—
				Trade payables	93,198	Conducted as agreed terms	—
				Operating cost	323,984	Conducted as agreed terms	—
		Yang Ming Shipping Europe GmbH	2	Contract assets	28,710	Conducted as agreed terms	—
				Trade receivables	20,344	Conducted as agreed terms	—
				Payables to shipping agents	7,407	Conducted as agreed terms	—
				Operating cost	23,904	Conducted as agreed terms	—
		Yang Ming (Russia) LLC	2	Contract assets	1,788	Conducted as agreed terms	—
		Trade receivables	1,393	Conducted as agreed terms	—		
		Operating cost	2,771	Conducted as agreed terms	—		
Yang Ming (Spain), S.L.	2	Contract assets	213,327	Conducted as agreed terms	—		
		Trade receivables	382,187	Conducted as agreed terms	—		
		Payables to shipping agents	7,798	Conducted as agreed terms	—		
		Operating cost	16,957	Conducted as agreed terms	—		
		Yang Ming (MEDITERRANEAN) Marine Services Single-Member Limited Liability Company	2	Operating cost	23,967	Conducted as agreed terms	—
		Kuang Ming (Liberia) Corp.	2	Operating revenue	101	Conducted as agreed terms	—
		Yang Ming Line shipping (Thailand) Co., Ltd.	2	Trade payables	1,253	Conducted as agreed terms	—
				Operating cost	10,978	Conducted as agreed terms	—
11	Yang Ming Insurance Co., Ltd.	Kuang Ming Shipping Corp.	2	Advances from customers	274	Conducted as agreed terms	—
				Operating revenue	2,656	Conducted as agreed terms	—
		Kuang Ming (Liberia) Corp.	2	Advances from customers	2,389	Conducted as agreed terms	—
				Operating revenue	22,985	Conducted as agreed terms	—

(Continued)

Number (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details							
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Total Sales or Assets				
12	Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	Yes Logistics (Shanghai) Corp.	2	Trade receivables	\$ 985,652	Conducted as agreed terms	—				
				Right-of-use assets	17,400	Conducted as agreed terms	—				
				Lease liabilities	17,415	Conducted as agreed terms	—				
				Marketing expense	4,527	Conducted as agreed terms	—				
				Administrative expense	921	Conducted as agreed terms	—				
				Right-of-Use Assets Sublease Benefit	61	Conducted as agreed terms	—				
				Interest expense	179	Conducted as agreed terms	—				
13	Yang Ming Line Holding Co.	Yang Ming (America) Corp.	2	Other receivables	4,272	Conducted as agreed terms	—				
				Long-term notes receivable and trade receivables	225,585	Conducted as agreed terms	—				
				Other payables	2,892	Conducted as agreed terms	—				
		Kuang Ming (Liberia) Corp.	2	Interest revenue	1,499	Conducted as agreed terms	—				
				Other receivables	183,547	Conducted as agreed terms	—				
14	Yang Ming (America) Corp.	Yang Ming Shipping (Canada) Ltd.	2	Interest revenue	2,543	Conducted as agreed terms	—				
				Other payables	11	Conducted as agreed terms	—				
15	Yang Ming Line (B.V.I.) Holding Co., Ltd.	Yang Ming Line N.V.	2	Other receivables	468	Conducted as agreed terms	—				
16	Yang Ming (Netherlands) B.V.	Yes Logistics Benelux B.V.	2	Trade receivables	6,262	Conducted as agreed terms	—				
17	Yang Ming (Italy) S.p.A.	Yang Ming (Naples) S.r.l.	2	Trade receivables	6,003	Conducted as agreed terms	—				
				Prepayments	1,518	Conducted as agreed terms	—				
				Trade payables	624	Conducted as agreed terms	—				
				Other payables	855	Conducted as agreed terms	—				
				Operating cost	2,503	Conducted as agreed terms	—				
				Contract assets	778	Conducted as agreed terms	—				
				Payables to shipping agents	2,566	Conducted as agreed terms	—				
				Operating cost	611	Conducted as agreed terms	—				
				18	Yang Ming (UK) Ltd	Yang Ming Line (India) Pvt. Ltd.	2	Contract assets	103,227	Conducted as agreed terms	—
								Trade receivables	65,188	Conducted as agreed terms	—
18	Yang Ming (UK) Ltd	Yang Ming (Korea) Co. Ltd.	2	Payables to shipping agents	37,000	Conducted as agreed terms	—				
				Operating cost	49	Conducted as agreed terms	—				
18	Yang Ming (UK) Ltd	Yangming (Japan) Co., Ltd.	2	Operating cost	215	Conducted as agreed terms	—				
				Contract assets	867	Conducted as agreed terms	—				
18	Yang Ming (UK) Ltd	Yang Ming Line (M) Sdn. Bhd.	2	Operating cost	509	Conducted as agreed terms	—				
				Contract assets	530	Conducted as agreed terms	—				
				Trade receivables	2,815	Conducted as agreed terms	—				
				Payables to shipping agents	966	Conducted as agreed terms	—				
18	Yang Ming (UK) Ltd	Yang Ming Line (M) Sdn. Bhd.	2	Operating cost	662	Conducted as agreed terms	—				
				Operating cost	662	Conducted as agreed terms	—				

(Continued)

Number (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details			
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Total Sales or Assets
		Yang Ming Shipping (Vietnam) Co., Ltd.	2	Contract assets	\$ 8,755	Conducted as agreed terms	—
				Trade receivables	13,017	Conducted as agreed terms	—
				Operating cost	3,717	Conducted as agreed terms	—
		Yang Ming Anatolia Shipping Agency S.A.	2	Contract assets	566	Conducted as agreed terms	—
				Trade receivables	398	Conducted as agreed terms	—
				Operating cost	433	Conducted as agreed terms	—
		Yang Ming Shipping Philippines, Inc.	2	Operating cost	3,438	Conducted as agreed terms	—
		Yang Ming Line (Thailand) Co., Ltd.	2	Contract assets	13,737	Conducted as agreed terms	—
				Operating cost	506	Conducted as agreed terms	—
		Yang Ming Insurance Co., Ltd.	2	Prepayments	600	Conducted as agreed terms	—
				Operating cost	19,869	Conducted as agreed terms	—
		PY Yang Ming Shipping Indonesia	2	Trade receivables	1,704	Conducted as agreed terms	—
				Operating cost	977	Conducted as agreed terms	—
		Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	2	Contract assets	221,397	Conducted as agreed terms	—
				Trade receivables	102,771	Conducted as agreed terms	—
				Payables to shipping agents	40,902	Conducted as agreed terms	—
				Operating cost	24,217	Conducted as agreed terms	—
		Yang Ming (France) SAS	2	Contract assets	50	Conducted as agreed terms	—
				Trade receivables	35	Conducted as agreed terms	—
				Operating cost	833	Conducted as agreed terms	—
		Yang Ming (America) Corp.	2	Payables to shipping agents	116,769	Conducted as agreed terms	—
				Operating cost	75,808	Conducted as agreed terms	—
		Yang Ming (Belgium) N.V.	2	Contract assets	504	Conducted as agreed terms	—
				Trade receivables	1,473	Conducted as agreed terms	—
				Payables to shipping agents	770	Conducted as agreed terms	—
				Operating cost	1,355	Conducted as agreed terms	—
		Yang Ming (Netherlands) B.V.	2	Contract assets	1,968	Conducted as agreed terms	—
				Trade receivables	2,400	Conducted as agreed terms	—
				Payables to shipping agents	700	Conducted as agreed terms	—
				Operating cost	1,466	Conducted as agreed terms	—
		Yang Ming (Italy) S.p.A.	2	Contract assets	1,021	Conducted as agreed terms	—
				Trade receivables	2,291	Conducted as agreed terms	—
				Operating cost	536	Conducted as agreed terms	—
		Yang Ming Shipping Europe GmbH	2	Contract assets	2,281	Conducted as agreed terms	—
				Trade receivables	2,500	Conducted as agreed terms	—
				Payables to shipping agents	5,175	Conducted as agreed terms	—

(Continued)

Number (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details			
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Total Sales or Assets
19	Yang Ming Shipping Europe GmbH	Yang Ming (Russia) LLC	2	Operating cost	\$ 5,403	Conducted as agreed terms	—
				Trade receivables	85	Conducted as agreed terms	—
		Yang Ming (Spain), S.L.	2	Operating cost	417	Conducted as agreed terms	—
				Contract assets	850	Conducted as agreed terms	—
				Trade receivables	1,239	Conducted as agreed terms	—
				Operating cost	152	Conducted as agreed terms	—
				Operating cost	122	Conducted as agreed terms	—
				Trade receivables	37	Conducted as agreed terms	—
				Other payables	71	Conducted as agreed terms	—
				Operating cost	39	Conducted as agreed terms	—
				Trade receivables	1,813	Conducted as agreed terms	—
				Other payables	639	Conducted as agreed terms	—
				Operating revenue	7,225	Conducted as agreed terms	—
				Operating cost	8,153	Conducted as agreed terms	—
		Rent income	1,068	Conducted as agreed terms	—		
20	Kuang Ming Shipping Corp.	Yes Logistics Europe GmbH	2	Trade receivables	6,845	Conducted as agreed terms	—
		Kuang Ming (Liberia) Corp.	2	Other receivables	25,332	Conducted as agreed terms	—
				Operating revenue	98,844	Conducted as agreed terms	—
21	YES Logistics Corp.	Yes Logistics Corp. USA	2	Other revenue	9,429	Conducted as agreed terms	—
				Trade receivables	33,202	Conducted as agreed terms	—
				Trade payables	27,395	Conducted as agreed terms	—
				Operating revenue	130,435	Conducted as agreed terms	—
				Operating cost	208,642	Conducted as agreed terms	—
		Yes Logistics Benelux B.V.	2	Trade receivables	5,381	Conducted as agreed terms	—
				Long-term notes receivable and trade receivables	808	Conducted as agreed terms	—
				Trade payables	3,474	Conducted as agreed terms	—
		Yes Logistics Company Ltd.	2	Operating revenue	18,991	Conducted as agreed terms	—
				Operating cost	26,087	Conducted as agreed terms	—
				Interest revenue	35	Conducted as agreed terms	—
Yes Logistics (Shanghai) Corp.	2	Trade receivables	1,120	Conducted as agreed terms	—		
		Trade payables	7,353	Conducted as agreed terms	—		
		Operating revenue	227	Conducted as agreed terms	—		
		Operating cost	17,171	Conducted as agreed terms	—		
		Trade receivables	39,677	Conducted as agreed terms	—		
		Long-term notes receivable and trade receivables	121,043	Conducted as agreed terms	—		

(Continued)

Number (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details			
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Total Sales or Assets
22	Yes Yangming Logistics (Singapore) Pte. Ltd.	Yes Logistics Europe GmbH	2	Trade payables	\$ 74,474	Conducted as agreed terms	—
				Operating revenue	147,479	Conducted as agreed terms	—
				Operating cost	375,762	Conducted as agreed terms	—
				Interest revenue	2,533	Conducted as agreed terms	—
				Trade receivables	6,767	Conducted as agreed terms	—
				Other receivables	48,478	Conducted as agreed terms	—
		YES MLC GmbH	2	Long-term notes receivable and trade receivables	36,079	Conducted as agreed terms	—
				Trade payables	10,180	Conducted as agreed terms	—
				Operating revenue	44,060	Conducted as agreed terms	—
				Operating cost	26,683	Conducted as agreed terms	—
				Interest revenue	658	Conducted as agreed terms	—
				Trade receivables	58	Conducted as agreed terms	—
PT. YES Logistics Indonesia	2	Other receivables	38,782	Conducted as agreed terms	—		
		Trade payables	430	Conducted as agreed terms	—		
		Operating cost	3,047	Conducted as agreed terms	—		
		Interest revenue	126	Conducted as agreed terms	—		
23	Yes Logistics Corp. USA	Yes Logistics Corp. USA	2	Trade payables	1,985	Conducted as agreed terms	—
				Operating revenue	13	Conducted as agreed terms	—
				Operating cost	7,619	Conducted as agreed terms	—
24	Yes Logistics Benelux B.V.	Yes Logistics (Shanghai) Corp.	2	Trade receivables	25	Conducted as agreed terms	—
				Trade payables	196	Conducted as agreed terms	—
				Operating revenue	25	Conducted as agreed terms	—
		PT. YES Logistics Indonesia	2	Trade receivables	10,959	Conducted as agreed terms	—
				Trade payables	14,173	Conducted as agreed terms	—
				Operating revenue	20,824	Conducted as agreed terms	—
24	Yes Logistics Benelux B.V.	Yes Logistics (Shanghai) Corp.	2	Operating cost	19,567	Conducted as agreed terms	—
				Trade receivables	369	Conducted as agreed terms	—
				Trade payables	686	Conducted as agreed terms	—
		Yes Logistics Europe GmbH	2	Operating revenue	1,481	Conducted as agreed terms	—
				Operating cost	2,580	Conducted as agreed terms	—
				Trade payables	955	Conducted as agreed terms	—
24	Yes Logistics Benelux B.V.	Yes Logistics Europe GmbH	2	Operating cost	7,143	Conducted as agreed terms	—
				Trade receivables	1,735	Conducted as agreed terms	—
				Trade payables	653	Conducted as agreed terms	—
				Operating revenue	9,000	Conducted as agreed terms	—
				Operating cost	3,055	Conducted as agreed terms	—

(Continued)

Number (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details			
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Total Sales or Assets
25	Yes Logistics Company Ltd.	YES MLC GmbH	2	Operating revenue	\$ 8	Conducted as agreed terms	—
		Yes Logistics Corp. USA	2	Trade payables	1	Conducted as agreed terms	—
				Operating revenue	2	Conducted as agreed terms	—
				Operating cost	1	Conducted as agreed terms	—
		Yes Logistics (Shanghai) Corp.	2	Trade receivables	4,452	Conducted as agreed terms	—
				Trade payables	57,619	Conducted as agreed terms	—
26	Yes Logistics (Shanghai) Corp.			Operating cost	1	Conducted as agreed terms	—
		Yes Logistics Europe GmbH	2	Trade receivables	3,253	Conducted as agreed terms	—
				Trade payables	373	Conducted as agreed terms	—
				Operating revenue	34,517	Conducted as agreed terms	—
				Operating cost	2,638	Conducted as agreed terms	—
		PT. YES Logistics Indonesia	2	Operating revenue	58	Conducted as agreed terms	—
27	Yes Logistics Europe GmbH	YES MLC GmbH	2	Trade receivables	14,284	Conducted as agreed terms	—
				Trade payables	10	Conducted as agreed terms	—
				Operating revenue	10,007	Conducted as agreed terms	—
				Operating cost	74	Conducted as agreed terms	—
				Interest revenue	252	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 Yang Ming Marine Transport Corp.

Note C: Information on the table is equivalent to the eliminated material intercompany transactions.

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES
INFORMATION ON INVESTEEES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

TABLE G

Unit : In Thousands of New Taiwan Dollars,
Unless Stated Otherwise

Investor Company	Investee Company	Location	Main Business and Products	Original Investment Amount (Note A)		As of September 30, 2021			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				September 30, 2021	December 31, 2020	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	\$ 4,805,733	\$ 198,792	\$ 94,426	Investments in associates
	Yang Ming Line (B.V.I.) Holding Co., Ltd.	British Virgin Islands	Investment, shipping agency, forwarding agency and shipping managers	555,266	3,272,005	1,757	100.00	4,973,390	4,142,192	4,090,281	Subsidiary
	Yang Ming Line B.V. (Note S)	Netherlands	Investment, shipping agency, forwarding agency and shipping managers	—	—	2,500	100.00	1,393,143	551,882	551,882	Subsidiary
	Kuang Ming Shipping Corp.	Taiwan	Shipping service, shipping agency and forwarding agency	8,927,857	8,927,857	98,882,111	98.88	1,705,080	916,280	905,614	Subsidiary
	Yang Ming Line (Singapore) Pte Ltd	Singapore	Investment, shipping service; chartering, sale and purchase of ships; and forwarding agency	(Note P) 1,113,356	(Note P) 1,113,356	(Note V) 60,130,000	100.00	19,254,384	27,898,250	27,899,550	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	2,849,776	628,175	628,175	Subsidiary
	Ching Ming Investment Corp.	Taiwan	Investment	1,098,388	1,098,388	120,487,500	100.00	1,290,904	141,122	141,115	Subsidiary
	All Oceans Transportation Inc.	Republic of Liberia	Shipping agency, forwarding agency and shipping managers	1,500,181	3,235	1,000	100.00	1,324,431	297,370	120,742	Subsidiary
	YES Logistics Corp.	Taiwan	Warehouse operation and forwarding agency	(Note W) 593,404	593,404	(Note W) 60,000,000	50.00	655,929	291,587	145,330	Subsidiary
	Hong Ming Terminal & Stevedoring Corp.	Taiwan	Terminal operation and stevedoring	79,273	79,273	7,916,908	79.17	141,978	33,193	25,349	Subsidiary
	Jing Ming Transportation Co., Ltd.	Taiwan	Container transportation	35,844	35,844	8,615,923	50.98	133,021	8,673	4,437	Subsidiary
	Yunn Wang Investment Co., Ltd.	Taiwan	Investment	179,810	179,810	5,211,474	49.75	282,736	10,153	5,051	Investments in associates
	Taiwan Foundation International Pte. Ltd.	Singapore	Investment and subsidiaries management	103,802	103,802	3,400,000	34.00	96,876	3,939	1,339	Investments in associates
Taiwan Navigation Co., Ltd.	Taiwan	Shipping agency, forwarding agency, shipping managers and shipping lines	4,365,784	—	70,758,243	16.96	4,003,405	358,309	60,756	Investments in associates	
			(Note Z)								

(Continued)

Investor Company	Investee Company	Location	Main Business and Products	Original Investment Amount (Note A)		As of September 30, 2021			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				September 30, 2021	December 31, 2020	Shares	Percentage of Ownership	Carrying Amount			
Ching Ming Investment Corp.	Hong Ming Terminal & Stevedoring Corp.	Taiwan	Terminal operation and stevedoring	\$ 24,988	\$ 24,988	2,083,092	20.83	\$ 37,576	\$ 33,193	\$ —	Subsidiary
	YES Logistics Corp.	Taiwan	Warehouse operation and forwarding agency	548,286	548,286	55,630,977	46.36	701,712	291,587	—	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	219,266	1,291	—	Subsidiary
	Triumph Logistics, Inc.	U.S.A.	Container transportation	—	13,223	—	0.00	—	—	—	Subsidiary
	Topline Transportation, Inc.	U.S.A.	Container transportation	(Note X)	4,860	(Note X)	0	0.00	—	—	Subsidiary
	Transcont Intermodal Logistics, Inc.	U.S.A.	Inland forwarding agency	(Note Y)	326	(Note Y)	200	100.00	219	(9)	Subsidiary
	Yang Ming Shipping (Canada) Ltd.	Canada	Shipping agency, forwarding agency and shipping managers	2,981	2,981	1,000	100.00	23,888	441	—	Subsidiary
	West Basin Container Terminal LLC	U.S.A.	Terminal operation and stevedoring	132,050	132,050	(Note D)	40.00	1,726,745	2,186,522	—	Investments in associates
	United Terminal Leasing LLC	U.S.A.	Terminal operation and machine lease	34,750	34,750	(Note E)	40.00	269,092	9,869	—	Investments in associates
	Yang Ming Line (B.V.I.) Holding Co., Ltd.	Netherlands Antilles	Investment, shipping agency, forwarding agency and shipping managers	41,235	41,235	1,500,000	100.00	(468)	(324)	—	Subsidiary
Yang Ming Line B.V.	Yang Ming (UK) Ltd	U.K.	Shipping agency, forwarding agency, shipping managers and shipping lines	2,633,724	—	68,097,591	97.84	(Note C) 4,645,155	4,534,930	—	Subsidiary
	Yang Ming (Belgium) N.V.	Belgium	Shipping agency	(Note U) 8,614	8,614	553	89.92	20,890	(1,160)	—	Subsidiary
	Yang Ming (Netherlands) B.V.	Netherlands	Shipping agency	15,285	15,285	400,000	100.00	81,289	54,659	—	Subsidiary
	Yang Ming (Italy) S.p.A.	Italy	Shipping agency	4,319	4,319	125,000	50.00	34,968	32,449	—	Subsidiary
	Yang Ming (UK) Ltd	U.K.	Shipping agency, forwarding agency, shipping managers and shipping lines	70,709	70,709	1,500,000	2.16	102,318	4,534,930	—	Subsidiary
	Yang Ming Shipping Europe GmbH	Germany	Shipping agency, forwarding agency and shipping managers	29,697	29,697	(Note F)	100.00	135,632	(26,845)	—	Subsidiary
	Yang Ming (Russia) LLC	Russia	Shipping agency	3,017	3,017	(Note G)	60.00	12,982	17,606	—	Subsidiary
	Yang Ming (Spain), S.L.	Spain	Shipping agency	2,213	2,213	60,000	60.00	176,139	102,073	—	Subsidiary
	Yang Ming (MEDITERRANEAN) Marine Services Single-Member Limited Liability Company	Greece	Shipping agency, forwarding agency and shipping managers	39,379	39,379	11,000	100.00	38,233	824	—	Subsidiary
	Yang Ming (Netherlands) B.V.	Yang Ming Shipping (Egypt) S.A.E.	Egypt	Shipping agency, forwarding agency and shipping managers	15,757	15,757	24,500	49.00	40,106	62,339	—

(Continued)

Investor Company	Investee Company	Location	Main Business and Products	Original Investment Amount (Note A)		As of September 30, 2021			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				September 30, 2021	December 31, 2020	Shares	Percentage of Ownership	Carrying Amount			
Yang Ming (UK) Ltd	Yang Ming (Belgium) N.V.	Belgium	Shipping agency	\$ 1,900	\$ 1,900	62	10.08	\$ 2,342	\$ (1,160)	\$ —	Subsidiary
	Corstor Ltd.	U.K.	Warehouse management and container haulage services	7,411	25	1,000	100.00	23,828	3,587	—	Subsidiary
Yang Ming (Italy) S.p.A.	(Note AA) Yang Ming (Naples) S.r.l.	Italy	Forwarding agency	1,695	1,695	(Note H)	60.00	4,097	2,442	—	Subsidiary
Yang Ming Line (Singapore) Pte Ltd	Yang Ming Shipping (B.V.I.) Inc.	British Virgin Islands	Forwarding agency and shipping agency	(Note R) 247,772	(Note R) 247,772	1,000	100.00	50,841	13,290	—	Subsidiary
	Yang Ming Line (Hong Kong) Ltd.	Hong Kong	Forwarding agency and shipping agency	2,138	2,138	1,000,000	1.44	(817)	5,845	—	Subsidiary
	Yang Ming Line (India) Pvt. Ltd.	India	Shipping agency, forwarding agency and shipping managers	2,228	2,228	300,000	60.00	(Note C) 4,738	1,193	—	Subsidiary
	Yang Ming (Korea) Co. Ltd.	Korea	Shipping agency, forwarding agency and shipping managers	10,107	10,107	60,000	60.00	28,532	(5,802)	—	Subsidiary
	Young-Carrier Company Ltd.	Hong Kong	Investment, shipping agency, forwarding agency and shipping managers	14,926	14,926	1,000,000	100.00	204,159	(3,029)	—	Subsidiary
	Yangming (Japan) Co., Ltd.	Japan	Shipping service; chartering, sale and purchase of ships ; and forwarding agency	36,235	36,235	3,000	100.00	(162)	(27,428)	—	Subsidiary
	Yang Ming (Singapore) Pte. Ltd.	Singapore	Shipping agency, forwarding agency, shipping managers and shipping lines	18,851	18,851	21,285,000	100.00	(Note C) 45,336,796	27,713,704	—	Subsidiary
	Yang Ming Line (M) Sdn. Bhd.	Malaysia	Shipping agency, forwarding agency and shipping managers	10,727	10,727	1,000,000	100.00	52,484	(668)	—	Subsidiary
	Sun-Baked Pte. Ltd.	Singapore	Insurance	2,271	2,271	350,000	100.00	6,721	(3,051)	—	Subsidiary
	Yang Ming Anatolia Shipping Agency S.A.	Turkey	Shipping agency, forwarding agency and shipping managers	1,077	1,077	50,000	50.00	114,597	252,320	—	Subsidiary
	Formosa International Development Corporation	Vietnam	Invest industry district and real estate	246,818	246,818	(Note I)	30.00	—	—	—	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	42,015	40,740	—	Investments in associates
	Yang Ming Shipping (Vietnam) Co., Ltd.	Vietnam	Forwarding agency and shipping managers	9,881	9,881	(Note K)	100.00	60,809	10,674	—	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Business and Products	Original Investment Amount (Note A)		As of September 30, 2021			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				September 30, 2021	December 31, 2020	Shares	Percentage of Ownership	Carrying Amount			
	Yang Ming (Australia) Pty. Ltd.	Australia	Shipping agency, forwarding agency and shipping managers	\$ 4,597	\$ 4,597	150,000	50.00	\$ 27,863	\$ 27,594	\$ —	Investments in associates
	LogiTrans Technology Private Limited	India	Information system service	10,211	10,211	2,040,000	51.00	19,871	3,383	—	Investments in joint ventures
	Yang Ming Shipping Philippines, Inc.	Philippines	Forwarding agency and shipping managers	6,435	6,435	99,995	100.00	(16,497)	(6,210)	—	Subsidiary
	Yang Ming (Latin America) Corp.	Panama	Shipping agency, forwarding agency and shipping managers	6,020	6,020	200	100.00	7,397	224	—	Subsidiary
	Yang Ming Line (Thailand) Co., Ltd.	Thailand	Shipping agency, forwarding agency and shipping managers	3,589	3,589	3,920	49.00	15,347	2,174	—	Subsidiary
	Yang Ming Line shipping (Thailand) Co., Ltd.	Thailand	Shipping agency	2,282	2,282	2,450	49.00	9,314	1,930	—	Subsidiary
	Yang Ming Insurance Co., Ltd.	Bermuda	Insurance	7,740	7,740	250,000	100.00	93,743	39,323	—	Subsidiary
	PY Yang Ming Shipping Indonesia	Indonesia	Shipping agency, forwarding agency and shipping managers	40,946	40,946	18,865	49.00	28,725	(18,557)	—	Subsidiary
	PT. Formosa Sejati Logistics	Indonesia	Storage and stevedoring	5,701	5,701	1,875	15.00	5,200	442	—	Investments in associates
	Jambatan Merah Formosa Depot Sdn Bhd.	Malaysia	Storage and stevedoring	1,743	1,743	250,000	25.00	2,925	5,336	—	Investments in joint ventures
	Yang Ming (France) SAS	France	Shipping agency, forwarding agency and shipping managers	3,025	3,025	90,000	60.00	18,276	26,615	—	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	9,505	1,930	—	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	15,347	2,174	—	Subsidiary
Yang Ming Shipping (B.V.I.) Inc.	Yang Ming Line (Hong Kong) Ltd.	Hong Kong	Forwarding agency and shipping agency	249,953	—	68,556,347	98.56	(55,988)	5,845	—	Subsidiary
	Karlman Properties Limited	Hong Kong	Property agency	4	4	24,000,000	100.00	75,450	(5,726)	—	Subsidiary
Yangming (Japan) Co., Ltd.	Manwa Co., Ltd.	Japan	Forwarding agency and shipping agency	2,666	2,666	200	100.00	2,132	(59)	—	Subsidiary
Kuang Ming Shipping Corp.	Kuang Ming (Liberia) Corp.	Republic of Liberia	Forwarding agency	6,032,544	6,026,744	5	100.00	2,553,096	604,792	—	Subsidiary
YES Logistics Corp.	Yes Logistics Corp. USA	U.S.A.	Shipping agency, forwarding agency and shipping managers	179,763	179,763	2,173,411	100.00	111,930	107,223	—	Subsidiary
	Yes Yangming Logistics (Singapore) Pte. Ltd.	Singapore	Investment and subsidiaries management	37,263	37,263	1,607,984	100.00	30,934	9,063	—	Subsidiary
	PT. YES Logistics Indonesia	Indonesia	Forwarding agency	15,315	15,315	510,000	51.00	9,615	(349)	—	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Business and Products	Original Investment Amount (Note A)		As of September 30, 2021			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				September 30, 2021	December 31, 2020	Shares	Percentage of Ownership	Carrying Amount			
Yes Yangming Logistics (Singapore) Pte. Ltd.	YES LIBERAL Logistics Corp.	Taiwan	Warehouse operation	\$ 75,000	\$ 75,000	7,500,000	50.00	\$ 77,261	\$ 7,758	\$ —	Investments in joint ventures
	Yes Logistics Benelux B.V.	Netherlands	Forwarding agency	10,179	10,179	12,600	70.00	2,744	5,941	—	Subsidiary
	Yes Logistics Company Ltd.	Hong Kong	Forwarding agency	32,351	32,351	7882278	100.00	20,534	(663)	—	Subsidiary
	Yes And HQL Logistics Company	Vietnam	Forwarding agency	3,128	3,128	(Note O)	51.00	6,693	11,078	—	Investments in joint ventures
Yes Logistics Corp. USA	Golden Logistics USA Corporation	U.S.A.	Container transportation	328	328	100	100.00	3,801	803	—	Subsidiary
	Yes Logistics Europe GmbH	Germany	Forwarding agency	40,090	40,090	(Note L)	100.00	(78,144)	22,256	—	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	(27,391)	15,460	—	Subsidiary
YES MLC GmbH	Merlin Logistics GmbH	Austria	Warehouse operation and logistics	1,380	1,380	(Note N)	100.00	(92)	(71)	—	Subsidiary
Merlin Logistics GmbH	YES Logistics Bulgaria Ltd.	Bulgaria	Cargo consolidation service and forwarding agency	740	740	500	100.00	(2,302)	—	—	Subsidiary
								(Note C)			

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. Investees 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 equivalent to EUR818 thousand and no shares were issued.
- G. This 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 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 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 reorganized the organization in December 2020 and adjusted the holding structure of the Group in Europe. YMTC acquired equity of YML-BV from YML-NV.
- T. Yang Ming Shipping (B.V.I.) applied for the capital increase of Yang Ming Line (Hong Kong) Ltd. by the accounts receivable of Yang Ming Shipping (B.V.I.) to Yang Ming Line (Hong Kong) in March 2021, the amount is \$249,953 thousand.
- U. Yang Ming Line (B.V.I.) Holding Co., Ltd. applied for the capital increase of Yang Ming (UK) by the accounts receivable of Yang Ming Line (B.V.I.) Holding Co., Ltd. to Yang Ming (UK) in March 2021, the amount is \$2,633,724 thousand.
- V. Kuang Ming Shipping Corp. applied for the capital reduction to offset the deficit in the amount of \$3,000,000 thousand in May 2011.
- W. All Ocean Transportation applied for the capital increase by cash of \$112,276 thousand, 83,790 thousand and \$1,300,880 thousand in July 2021, May 2021 and March 2021, respectively.
- X. The Group completed the liquidation of Triumph Logistics, Inc. in May 2021.
- Y. The Group completed the liquidation of Topline Transportation, Inc. in May 2021.
- Z. The Group obtained two directors after the directors re-election in the shareholders' meeting of Taiwan Navigation Co., Ltd. on July 12, 2021. The Group has had a significant influence on the company.
- AA. The Group acquired the remain shares of Corstor Ltd. in July, 2021. The Group obtained control of the mentioned company and listed it as the subsidiary since July, 2021.
- AB. Except for Yang Ming Line (B.V. I.) Holding Co., Ltd., All Oceans Transportation Inc., Yang Ming (UK) Ltd. and Yangming Shipping (Singapore) Pte. Ltd., others were based on the investees' financial statements which have not been reviewed.
- AC. The information on investments in mainland China is provided in Table H.

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

TABLE H

Unit : In Thousands of New Taiwan Dollars,
Unless Stated Otherwise

Company Name	Investee Company	Main Business and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2021	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note E)	Carrying Amount as of September 30, 2021 (Note E)	Accumulated Repatriation of Investment Income as of September 30, 2021
						Outflow	Inflow						
Yang Ming Marine Transport Corporation	Huan Ming (Shanghai) International Shipping Agency (Note H)	Shipping agency, forwarding agency and shipping managers	US\$ 1,000 thousand (Note I)	Indirect investment through Singapore-based subsidiary's direct investment in Mainland China	\$ —	\$ —	\$ —	\$ —	\$ 9,641	51.00%	\$ 4,917	\$ 20,641	\$ —
YES Logistics Corp.	Yes Logistics (Shanghai) Corp. (Note A)	Forwarding agency	US\$ 4,300 thousand	Investee's direct & Indirect investment through US based subsidiary's direct investment in Mainland China	222,800 (US\$ 8,000 thousand)	—	—	222,800 (US\$ 8,000 thousand)	128,162	96.36%	123,497	296,322	—
	Chang Ming Logistics Company Limited	Terminal operation and stevedoring, storage, and shipping agency	CNY 144,800 thousand	Investee's direct investment in Mainland China	259,033 (US\$ 9,301 thousand)	—	—	259,033 (US\$ 9,301 thousand)	17,470	47.22%	8,249	279,319	—
	Sino Trans PFS Cold Chain Logistics 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	171,667 (US\$ 6,164 thousand)	—	—	171,667 (US\$ 6,164 thousand)	(20,426)	12.85%	(2,625)	69,621	—
	Shanghai United Cold Chain Logistics Co., Ltd. (Note G)	Storage facilities construction and operation as well as providing supporting services related	CNY 50,000 thousand	Investee's direct investment in Mainland China	43,095 (CNY 10,000 thousand)	—	—	43,095 (CNY 10,000 thousand)	11,733	19.27%	2,261	53,673	—
Ching Ming	Sino Trans PFS Cold Chain Logistics 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	85,889 (US\$ 3,084 thousand)	—	—	85,889 (US\$ 3,084 thousand)	(20,426)	6.67%	(1,362)	34,700	—

Company Name	Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2021 (Note J)	Investment Amounts Authorized by Investment Commission, MOEA (Note J)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Yang Ming Marine Transport Corporation	\$—	\$195,980 (US\$ 7,037 thousand)	\$107,450,221
YES Logistics Corp. (Note C)	\$697,308 (US\$ 17,301 thousand) (CNY 50,000 thousand)	\$697,308 (US\$ 17,301 thousand) (CNY 50,000 thousand)	\$— (Note F)
Ching Ming (Note D)	\$86,190 (CNY 20,000 thousand)	\$86,190 (CNY 20,000 thousand)	\$774,542

Notes:

- A. Yes Logistics Corp. (the subsidiary of the Company) was authorized to invest in mainland China by the Investment Commission, Ministry of Economic Affairs on June 3, 2004, July 4, 2006, December 26, 2006 and August 31, 2016.
- B. Yes Logistics Corp. (the subsidiary of the Company) was authorized to invest in mainland China by the Investment Commission, Ministry of Economic Affairs on April 11, 2005, August 22, 2006, November 29, 2006 and December 2, 2008.
- C. Yes Logistics Corp. (the subsidiary of the Company) was authorized to invest in mainland China by the Investment Commission, Ministry of Economic Affairs on December 16, 2013.
- D. Ching Ming Investment Corp. (the subsidiary of the Company) was authorized to invest in mainland China by the Investment Commission, Ministry of Economic Affairs on December 17, 2013
- E. Calculated by the % ownership of direct or indirect investment.

- F. Yes Logistics Corp. applied for and obtained the Business Operations Headquarters letter on September 16, 2019, and the term for the letter is to September 15, 2022. Therefore, the restrictions on the amount of investment in China are not applicable to Yes Logistics Corp.
- G. Yes Logistics Corp. (the subsidiary of the Company) was authorized to invest in mainland China by the Investment Commission, Ministry of Economic Affairs on May 12, 2017.
- H. The Company was authorized to invest in mainland China by Investment Commission, Ministry of Economic Affairs on December 25, 2019
- I. Investing by the unappropriated earnings of Yang Ming Line (Singapore) Pte. Ltd.
- J. United States dollars and Chinese Yuan translated into New Taiwan dollars at the exchange rates of US\$1=NT\$27.85 and CNY1=NT\$4.3095 as of September 30, 2021.

YANG MINT MARINE TRANSPORT CORPORATION AND SUBSIDIARIES
INFORMATION OF MAJOR SHAREHOLDERS
SEPTEMBER 30, 2021

TABLE I

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
The Ministry of Transportation and Communications R.O.C.	467,682,372	13.39
National Development Fund	460,000,000	13.17
Taiwan International Ports Corporation, Ltd.	191,938,579	5.50

Note 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 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.