

**Yang Ming Marine Transport Corporation
and Subsidiaries**

**Consolidated Financial Statements for the
Three Months Ended March 31, 2022 and 2021 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 March 31, 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three-month periods then ended, and the related notes, 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 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 March 31, 2022 and 2021, the combined total assets of these non-significant subsidiaries were NT\$35,716,465 thousand and NT\$29,836,047 thousand, respectively, representing 7.74% and 14.29%, respectively, of the consolidated total assets, and the combined total liabilities of these non-significant subsidiaries were NT\$11,462,907 thousand and NT\$13,882,952 thousand, respectively, representing 6.97% and 9.48%, respectively, of the consolidated total liabilities; for the three-month periods ended March 31, 2022 and 2021, the amounts of the combined comprehensive income of these non-significant subsidiaries were NT\$2,098,191 thousand and NT\$421,491 thousand, respectively, representing 3.48% and 1.72% respectively, of the consolidated total comprehensive income. As also disclosed in Note 14, as of March 31, 2022 and 2021, the investments accounted for using the equity method were NT\$7,424,500 thousand and NT\$7,206,917 thousand, respectively; and for the three-month periods ended March 31, 2022 and 2021, the amounts of the Group's share of the profit of such investments accounted for using the equity method were NT\$404,751 thousand and NT\$268,535 thousand, respectively. The information about investees disclosed in Note 37 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 March 31, 2022 and 2021 and its consolidated financial performance and its consolidated cash flows for the three-month periods then ended 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’ report are Chen-Hsiu Yang and Yu-Mei Hung.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 12, 2022

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	March 31, 2022 (Reviewed)		December 31, 2021 (Audited)		March 31, 2021 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 6 and 32)	\$ 75,045,365	17	\$ 57,448,678	15	\$ 38,149,969	18
Financial assets at fair value through profit or loss (FVTPL) - current (Note 7)	75,895	—	76,048	—	287,475	—
Financial assets at amortized cost - current (Notes 9, 32 and 33)	193,820,667	42	136,068,631	35	967,253	1
Contract assets, net (Notes 25 and 32)	5,608,866	1	5,465,334	2	3,588,194	2
Notes receivable, net (Note 10)	26,572	—	5,124	—	6,224	—
Trade receivables, net (Notes 10 and 25)	23,558,323	5	21,642,929	6	14,388,849	7
Trade receivables from related parties (Notes 10, 25 and 32)	245,376	—	412,055	—	182,080	—
Finance lease receivables, net (Note 11)	20,271	—	20,204	—	20,004	—
Shipping fuel (Note 12)	4,355,105	1	3,408,707	1	2,775,886	1
Prepayments (Note 32)	627,486	—	545,143	—	528,677	—
Prepayments to shipping agents (Note 32)	408,072	—	462,440	—	137,727	—
Other current assets (Note 32)	1,056,968	—	1,001,626	—	1,130,194	1
Total current assets	304,848,966	66	226,556,919	59	62,162,532	30
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss (FVTPL) - non-current (Note 7)	14,727	—	13,871	—	—	—
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Note 8)	521,293	—	497,931	—	2,195,484	1
Financial assets at amortized cost - non-current (Notes 9, 32 and 33)	28,434	—	33,461	—	53,533	—
Investments accounted for using equity method (Note 14)	11,025,215	2	11,081,905	3	7,206,917	4
Property, plant and equipment (Notes 15, 33 and 34)	72,935,167	16	73,895,469	19	73,757,000	35
Right-of-use assets (Notes 16 and 32)	63,537,234	14	63,139,955	17	55,727,150	27
Investment properties (Notes 17, 32 and 33)	7,083,722	2	7,083,726	2	6,317,181	3
Other intangible assets	127,100	—	80,847	—	80,939	—
Deferred tax assets (Note 4)	941,464	—	1,341,237	—	768,003	—
Prepayments for equipment (Note 32)	171,984	—	295,430	—	166,278	—
Refundable deposits	233,330	—	219,109	—	204,560	—
Finance lease receivables - non-current (Note 11)	121,923	—	127,016	—	142,194	—
Other financial assets - non-current	21,211	—	21,704	—	59,061	—
Other non-current assets	29,687	—	27,304	—	13,281	—
Total non-current assets	156,792,491	34	157,858,965	41	146,691,581	70
TOTAL	\$ 461,641,457	100	\$ 384,415,884	100	\$ 208,854,113	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 18 and 32)	\$ 1,730,000	—	\$ 1,393,760	—	\$ 1,651,240	1
Short-term bills payable (Notes 18 and 32)	898,429	—	436,131	—	8,654,587	4
Financial liabilities for hedging - current (Notes 16 and 31)	7,914,372	2	7,585,691	2	7,676,977	4
Contract liabilities - current (Note 25)	1,247,793	—	903,453	—	440,300	—
Notes payable	23,271	—	33,852	—	27,955	—
Trade payables (Note 20)	21,597,586	5	19,106,729	5	17,921,133	9
Trade payables to related parties (Notes 20 and 32)	416,687	—	376,954	—	332,576	—
Other payables (Notes 21 and 32)	7,420,867	2	7,846,672	2	5,912,476	3
Current tax liabilities (Note 4)	42,041,634	9	29,497,739	8	260,837	—
Provisions - current (Note 22)	56,307	—	56,307	—	—	—
Lease liabilities - current (Notes 16 and 32)	3,819,670	1	3,306,188	1	1,925,655	1
Current portion of long-term liabilities (Notes 18, 32 and 33)	274,989	—	1,400,430	1	12,480,043	6
Other advance account	133,269	—	218,711	—	223,211	—
Other current liabilities	1,137,050	—	1,074,266	—	616,573	—
Total current liabilities	88,711,924	19	73,236,883	19	58,123,563	28
NON-CURRENT LIABILITIES						
Financial liabilities for hedging - non-current (Notes 16 and 31)	33,018,219	7	33,835,186	9	40,803,916	20
Bonds payable (Notes 19 and 32)	10,847,680	2	10,822,014	3	4,958,977	2
Long-term borrowings (Notes 18, 32 and 33)	3,080,829	1	5,068,879	1	29,044,407	14
Provisions - non-current (Note 22)	1,393	—	1,348	—	1,373	—
Deferred tax liabilities (Note 4)	8,120,741	2	6,143,436	2	4,141,850	2
Lease liabilities - non-current (Notes 16 and 32)	19,784,003	4	17,236,619	4	5,681,102	3
Other advance account - non-current	77,395	—	84,431	—	144,064	—
Net defined benefit liabilities - non-current (Notes 4 and 23)	2,367,051	1	2,828,346	1	2,883,135	1
Other non-current liabilities	964,140	—	836,076	—	621,892	—
Total non-current liabilities	78,261,451	17	76,856,335	20	88,280,716	42
Total liabilities	166,973,375	36	150,093,218	39	146,404,279	70
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Share capital - ordinary shares	34,921,043	8	34,921,043	9	33,321,043	16
Capital surplus	27,975,030	6	27,975,030	7	403,657	—
Retained earnings						
Legal reserve	166,092	—	166,092	—	—	—
Special reserve	1,494,827	—	1,494,827	—	—	—
Unappropriated earnings	227,988,462	50	167,409,719	44	26,177,970	13
Total retained earnings	229,649,381	50	169,070,638	44	26,177,970	13
Other equity	1,391,802	—	1,724,563	1	1,925,227	1
Total equity attributable to owners of the Company	293,937,256	64	233,691,274	61	61,827,897	30
NON-CONTROLLING INTERESTS						
	730,826	—	631,392	—	621,937	—
Total equity	294,668,082	64	234,322,666	61	62,449,834	30
TOTAL	\$ 461,641,457	100	\$ 384,415,884	100	\$ 208,854,113	100

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' review report dated May 12, 2022)

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 March 31			
	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 16, 25 and 32)	\$106,704,172	100	\$ 62,282,455	100
OPERATING COSTS (Notes 12, 16, 26 and 32)	<u>31,389,100</u>	<u>29</u>	<u>30,551,829</u>	<u>49</u>
GROSS PROFIT	<u>75,315,072</u>	<u>71</u>	<u>31,730,626</u>	<u>51</u>
OPERATING EXPENSES (Notes 26 and 32)				
Selling and marketing expenses	2,522,882	2	2,009,552	3
General and administrative expenses	535,388	1	688,985	1
Expected credit loss	5,352	—	19,085	—
Total operating expenses	<u>3,063,622</u>	<u>3</u>	<u>2,717,622</u>	<u>4</u>
OTHER OPERATING INCOME AND EXPENSES (Notes 16 and 26)	53,981	—	74,254	—
PROFIT FROM OPERATIONS	<u>72,305,431</u>	<u>68</u>	<u>29,087,258</u>	<u>47</u>
NON-OPERATING INCOME AND EXPENSES (Notes 16, 26 and 32)				
Interest income	219,945	—	24,904	—
Other income	22,846	—	23,223	—
Other gains and losses	4,172,305	4	(6,816)	—
Finance costs	(560,957)	—	(691,979)	(1)
Share of profit or loss of associates and joint ventures	370,274	—	249,363	—
Total non-operating income and expenses	<u>4,224,413</u>	<u>4</u>	<u>(401,305)</u>	<u>(1)</u>
PROFIT BEFORE INCOME TAX	76,529,844	72	28,685,953	46
INCOME TAX EXPENSE (Notes 4 and 27)	<u>(15,847,351)</u>	<u>(15)</u>	<u>(4,099,009)</u>	<u>(7)</u>

(Continued)

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 March 31			
	2022		2021	
	Amount	%	Amount	%
NET PROFIT FOR THE PERIOD	\$ 60,682,493	57	\$ 24,586,944	39
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 16, 24 and 27)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain on investments in equity instruments at FVTOCI	23,362	—	176,953	—
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	36,525	—	17,818	—
	59,887	—	194,771	—
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	1,010,638	1	21,759	—
Loss on hedging instruments	(1,548,575)	(1)	(241,673)	—
Income tax related to items that may be reclassified subsequently to profit or loss	140,973	—	—	—
	(396,964)	—	(219,914)	—
Other comprehensive loss for the period, net of income tax	(337,077)	—	(25,143)	—
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	\$ 60,345,416	57	\$ 24,561,801	39
NET PROFIT ATTRIBUTABLE TO :				
Owners of the Company	\$ 60,577,166	57	\$ 24,517,051	39
Non-controlling interests	105,327	—	69,893	—
	\$ 60,682,493	57	\$ 24,586,944	39

(Continued)

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 March 31			
	2022		2021	
	Amount	%	Amount	%
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO :				
Owners of the Company	\$ 60,245,982	57	\$ 24,485,693	39
Non-controlling interests	99,434	—	76,108	—
	\$ 60,345,416	57	\$ 24,561,801	39
ERNINGS PER SHARE (Note 28)				
Basic	\$ 17.35		\$ 7.49	
Diluted	\$ 17.25		\$ 7.34	

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

(With Deloitte & Touche auditors' review report dated May 12, 2022)

(Concluded)

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						Other Equity			Total	Non-controlling Interests	Total Equity
	Share Capital (Note 24)		Capital Surplus (Note 24)	Retained Earnings (Note 24)			Exchange Differences on Translating the Financial Statements of Foreign Operations (Note 24)	Unrealized Valuation Gain/(Loss) on Financial Assets at Fair Value Through Other Comprehensive Income (Note 24)	Gain (Loss) on Hedging Instruments (Note 24)			
	Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings						
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
Net profit for the three months ended March 31, 2021	—	—	—	—	—	24,517,051	—	—	—	24,517,051	69,893	24,586,944
Other comprehensive income (loss) for the three months ended March 31, 2021, net of income tax	—	—	—	—	—	—	15,544	194,771	(241,673)	(31,358)	6,215	(25,143)
Total comprehensive income (loss) for the three months ended March 31, 2021	—	—	—	—	—	24,517,051	15,544	194,771	(241,673)	24,485,693	76,108	24,561,801
Convertible bonds converted to ordinary shares	164,442	1,644,421	19,551	—	—	—	—	—	—	1,663,972	—	1,663,972
Decrease in non-controlling interests	—	—	—	—	—	—	—	—	—	—	(110,791)	(110,791)
BALANCE AT MARCH 31, 2021	<u>3,332,104</u>	<u>\$ 33,321,043</u>	<u>\$ 403,657</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 26,177,970</u>	<u>\$ (697,966)</u>	<u>\$ (590,959)</u>	<u>\$ 3,214,152</u>	<u>\$ 61,827,897</u>	<u>\$ 621,937</u>	<u>\$ 62,449,834</u>
BALANCE AT JANUARY 1, 2022	3,492,104	\$ 34,921,043	\$ 27,975,030	\$ 166,092	\$ 1,494,827	\$167,409,719	\$ (1,253,998)	\$ (299,493)	\$ 3,278,054	\$233,691,274	\$ 631,392	\$234,322,666
Net profit for the three months ended March 31, 2022	—	—	—	—	—	60,577,166	—	—	—	60,577,166	105,327	60,682,493
Other comprehensive income (loss) for the three months ended March 31, 2022, net of income tax	—	—	—	—	—	—	847,787	59,889	(1,238,860)	(331,184)	(5,893)	(337,077)
Total comprehensive income (loss) for the three months ended March 31, 2022	—	—	—	—	—	60,577,166	847,787	59,889	(1,238,860)	60,245,982	99,434	60,345,416
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (loss) by associates	—	—	—	—	—	1,577	—	(1,577)	—	—	—	—
BALANCE AT MARCH 31, 2022	<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>\$227,988,462</u>	<u>\$ (406,211)</u>	<u>\$ (241,181)</u>	<u>\$ 2,039,194</u>	<u>\$293,937,256</u>	<u>\$ 730,826</u>	<u>\$294,668,082</u>

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

(With Deloitte & Touche auditors' review report dated May 12, 2022)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 76,529,844	\$ 28,685,953
Adjustments for :		
Depreciation expenses	4,705,190	4,230,916
Amortization expenses	13,916	13,256
Expected credit loss recognized	5,352	19,085
Net gain on fair value change of financial assets/ liabilities at FVTPL	(703)	(11,874)
Finance costs	560,957	691,979
Interest income	(219,945)	(24,904)
Dividend income	—	(65)
Share of profit of associates and joint ventures	(370,274)	(249,363)
Gain on disposal of property, plant and equipment	(2,681)	(66,224)
Reversal of shipping fuel	—	(10,476)
Net gain on foreign currency exchange	(2,898,177)	(128,074)
Loss on changes in fair value of investment properties	4	38
Gain on lease modification	(32)	(7,640)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at FVTPL	—	1,456,616
Contract assets	(138,078)	(703,053)
Notes receivable	(21,448)	2,021
Trade receivables	(875,870)	(3,397,763)
Trade receivables from related parties	166,679	(8,257)
Shipping fuel	(946,398)	(575,647)
Prepayments	(86,924)	(113,334)
Prepayments to shipping agents	54,368	(35,117)
Other current assets	101,997	(76,847)
Notes payable	(10,581)	2,551
Trade payables	717,329	2,243,501
Trade payables to related parties	39,733	(92,812)
Other payables	62,251	940,528
Current liabilities	344,340	305,302
Other advance account	(92,478)	(13,885)
Other current liabilities	62,676	(63,413)
Net defined benefit liabilities	(461,295)	(144,574)
Cash generated from operations	77,239,752	32,868,424
Interest received	114,166	26,523
Dividends received	559,930	1,719

(Continued)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2022	2021
Interest paid	\$ (527,496)	\$ (647,917)
Income tax paid	(821,310)	(155,718)
Net cash generated from operating activities	<u>76,565,042</u>	<u>32,093,031</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at FVTOCI	—	(20,000)
Purchase of financial assets at amortized cost	(59,529,886)	(551,766)
Proceeds from sale of financial assets at amortized cost	5,590,366	1,829,866
Acquisition of investments accounted for using the equity method	(330)	—
Payments for property, plant and equipment	(376,371)	(1,038,919)
Proceeds from disposal of property, plant and equipment	7,498	120,183
Increase in refundable deposits	(14,221)	(5,108)
Payments for intangible assets	(60,024)	(7,353)
Payments for investment property	(449,368)	—
Decrease in financial lease receivables	5,026	4,960
Decrease in other financial assets	493	4,141
Decrease (increase) in other non-current assets	(1,196)	4,560
Increase in prepayments for equipment	(121,497)	(50,203)
Net cash used in investing activities	<u>(54,949,510)</u>	<u>290,361</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (repayments of) short-term borrowings	336,240	(420,916)
Proceeds from (repayments of) short-term bills payable	462,500	(3,477,500)
Proceeds from long-term borrowings	—	653,000
Repayments of long-term borrowings	(3,260,841)	(12,896,231)
Repayments of the principal portion of lease liabilities	(2,800,590)	(2,536,242)
Increase in other non-current liabilities	128,064	11,753
Net change in non-controlling interests	—	(110,791)
Net cash used in financing activities	<u>(5,134,627)</u>	<u>(18,776,927)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	<u>1,115,782</u>	<u>24,783</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	17,596,687	13,631,248
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	57,448,678	24,518,721

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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 Three Months Ended March 31	
	2022	2021
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 75,045,365</u>	<u>\$ 38,149,969</u>

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

(With Deloitte & Touche auditors' review report dated May 12, 2022)

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021

(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.

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by YMTC’s board of directors on May 12, 2022.

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)

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.

- b. 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 IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	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 : Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur 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 consolidated 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 consolidated 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.

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, 2021.

1) 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.

2) 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, 2021.

6. CASH AND CASH EQUIVALENTS

	March 31, 2022	December 31, 2021	March 31, 2021
Cash on hand	\$ 808,376	\$ 323,766	\$ 148,100
Checking accounts and demand deposits	41,175,366	43,506,240	21,902,529
Cash equivalents (investments with original maturities of 3 months or less)			
Time deposits	32,955,692	13,341,872	11,705,270
Repurchase agreements	105,931	276,800	4,394,070
	<u>\$ 75,045,365</u>	<u>\$ 57,448,678</u>	<u>\$ 38,149,969</u>

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

	March 31, 2022	December 31, 2021	March 31, 2021
Time deposits	0.06%~17.00%	0.04%~15.75%	0.10%~5.80%
Repurchase agreements	0.37%~0.49%	0.30%~0.42%	0.33%~0.52%

7. FINANCIAL INSTRUMENTS AT FVTPL

	March 31, 2022	December 31, 2021	March 31, 2021
<u>Financial assets at FVTPL - current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
- Domestic listed shares	\$ 70,016	\$ 70,016	\$ 94,845
- Foreign listed shares	—	—	1,876
- Mutual funds	5,879	6,032	190,754
	<u>\$ 75,895</u>	<u>\$ 76,048</u>	<u>\$ 287,475</u>
<u>Financial assets at FVTPL - non-current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
- Domestic limited partnership	\$ 14,727	\$ 13,871	\$ —

8. FINANCIAL ASSETS AT FVTOCI - NON-CURRENT

	March 31, 2022	December 31, 2021	March 31, 2021
<u>Domestic investments in equity instruments</u>			
Listed shares and emerging market shares			
Ordinary shares - Taiwan Navigation Co., Ltd. (Note)	\$ —	\$ —	\$ 1,698,198
Unlisted shares			

	March 31, 2022	December 31, 2021	March 31, 2021
Ordinary shares - Taipei Port Container Terminal Co., Ltd.	500,770	477,936	476,493
Ordinary shares - United Stevedoring Corp.	5,464	5,315	5,825
Ordinary shares - United Raw Material Solutions Inc.	2,222	2,281	1,564
Ordinary shares - Ascentek Venture Capital Corporation	—	—	1,242
Ordinary shares - Pro-Ascentek Investment Corporation	12,837	12,399	12,162
	<u>\$ 521,293</u>	<u>\$ 497,931</u>	<u>\$ 2,195,484</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 a significant influence on Taiwan Navigation Co., Ltd. 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 of \$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.

9. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2022	December 31, 2021	March 31, 2021
Time deposits with original maturity of more than 3 months	\$ 191,616,235	\$ 133,277,495	\$ 434,169
Restricted bank balance (Note 33)	140,013	117,493	138,517
Repurchase agreements	2,092,853	2,707,104	428,100
Corporate bonds	—	—	20,000

	March 31, 2022	December 31, 2021	March 31, 2021
	<u>\$ 193,849,101</u>	<u>\$ 136,102,092</u>	<u>\$ 1,020,786</u>
Current	<u>\$ 193,820,667</u>	<u>\$ 136,068,631</u>	<u>\$ 967,253</u>
Non-current	<u>\$ 28,434</u>	<u>\$ 33,461</u>	<u>\$ 53,533</u>

10. NOTES RECEIVABLE AND TRADE RECEIVABLES

	March 31, 2022	December 31, 2021	March 31, 2021
<u>Notes receivable - operating</u>	<u>\$ 26,572</u>	<u>\$ 5,124</u>	<u>\$ 6,224</u>
<u>Trade receivables</u>			
At amortized cost			
Trade receivables - non-related parties	\$ 23,708,206	\$ 21,779,506	\$ 14,451,333
Trade receivables - related parties	245,376	412,055	182,080
Less : Allowance for impairment loss	(149,883)	(136,577)	(62,484)
	<u>\$ 23,803,699</u>	<u>\$ 22,054,984</u>	<u>\$ 14,570,929</u>

The average credit period of notes receivable and trade receivables from cargo business is 14 to 28 days. For logistics, terminal, and warehousing services, the average credit period is within 90 days.

The Group measures the loss allowance for notes receivable, trade receivable, and contract assets at an amount equals to lifetime ECLs. The expected credit losses on notes receivable, trade receivables and contract assets are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, and the Group's customers are scattered around the world and not related to each other. The management believes there is no significant concentration of credit risk for trade receivables. The provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base. The Group recognize contract assets by completion ratio of transportation. According to historical experience, the completion of transportation period is within 60 days. The recognition method of the Group to assess contract assets which have expected credit loss is same as the trade receivables, and to assess within 60 days after invoice date.

The Group writes off notes receivable, trade receivables and contract assets when there is 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.

March 31, 2022

	No Signs of Default By Client					Signs of Default by Client	Total
	Less than 60 Days	61 to 90 days	91 to 180 days	181 to 365 days	Over 365 days		
Expected credit loss rate	0.00%-0.88%	0.50%-1.88%	0.50%-5.38%	0.50%-10.38%	0.50%-20.38%	100.00%	
Gross carrying amount	\$ 23,415,091	\$ 396,221	\$ 115,411	\$ 45,651	\$ 4,634	\$ 3,146	\$ 23,980,154
Loss allowance (Lifetime ECLs)	(137,325)	(3,331)	(5,268)	(790)	(23)	(3,146)	(149,883)
Amortized cost	<u>\$ 23,277,766</u>	<u>\$ 392,890</u>	<u>\$ 110,143</u>	<u>\$ 44,861</u>	<u>\$ 4,611</u>	<u>\$ —</u>	<u>\$ 23,830,271</u>

December 31, 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	0.00%-0.88%	0.50%-1.88%	0.50%-5.38%	0.50%-10.38%	0.50%-20.38%	100.00%	
Gross carrying amount	\$ 21,602,609	\$ 490,243	\$ 82,870	\$ 8,549	\$ 4,791	\$ 7,623	\$ 22,196,685
Loss allowance (Lifetime ECLs)	(122,638)	(3,428)	(2,343)	(241)	(304)	(7,623)	(136,577)
Amortized cost	<u>\$ 21,479,971</u>	<u>\$ 486,815</u>	<u>\$ 80,527</u>	<u>\$ 8,308</u>	<u>\$ 4,487</u>	<u>\$ —</u>	<u>\$ 22,060,108</u>

March 31, 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	0.00%-0.63%	0.50%-1.63%	0.50%-5.13%	0.50%-10.13%	0.50%-20.13%	100.00%	
Gross carrying amount	\$ 14,307,464	\$ 224,569	\$ 64,913	\$ 29,776	\$ 8,832	\$ 4,083	\$ 14,639,637
Loss allowance (Lifetime ECLs)	(52,510)	(2,796)	(2,182)	(441)	(472)	(4,083)	(62,484)
Amortized cost	<u>\$ 14,254,954</u>	<u>\$ 221,773</u>	<u>\$ 62,731</u>	<u>\$ 29,335</u>	<u>\$ 8,360</u>	<u>\$ —</u>	<u>\$ 14,577,153</u>

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

	For the Three Months Ended March 31	
	2022	2021
Balance at January 1	\$ 136,577	\$ 51,238
Add : Net remeasurement of loss allowance	11,521	13,979
Add : Reclassified of allowance of overdue receivables	1,435	—
Less : Amounts written off	(1,386)	(1,714)
Foreign exchange gains and losses	1,736	(1,019)
Balance at March 31	<u>\$ 149,883</u>	<u>\$ 62,484</u>

11. FINANCE LEASE RECEIVABLES

The composition of finance lease receivables was as follows:

	March 31, 2022	December 31, 2021	March 31, 2021
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	38,517	44,019	60,527
	<u>148,572</u>	<u>154,074</u>	<u>170,582</u>
Less : Unearned finance income	<u>(6,378)</u>	<u>(6,854)</u>	<u>(8,384)</u>
Net investment in leases presented as finance lease receivables	<u>\$ 142,194</u>	<u>\$ 147,220</u>	<u>\$ 162,198</u>
Current	<u>\$ 20,271</u>	<u>\$ 20,204</u>	<u>\$ 20,004</u>
Non-current	<u>\$ 121,923</u>	<u>\$ 127,016</u>	<u>\$ 142,194</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% per annum as of March 31, 2022, December 31, 2021 and March 31, 2021.

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

	March 31, 2022	December 31, 2021	March 31, 2021
Shipping fuel	<u>\$ 4,355,105</u>	<u>\$ 3,408,707</u>	<u>\$ 2,775,886</u>

The cost of shipping fuel recognized as operating cost for the three months ended March 31, 2022 and 2021 was \$5,096,636 thousand and \$3,578,456 thousand, respectively.

The cost of shipping fuel recognized as operating cost for the three months ended March 31, 2022 and 2021 included reversals of shipping fuel write-downs of \$10,476 thousand. Previous write-downs were reversed as a result of increased profit from marine operations.

13. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Note
			March 31, 2022	December 31, 2021	March 31, 2021	
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	100.00	
"	Yang Ming Line (Singapore) Pte Ltd (YML-Singapore)	Investment, shipping service, sale and purchase of ships, chartering and forwarding agency	100.00	100.00	100.00	
"	Ching Ming Investment Corp. (Ching Ming)	Investment	—	—	100.00	Note a
"	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	96.36	96.36	50.00	Note a
"	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	100.00	100.00	79.17	Note a
"	Jing Ming Transportation Co., Ltd.	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	
"	Yang Ming (Singapore) Pte. Ltd. (YM-Singapore)	Shipping agency, forwarding agency, shipping managers and shipping lines	100.00	—	—	Note b
Ching Ming	Hong Ming	Terminal operation and stevedoring	—	—	20.83	Note a

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Note
			March 31, 2022	December 31, 2021	March 31, 2021	
"	YES Logistics Corp.	Warehouse operation and forwarding agency	—	—	46.36	Note a
YML Holding	Yang Ming (America) Corp.	Shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	
"	Triumph Logistics, Inc.	Container transportation	—	—	100.00	Note c
"	Topline Transportation, Inc.	Container transportation	—	—	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	97.84	97.84	Note e
YML-BV	Yangming-UK	Shipping agency, forwarding agency, shipping managers and shipping lines	2.16	2.16	2.16	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	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. (YMS-BVI)	Forwarding agency and shipping agency	100.00	100.00	100.00	
"	Yangming (Japan) Co., Ltd. (Yangming-Japan)	Shipping services, sale and purchase of ships, chartering and forwarding agency	100.00	100.00	100.00	
"	Sun-Baked Pte. Ltd.	Insurance	100.00	100.00	100.00	Note g
"	Yang Ming Line (Hong Kong) Ltd. (YML-HK)	Forwarding agency and shipping agency	1.44	1.44	1.44	Note h
"	YM-Singapore	Shipping agency, forwarding agency, shipping managers and shipping lines	—	100.00	100.00	Note b
"	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	

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Note
			March 31, 2022	December 31, 2021	March 31, 2021	
"	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.	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	
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	98.56	98.56	Note h
Kuang Ming	Kuang Ming (Liberia) Corp.	Forwarding agency	100.00	100.00	100.00	
YES Logistics Corp.	Yes Logistics Corporation 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	
"	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's board of directors resolved in July 2021 to apply for a short-form merger of YMTC and Ching Ming in order to simplify the investment structure and integrate resources. The base date of the merger was November 1, 2021.
- Note b: Due to the consideration of operational strategies and management purpose, the Group's board of directors approved an organizational restructuring in January 2022 to acquire 100% of YM-Singapore's share from YML-Singapore for US\$16,061 thousand and completed the registration in February 2022.
- Note c: The Group's board of directors resolved in March 2020 to liquidate Triumph Logistics, Inc. and Topline Transportation, Inc. The liquidation had completed in May 2021..
- Note d: The Group's board of directors resolved in August 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 transferring the accounts receivable of YML-BVI to YM (UK). YML-BVI acquired about 68,098 thousand shares of YM (UK) in the amount of GBP68,098 thousand and completed the registration in March 2021.
- Note f: The Group acquired 500 shares of Corstor Ltd. in the amount of GBP190 thousand in July 2021 and the shareholding ratio was increased from 50% to 100% after the acquisition. The Group obtained control of the abovementioned company and listed it as a subsidiary since July 2021.
- 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 YML-Hong Kong by the accounts receivable of YMS-BVI to YML-Hong Kong. YMS-BVI acquired about 68,556 thousand shares of YML-Hong Kong in the amount of HK\$68,556 thousand and completed the registration in March 2021.

Although YMTC directly or indirectly owns less 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, Yamgming-UK and YM-Singapore for the three months ended March 31, 2022 and 2021, the financial statements of other non-significant subsidiaries were not reviewed.

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	March 31, 2022	December 31, 2021	March 31, 2021
Investment in associates	\$ 10,621,002	\$ 10,697,507	\$ 6,829,148
Investment in joint ventures	404,213	384,398	377,769
	<u>\$ 11,025,215</u>	<u>\$ 11,081,905</u>	<u>\$ 7,206,917</u>

a. Investment in associates

	March 31, 2022	December 31, 2021	March 31, 2021
Associates that are not individually material			
Kao Ming Container Terminal Corp.	\$ 4,964,194	\$ 4,928,086	\$ 4,771,430
Taiwan Navigation Co., Ltd. (Note a)	3,600,715	3,483,454	—
West Basin Container Terminal LLC	1,195,803	1,429,384	1,264,007
United Terminal Leasing LLC	281,524	269,593	272,894
Sino Trans PFS Cold Chain Logistics Co., Ltd.	65,142	68,524	104,293
Yunn Wang Investment Co., Ltd.	234,229	239,695	150,681
Taiwan Foundation International Pte. Ltd.	99,739	96,463	98,422
Shanghai United Cold Chain logistics Co., Ltd.	57,712	56,556	56,098
Yang Ming Shipping (Egypt) S.A.E.	37,034	50,351	18,061
Yang Ming (U.A.E.) LLC	45,671	40,942	50,359
Yang Ming (Australia) Pty. Ltd.	33,250	29,250	27,766
Corstor Ltd. (Note b)	—	—	9,897
PT. Formosa Sejati Logistics	5,989	5,209	5,240
	<u>\$ 10,621,002</u>	<u>\$ 10,697,507</u>	<u>\$ 6,829,148</u>

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

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 Corstor Ltd. and listed it as a subsidiary since July, 2021.

Except for Taiwan Navigation Co., Ltd., 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 associates' financial statements which have not been reviewed.

All the associates are accounted for using the equity method.

b. Investments in joint ventures

	March 31, 2022	December 31, 2021	March 31, 2021
Joint ventures that are not individually material			
Chang Ming Logistics Company Limited	\$ 286,420	\$ 275,202	\$ 278,013
YES LIBERAL Logistics Corp.	78,728	77,227	75,347
LogiTrans Technology Private Limited	23,141	19,982	21,012
Jambatan Merah Formosa Depot Sdn Bhd.	3,185	2,933	2,133
Yes And HQL Logistics Company	12,739	9,054	1,264
	<u>\$ 404,213</u>	<u>\$ 384,398</u>	<u>\$ 377,769</u>

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

	March 31, 2022	December 31, 2021	March 31, 2021
Assets used by the Group	\$ 64,793,894	\$ 65,739,551	\$ 66,904,583
Assets leased under operating leases	8,141,273	8,155,918	6,852,417
	<u>\$ 72,935,167</u>	<u>\$ 73,895,469</u>	<u>\$ 73,757,000</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, 2022	\$ 696,590	\$ 1,492,991	\$ 26,929,194	\$ 92,622,106	\$ 311,829	\$ 2,798,834	\$ —	\$ 124,851,544
Additions	—	—	—	297,321	4,568	33,452	—	335,341
Disposals	—	—	(6,247)	(65,422)	—	(15,522)	—	(87,191)
Reclassification	—	—	—	245,082	—	—	—	245,082
Effects of foreign currency exchange differences	57	20,202	39	18,680	2,579	7,293	—	48,850
Balance at March 31, 2022	<u>\$ 696,647</u>	<u>\$ 1,513,193</u>	<u>\$ 26,922,986</u>	<u>\$ 93,117,767</u>	<u>\$ 318,976</u>	<u>\$ 2,824,057</u>	<u>\$ —</u>	<u>\$ 125,393,626</u>
Accumulated depreciation and impairment								
Balance at January 1, 2022	\$ —	\$ 593,675	\$ 15,321,569	\$ 40,566,789	\$ 250,915	\$ 2,379,045	\$ —	\$ 59,111,993
Disposals	—	—	(5,008)	(65,422)	—	(12,052)	—	(82,482)
Depreciation expenses	—	7,861	364,106	1,145,532	2,986	32,205	—	1,552,690
Effects of foreign currency exchange differences	—	7,100	—	3,875	1,013	5,543	—	17,531
Balance at March 31, 2022	<u>\$ —</u>	<u>\$ 608,636</u>	<u>\$ 15,680,667</u>	<u>\$ 41,650,774</u>	<u>\$ 254,914</u>	<u>\$ 2,404,741</u>	<u>\$ —</u>	<u>\$ 60,599,732</u>
Balance at March 31, 2022, net value	<u>\$ 696,647</u>	<u>\$ 904,557</u>	<u>\$ 11,242,319</u>	<u>\$ 51,466,993</u>	<u>\$ 64,062</u>	<u>\$ 419,316</u>	<u>\$ —</u>	<u>\$ 64,793,894</u>
Balance at December 31, 2021 and January 1, 2022, net value	<u>\$ 696,590</u>	<u>\$ 899,316</u>	<u>\$ 11,607,625</u>	<u>\$ 52,055,317</u>	<u>\$ 60,914</u>	<u>\$ 419,789</u>	<u>\$ —</u>	<u>\$ 65,739,551</u>
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	—	—	—	38,186	1,098	8,917	1,604,060	1,652,261
Disposals	—	—	(241,637)	(24,426)	—	(16,073)	—	(282,136)
Transfers from assets leased under operating leases	—	—	—	—	—	7,445	—	7,445
Transfer to assets leased under operating leases	—	—	—	(3,819)	—	—	—	(3,819)
Reclassification	—	—	—	1,210,156	—	525	(1,201,770)	8,911
Effects of foreign currency exchange differences	(434)	(3,656)	3	4,080	(827)	(6,915)	—	(7,749)
Balance at March 31, 2021	<u>\$ 697,152</u>	<u>\$ 1,507,888</u>	<u>\$ 24,624,819</u>	<u>\$ 89,874,153</u>	<u>\$ 285,520</u>	<u>\$ 3,215,693</u>	<u>\$ 1,994,220</u>	<u>\$ 122,199,445</u>
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	—	—	(212,836)	(24,426)	—	(13,257)	—	(250,519)
Transfers from assets leased under operating leases	—	—	—	—	—	7,445	—	7,445
Transfer to assets leased under operating leases	—	—	—	—	—	—	—	—
Depreciation expenses	—	7,919	405,954	1,017,885	2,937	31,660	—	1,466,355
Effects of foreign currency exchange differences	—	(253)	—	107	(595)	(5,443)	—	(6,184)
Balance at March 31, 2021	<u>\$ —</u>	<u>\$ 576,219</u>	<u>\$ 14,288,829</u>	<u>\$ 37,417,992</u>	<u>\$ 250,681</u>	<u>\$ 2,761,141</u>	<u>\$ —</u>	<u>\$ 55,294,862</u>
Balance at March 31, 2021, net value	<u>\$ 697,152</u>	<u>\$ 931,669</u>	<u>\$ 10,335,990</u>	<u>\$ 52,456,161</u>	<u>\$ 34,839</u>	<u>\$ 454,552</u>	<u>\$ 1,994,220</u>	<u>\$ 66,904,583</u>

The above items of property, plant and equipment used by the Group are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	53-56 years
Container and chassis	6-10 years
Ships	20-25 years
Dry dock	2.5-5 years
Leasehold improvements	2-10 years
Miscellaneous equipment	3-18 years

The dry dock is a significant component of ships.

Property, plant and equipment used by the Group and pledged as collateral for bank borrowings are set out in Note 33.

b. Assets leased under operating leases

	<u>Ship</u>	<u>Miscellaneous Equipment</u>	<u>Total</u>
<u>Cost</u>			
Balance at January 1, 2022	\$ 11,687,888	\$ —	\$ 11,687,888
Effects of foreign currency exchange differences	204,426	—	204,426
Balance at March 31, 2022	<u>\$ 11,892,314</u>	<u>\$ —</u>	<u>\$ 11,892,314</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2022	\$ 3,531,970	\$ —	\$ 3,531,970
Depreciation expenses	128,137	—	128,137
Effects of foreign currency exchange differences	90,934	—	90,934
Balance at March 31, 2022	<u>\$ 3,751,041</u>	<u>\$ —</u>	<u>\$ 3,751,041</u>
Balance at March 31, 2022, net value	<u>\$ 8,141,273</u>	<u>\$ —</u>	<u>\$ 8,141,273</u>
Balance at December 31, 2021 and January 1, 2022, net value	<u>\$ 8,155,918</u>	<u>\$ —</u>	<u>\$ 8,155,918</u>
<u>Cost</u>			
Balance at January 1, 2021	\$ 10,144,723	\$ 7,445	\$ 10,152,168
Additions	37,751	—	37,751
Transfers from assets used by the Group	3,819	—	3,819
Transfer to assets used by the Group	—	(7,445)	(7,445)
Reclassification	2,811	—	2,811

	Ship	Miscellaneous Equipment	Total
Effects of foreign currency exchange differences	5,892	—	5,892
Balance at March 31, 2021	<u>\$ 10,194,996</u>	<u>\$ —</u>	<u>\$ 10,194,996</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2021	\$ 3,228,254	\$ 7,445	\$ 3,235,699
Transfers from assets used by the Group	—	—	—
Transfer to assets used by the Group	—	(7,445)	(7,445)
Depreciation expenses	109,608	—	109,608
Effects of foreign currency exchange differences	4,717	—	4,717
Balance at March 31, 2021	<u>\$ 3,342,579</u>	<u>\$ —</u>	<u>\$ 3,342,579</u>
Balance at March 31, 2021, net value	<u>\$ 6,852,417</u>	<u>\$ —</u>	<u>\$ 6,852,417</u>

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

	March 31, 2022	December 31, 2021	March 31, 2021
Year 1	\$ 1,290,363	\$ 1,568,842	\$ 463,140
Year 2	9,032	9,313	9,390
Year 3	—	1,811	8,869
Year 4	—	—	—
Year 5 onwards	—	—	—
	<u>\$ 1,299,395</u>	<u>\$ 1,579,966</u>	<u>\$ 481,399</u>

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 33.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2022	December 31, 2021	March 31, 2021
Carrying amounts			
Land	\$ 41,091	\$ 41,710	\$ 48,236
Buildings	2,055,936	2,086,132	2,293,037
Container and chassis	5,636,640	2,598,243	62,374
Ships	55,722,405	58,329,877	53,253,136
Miscellaneous equipment	81,162	83,993	70,367
	<u>\$ 63,537,234</u>	<u>\$ 63,139,955</u>	<u>\$ 55,727,150</u>

	For the Three Months Ended March 31	
	2022	2021
Additions to right-of-use assets	<u>\$ 3,288,286</u>	<u>\$ 2,565,836</u>
Depreciation expenses for right-of-use assets		
Land	\$ 2,198	\$ 2,176
Buildings	119,332	119,816
Container and chassis	133,038	58,928
Ships	2,760,635	2,465,657
Miscellaneous equipment	9,160	8,376
	<u>\$ 3,024,363</u>	<u>\$ 2,654,953</u>
Income from the subleasing of right-of-use assets (presented in operating revenue and other income)	<u>\$ 182,525</u>	<u>\$ 207,272</u>

Except for the aforementioned additions and depreciation expenses, no significant subleasing and impairment loss of the right-of-use assets was recorded for the three months ended March 31, 2022 and 2021.

b. Lease liabilities

	March 31, 2022	December 31, 2021	March 31, 2021
Carrying amounts			
Current	\$ 3,819,670	\$ 3,306,188	\$ 1,925,655
Non-current	<u>\$ 19,784,003</u>	<u>\$ 17,236,619</u>	<u>\$ 5,681,102</u>
Lease liabilities designated as hedging (presented in financial liabilities for hedging)			
Current	\$ 7,914,372	\$ 7,585,691	\$ 7,676,977
Non-current	<u>\$ 33,018,219</u>	<u>\$ 33,835,186</u>	<u>\$ 40,803,916</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:

	Maturity Period	Account	Carrying Amount
March 31, 2022	2025/01/31-2031/01/31	Financial liabilities for hedging	\$ 40,932,591
December 31, 2021	2025/01/31-2031/01/31	Financial liabilities for hedging	41,420,877
March 31, 2021	2025/01/31-2031/01/31	Financial liabilities for hedging	48,480,893

Impact on comprehensive income (loss):

	Recognized in Other Comprehensive Income	Amount Reclassified to Profit or Loss
For the three months ended March 31, 2022	<u>\$ (1,369,375)</u>	<u>\$ (179,200)</u>
For the three months ended March 31, 2021	<u>\$ (103,507)</u>	<u>\$ (138,166)</u>

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:

	March 31, 2022	December 31, 2021	March 31, 2021
Land	1.12%-1.49%	1.12%-1.49%	1.12%-1.49%
Buildings	0.85%-10.00%	0.85%-10.00%	0.85%-10.00%
Container and chassis	0.08%-1.52%	0.08%-1.47%	3.65%-3.87%
Ships	0.09%-7.24%	0.09%-7.24%	0.68%-7.24%
Miscellaneous equipment	0.84%-13.00%	0.84%-13.00%	1.23%-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 option. 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. 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 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>March 31, 2022</u>			
Ships	\$ 47,264,240	\$ 21,648,713	0.90%
<u>December 31, 2021</u>			
Ships	\$ 47,809,568	\$ 20,756,101	0.91%
<u>March 31, 2021</u>			
Ships	\$ 43,664,821	\$ 18,960,588	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 for every month of the lease term (based on the actual volume of cargo stevedored). Administration fees depend on the lowest guaranteed volumes for each respective logistics center, which 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, respectively, and the administration fees will be adjusted under the annual Wholesale Price Index in Taiwan.

d. Subleases

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

Sublease of right-of-use assets

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

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

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

	March 31, 2022	December 31, 2021	March 31, 2021
Year 1	\$ 246,101	\$ 339,630	\$ 312,488
Year 2	2,798	7	611
Year 3 onwards	—	—	—
	<u>\$ 248,899</u>	<u>\$ 339,637</u>	<u>\$ 313,099</u>

e. Other lease information

	For the Three Months Ended March 31	
	2022	2021
Expenses relating to short-term leases	<u>\$ 294,463</u>	<u>\$ 231,170</u>
Expenses relating to low-value asset leases	<u>\$ 726,424</u>	<u>\$ 880,602</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 7,884</u>	<u>\$ 2,318</u>
Expenses relating to service cost payments not included in the measurement of lease liabilities	<u>\$ 949,454</u>	<u>\$ 878,549</u>
Total cash outflow for leases	<u>\$ (5,255,213)</u>	<u>\$ (5,408,876)</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 \$5,871,565 thousand, \$6,373,035 thousand and \$8,345,450 thousand as of March 31, 2022, December 31, 2021 and March 31, 2021, respectively.

The amounts of lease commitments for future service cost which was recognized as non-lease components of contracts were \$19,203,629 thousand, \$19,478,096 thousand and \$18,317,664 thousand as of March 31, 2022, December 31, 2021 and March 31, 2021, respectively.

17. INVESTMENT PROPERTIES

	March 31, 2022	December 31, 2021	March 31, 2021
Completed Investment Property	\$ 7,083,722	\$ 7,083,726	\$ 6,317,181

Expect for the recognition of the changes in fair value, there are not significant additions, disposals and impairment losses for the three months ended March 31, 2022 and 2021.

The Group's properties located in Zhongzheng District, Taipei City were offered to Chunghwa Post Co., Ltd. for construction of Zhongnan Post Office. The Group needs to obtain approval from Chunghwa Post Co., Ltd. and Ministry of Transportation and Communication for reclaiming the property in the future. The Group had negotiated with Chunghwa Post Co., Ltd. on the value of the property that would be ceded, which was \$449,368 thousand. The two parties had agreed to proceed in accordance with approved procedures. In February 2022, the two parties completed negotiations and signed an agreement to implement related matters such as the allocation and the return of the property.

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

	March 31, 2022	December 31, 2021	March 31, 2021
Independent valuation	\$ 7,083,722	\$ 7,083,726	\$ 6,309,844
Valuation by the Group	—	—	7,337
	\$ 7,083,722	\$ 7,083,726	\$ 6,317,181

The maturity analysis of lease payments receivable under operating lease of investment properties as of March 31, 2022, December 31, 2021 and March 31, 2021, respectively was as follows:

	March 31, 2022	December 31, 2021	March 31, 2021
Year 1	\$ 70,229	\$ 69,348	\$ 70,904
Year 2	52,336	50,820	56,830
Year 3	21,580	23,124	39,406
Year 4	10,518	12,257	10,118
Year 5	3,718	5,241	4,978
Year 6 onwards	2,971	3,200	3,934
	\$ 161,352	\$ 163,990	\$ 186,170

The carrying amounts of investment properties pledged by the Group to secure borrowings granted to the Group were reflected in Note 33.

18. BORROWINGS

a. Short-term borrowings

	March 31, 2022	December 31, 2021	March 31, 2021
<u>Unsecured borrowings</u>			
Line of credit borrowings	\$ 1,490,000	\$ 1,151,760	\$ 990,000
Loans from related parties (Note 32)	240,000	242,000	661,240
	<u>\$ 1,730,000</u>	<u>\$ 1,393,760</u>	<u>\$ 1,651,240</u>

- 1) The range of weighted average effective interest rate on credit borrowings was 1.23%-1.39%, 1.30%-2.50% and 1.35%-1.92% per annum as of March 31, 2022, December 31, 2021 and March 31, 2021, respectively.
- 2) Loans from related parties of the Group were the amounts repayable to government-related entities. Interest rates were 1.28%-1.50%, 1.28%-1.50% and 1.07%-1.75% per annum as of March 31, 2022, December 31, 2021 and March 31, 2021, respectively.

b. Short-term bills payable

	March 31, 2022	December 31, 2021	March 31, 2021
Commercial paper	\$ 400,000	\$ 387,500	\$ 6,462,500
Less : Unamortized discount on bills payable	870	1,282	4,057
	<u>399,130</u>	<u>386,218</u>	<u>6,458,443</u>
Loans from related parties (Note 32)	500,000	50,000	2,200,000
Less : Unamortized discount on bills payable	701	87	3,856
	<u>499,299</u>	<u>49,913</u>	<u>2,196,144</u>
	<u>\$ 898,429</u>	<u>\$ 436,131</u>	<u>\$ 8,654,587</u>

Interest rates of the outstanding short-term bills payable were 1.24%-1.39%, 1.39% and 0.69%-2.21% per annum as of March 31, 2022, December 31, 2021 and March 31, 2021, respectively.

Interest rates of the outstanding related parties' short-term bills payable were 1.34%, 1.39% and 1.02%-2.00% per annum as of March 31, 2022, December 31, 2021 and March 31, 2021, respectively.

c. Long-term borrowings

	March 31, 2022	December 31, 2021	March 31, 2021
<u>Secured borrowings</u> (Note 33)			
Secured bank loans	\$ 8,643	\$ 415,396	\$ 1,699,674
Loans from related parties (Note 32)	3,022,958	4,236,308	17,726,906
Other borrowings	—	317,324	432,131
	<u>3,031,601</u>	<u>4,969,028</u>	<u>19,858,711</u>
<u>Unsecured borrowings</u>			
Line of credit borrowings	24,515	100,798	261,933
Loans from related parties (Note 32)	—	99,839	2,780,708
	<u>24,515</u>	<u>200,637</u>	<u>3,042,641</u>
<u>Commercial paper</u>			
Line of credit borrowings	300,000	1,300,000	17,150,000
Less : Unamortized discount on bills payable	298	356	25,371
	<u>299,702</u>	<u>1,299,644</u>	<u>17,124,629</u>
Loans from related parties (Note 32)	—	—	1,500,000
Less : Unamortized discount on bills payable	—	—	1,531
	<u>—</u>	<u>—</u>	<u>1,498,469</u>
	<u>299,702</u>	<u>1,299,644</u>	<u>18,623,098</u>
Subtotal	3,355,818	6,469,309	41,524,450
Less : Current portion	274,989	1,400,430	12,480,043
Long-term borrowings	<u>\$3,080,829</u>	<u>\$ 5,068,879</u>	<u>\$ 29,044,407</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:

	March 31, 2022	December 31, 2021	March 31, 2021
<u>NT\$</u>			
Amount	\$ 2,608,577	\$ 4,416,452	\$ 36,475,941
Interest rate	1.12%-1.53%	1.12%-4.00%	1.13%-4.00%
Contract term	2020/02/27-2031/10/26	2016/03/25-2031/10/26	2012/12/27-2031/05/15

US\$

	March 31, 2022	December 31, 2021	March 31, 2021
Foreign currency amount	25,767	73,808	176,470
New Taiwan dollar amount	\$ 737,683	\$ 2,043,028	\$ 5,036,405
Interest rate	1.51%-3.13%	1.16%-2.81%	1.00%-2.83%
Contract term	2016/08/16-2026/09/28	2015/01/07-2027/01/13	2011/04/19-2028/02/09
 <u>MYR</u>			
Foreign currency amount	1,270	1,353	1,627
New Taiwan dollar amount	\$ 8,643	\$ 8,964	\$ 11,198
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	\$ 915	\$ 865	\$ 906
Interest rate	5.00%	5.00 %	5.00 %
Contract term	2020/06/03-2022/12/31	2020/06/03-2022/12/31	2020/06/03-2022/12/31

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 3.25%, 1.33%-3.25% and 1.25%-3.25% on March 31, 2022, December 31, 2021 and March 31, 2021, 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 October 26, 2031. Interest rates were 1.12%-2.46%, 1.12%-1.47% and 1.13%-1.83% on March 31, 2022, December 31, 2021 and March 31, 2021, 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% on

December 31, 2021 and March 31, 2021, respectively. The Group's containers 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 3.13%-5.00%, 1.45%-5.00% and 1.00%-5.00% on March 31, 2022, December 31, 2021 and March 31, 2021, respectively.

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, 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 September 24, 2022. Interest rates were 1.50% and 1.13%-2.46% on December 31, 2021 and March 31, 2021, 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 had repaid all the drawdown made as of March 31, 2022, \$99,839 thousand with the same amount available as of December 31, 2021, and \$302,500 thousand with the same amount available as of March 31, 2021, respectively.

Commercial paper

The Group signed 3 years underwriting contracts for the issuance of commercial paper with a bill finance institution. The Group 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, the Group's short-term and long-term credit ratings (rated by Taiwan ratings or other rating organization recognized by authority) should be maintained at a certain level specified in the contracts. As of March 31, 2022, December 31, 2021 and March 31, 2021, the Group 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 1.44%, 1.43%-1.59% and 1.40%-1.59% on March 31, 2022, December 31, 2021 and March 31, 2021, 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 were fully repaid in advance on August 23, 2021. Interest rates were 1.39%-1.44% on March 31, 2021.

19. BONDS PAYABLE

	March 31, 2022	December 31, 2021	March 31, 2021
Secured domestic bonds	\$ 10,847,680	\$ 10,822,014	\$ 4,958,977
Domestic secured convertible bonds	—	—	—
	<u>\$ 10,847,680</u>	<u>\$ 10,822,014</u>	<u>\$ 4,958,977</u>

a. Secured domestic bonds

YMTC issued five-year domestic secured bonds with an aggregate par value of \$5,000,000 thousand on November 28, 2019 (the November 2019 Bonds).

The bond features and terms are as follows:

Bonds issued in November 2019:	Type A - aggregate par value: \$1,000,000 thousand; repayments: 50% - November 28, 2023 and 50% - November 28, 2024, an annual simple interest rate of 0.74%.
	Type B - aggregate par value: \$1,500,000 thousand; repayments: 50% - November 28, 2023 and 50% - November 28, 2024, an annual simple interest rate of 0.74%.
	Type C - aggregate par value: \$1,000,000 thousand; repayments: 50% - November 28, 2023 and 50% - November 28, 2024, an annual simple interest rate of 0.74%.
	Type D - aggregate par value: \$1,000,000 thousand; repayments: 50% - November 28, 2023 and 50% - November 28, 2024, an annual simple interest rate of 0.74%.
	Type E - aggregate par value: \$500,000 thousand; repayments: 50% - November 28, 2023 and 50% - November 28, 2024, an annual simple interest rate of 0.74%.

YMTC issued five-year to seven-year domestic secured bonds with an aggregate par value of \$5,900,000 thousand on April 28, 2021 (the April 2021 Bonds).

The bond features and terms are as follows:

Bonds issued in April 2021:	Type A - aggregate par value: \$1,000,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.
	Type B - aggregate par value: \$1,000,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.
	Type C - aggregate par value: \$500,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.
	Type D - aggregate par value: \$500,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.
	Type E - aggregate par value: \$500,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.
	Type F - aggregate par value: \$500,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.
	Type G - aggregate par value: \$500,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.
	Type H - aggregate par value: \$400,000 thousand; repayments: 50% - April 28, 2027 and 50% - April 28, 2028, an annual simple interest rate of 0.49%.
	Type I - aggregate par value: \$1,000,000 thousand; repayments: 50% - April 28, 2027 and 50% - April 28, 2028, an annual simple interest rate of 0.49%.

The bonds are guaranteed by banks, of which \$5,000,000 thousand and \$4,400,000 thousand, respectively are guaranteed by government-related banks.

b. 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 ordinary 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

	March 31, 2022	December 31, 2021	March 31, 2021
<u>Trade payables - operating</u>			
Trade payables - non-related parties	\$ 21,597,586	\$ 19,106,729	\$ 17,921,133
Trade payables - related parties	416,687	376,954	332,576
	<u>\$ 22,014,273</u>	<u>\$ 19,483,683</u>	<u>\$ 18,253,709</u>
Payable for cost of voyage in sailing	\$ 11,118,911	\$ 10,219,909	\$ 11,284,585
Payable for fuel	2,772,807	2,029,203	1,930,659
Payable for space hire	7,625,541	6,844,147	4,474,829
Payable for freight expenses	388,091	310,566	433,001
Payable for stevedoring expenses	103,949	75,049	125,825
Payable for management expenses	4,974	4,809	4,810
	<u>\$ 22,014,273</u>	<u>\$ 19,483,683</u>	<u>\$ 18,253,709</u>

21. OTHER PAYABLES

	March 31, 2022	December 31, 2021	March 31, 2021
Payable for container lease	\$ 543,319	\$ 558,222	\$ 613,494
Payable for salary and bonus	4,769,743	4,496,556	2,400,223
Payable for interest expenses	128,259	125,917	72,415
Payable for equipment M&R expenses	37,192	106,021	249,077
Payable for annual leave	141,363	130,097	214,152

	March 31, 2022	December 31, 2021	March 31, 2021
Payable for vessel charter hire	61,975	49,156	153,528
Payable for equipment	52,059	93,089	861,694
Others	1,686,957	2,287,614	1,347,893
	<u>\$ 7,420,867</u>	<u>\$ 7,846,672</u>	<u>\$ 5,912,476</u>

22. PROVISIONS

	March 31, 2022	December 31, 2021	March 31, 2021
Restoration cost for leased assets (a)	\$ 1,393	\$ 1,348	\$ 1,373
Others (b)	56,307	56,307	—
	<u>\$ 57,700</u>	<u>\$ 57,655</u>	<u>\$ 1,373</u>
Current	\$ 56,307	\$ 56,307	\$ —
Non-current	1,393	1,348	1,373
	<u>\$ 57,700</u>	<u>\$ 57,655</u>	<u>\$ 1,373</u>

	Restoration Cost for		
	Leased Assets	Others	Total
Balance at January 1, 2022	\$ 1,348	\$ 56,307	\$ 57,655
Effect of foreign currency exchange differences	45	—	45
Balance at March 31, 2022	<u>\$ 1,393</u>	<u>\$ 56,307</u>	<u>\$ 57,700</u>
Balance at January 1, 2021	\$ 1,396	\$ —	\$ 1,396
Effect of foreign currency exchange differences	(23)	—	(23)
Balance at March 31, 2021	<u>\$ 1,373</u>	<u>\$ —</u>	<u>\$ 1,373</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 due to the possible fine of \$56,307 thousand which the Group may be fined by The Korea Fair Trade Commission for violating the Korea Fair Trade Act. The Group will continue to evaluate following measures to ensure maximum benefit.

23. RETIREMENT BENEFIT PLANS

For the three months ended March 31, 2022 and 2021, 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, 2021 and 2020, the amounts are \$24,101 thousand and \$26,027 thousand, respectively.

24. EQUITY

a. Share capital

1) Ordinary shares

	March 31, 2022	December 31, 2021	March 31, 2021
Numbers of shares authorized (in thousands)	4,500,000	4,500,000	4,500,000
Shares authorized	<u>\$ 45,000,000</u>	<u>\$ 45,000,000</u>	<u>\$ 45,000,000</u>
Numbers of shares issued and fully paid (in thousands)	3,492,104	3,492,104	3,332,104
Shares issued	<u>\$ 34,921,043</u>	<u>\$ 34,921,043</u>	<u>\$ 33,321,043</u>

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

The board of directors resolved on May 19, 2021 to implement 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 had 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 the 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.

The secured domestic convertible bonds had been converted into YMTC's ordinary shares in the amount of \$1,644,421 thousand (164,442 thousand shares) for the three months ended March 31, 2021. The board of directors had determined the subscription base date to be May 12, 2021 and completed change registration in June 2021.

On March 31, 2021, there were still 697,394 thousand privately placed ordinary shares not converted into publicly placed shares. The board of directors resolved to convert the privately placed ordinary shares into publicly placed shares on November 11, 2021. The above transaction was approved by the FSC on December 28, 2021 and listed on January 3, 2022.

The rights and obligations of privately placed ordinary shares are the same as those of the issuance of ordinary shares, except for a restriction on negotiation in accordance with the Securities and Exchange Act and application for public listing after 3 years from the trade date.

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 YMTC's financial status has been significantly improving.

b. Capital surplus

	May Be Used to Offset a Deficit, Distributed as Cash Dividends, or Transferred to Share Capital (1)	May Not Be Used for Any Purpose	
	Issuance of Ordinary Shares	Share Warrants	Total
Balance at January 1, 2021	\$ 314,626	\$ 69,480	\$ 384,106
Convertible bonds converted to ordinary shares	89,031	(69,480)	19,551
Balance at March 31, 2021	<u>\$ 403,657</u>	<u>\$ —</u>	<u>\$ 403,657</u>
Balance at January 1 and March 31, 2022	<u>\$ 27,975,030</u>	<u>\$ —</u>	<u>\$ 27,975,030</u>

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

c. Retained earnings and 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 used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and of bonus of shareholders. For the policies on distribution of compensation of employees and remuneration of directors and supervisors before and after amendment, refer to Note 26 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 shall be made until the legal reserve equals 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.

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>

The appropriation of earnings for 2021 proposed by the Company's board of directors on March 14, 2022, were as follows:

	For the year ended December 31, 2021
Legal reserve	<u>\$ 16,740,972</u>
Special reserve	<u>\$ 2,218,403</u>
Cash dividends	<u>\$ 69,842,085</u>
Cash dividends per share (NT\$)	<u>\$ 20</u>

The appropriation of earnings for 2021 will be resolved by the shareholders in their meeting to be held on May 27, 2022.

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 from fair value measurement and transferred to retained earnings. Additional special reserve should be appropriated for subsequent net increase in fair value. The amount appropriated may be reversed to the extent that the cumulative net increases in fair value decrease or on the disposal of investment properties. If the Company offsets the deficit with special reserves before the reason for appropriating special reserves eliminated, the Company should compensate the special reserves before appropriating earnings.

The Company's board of directors proposed in March 14, 2022 to amend the Articles to appropriate special reserve from the balance of retained earnings of the prior period against the full amount of "the cumulative net increases in fair value of investment properties in the prior period" and "the cumulative net decrease of other equity in the prior period". If the amount of retained earnings of the prior period is not enough for such appropriation, the Group should further make up the gap by the net profit after tax and the balances of other equity items of current period. Before amending the Articles, the Company appropriated by law from retained earnings of the prior period.

e. Others equity items

1) Exchange differences on translation of the financial statements of foreign operations

	For the Three Months Ended March 31	
	2022	2021
Balance at January 1	<u>\$ (1,253,998)</u>	<u>\$ (713,510)</u>

	For the Three Months Ended March 31	
	2022	2021
Recognized for the period		
Exchange differences on translation of the financial statements of foreign operations	1,016,529	15,544
Related income tax	(168,742)	—
Other comprehensive income recognized for the period	847,787	15,544
Balance at March 31	<u>\$ (406,211)</u>	<u>\$ (697,966)</u>

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

	For the Three Months Ended March 31	
	2022	2021
Balance at January 1	<u>\$ (299,493)</u>	<u>\$ (785,730)</u>
Recognized for the period		
Unrealized gain (loss) Equity instruments	23,364	176,953
Share from associates and joint ventures accounted for using the equity method	36,525	17,818
Other comprehensive income recognized for the period	59,889	194,771
Cumulative unrealized loss of equity instruments transferred to retained earnings from associates	(1,577)	—
Balance at March 31	<u>\$ (241,181)</u>	<u>\$ (590,959)</u>

3) Gain on hedging instruments

	For the Three Months Ended March 31	
	2022	2021
Balance at January 1	<u>\$ 3,278,054</u>	<u>\$ 3,455,825</u>
Recognized for the period		
Foreign currency risk- lease liabilities	(1,369,375)	(103,507)
Related income tax	309,715	—
Reclassification adjustments		
Foreign currency risk- operating revenue	(179,200)	(138,166)
Other comprehensive income recognized for the period	(1,238,860)	(241,673)
Balance at March 31	<u>\$ 2,039,194</u>	<u>\$ 3,214,152</u>

f. Non-controlling interests

	For the Three Months Ended March 31	
	2022	2021
Balance at January 1	\$ 631,392	\$ 656,620
Share of profit for the period	105,327	69,893
Other comprehensive income (loss) during the period		
Exchange difference on translating the financial statements of foreign entities	(5,891)	6,215
Unrealized loss on financial assets at FVTOCI	(2)	—
Cash dividends distributed by subsidiaries	—	(110,791)
Balance at March 31	<u>\$ 730,826</u>	<u>\$ 621,937</u>

25. REVENUE

	For the Three Months Ended March 31	
	2022	2021
Revenue from contracts with customers		
Cargo revenue	\$ 100,015,114	\$ 57,784,977
Slottage revenue	1,033,031	915,546
Rental income		
Rental revenue on vessel	775,783	486,130
Other operating revenue	4,880,244	3,095,802
	<u>\$ 106,704,172</u>	<u>\$ 62,282,455</u>

a. Contract balances

	March 31, 2022	December 31, 2021	March 31, 2021	January 1, 2021
Trade receivables (Note 10)	<u>\$ 23,803,699</u>	<u>\$ 22,054,984</u>	<u>\$ 14,570,929</u>	<u>\$ 11,177,869</u>
Contract assets				
Cargo revenue	\$ 5,671,306	\$ 5,533,228	\$ 3,609,305	\$ 2,906,252
Less : Allowance for impairment loss	(62,440)	(67,894)	(21,111)	(15,978)
Contract assets	<u>\$ 5,608,866</u>	<u>\$ 5,465,334</u>	<u>\$ 3,588,194</u>	<u>\$ 2,890,274</u>
Contract liabilities - current				
Advance on contract	<u>\$ 1,247,793</u>	<u>\$ 903,453</u>	<u>\$ 440,300</u>	<u>\$ 134,998</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 Three Months Ended March 31	
	2022	2021
Balance at January 1	\$ 67,894	\$ 15,978
Add : Net remeasurement of loss allowance	—	5,106
Less : Reversal of loss allowance	(6,169)	—
Foreign exchange gains and losses	715	27
Balance at March 31	<u>\$ 62,440</u>	<u>\$ 21,111</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 38 for information about disaggregation of revenue.

26. NET PROFIT

a. Other operating income and expenses

	For the Three Months Ended March 31	
	2022	2021
Gain on disposal and retirement of property, plant and equipment	\$ 2,681	\$ 66,224
Reimbursement income	51,300	8,030
	<u>\$ 53,981</u>	<u>\$ 74,254</u>

b. Interest income

	For the Three Months Ended March 31	
	2022	2021
Bank deposits	\$ 216,685	\$ 22,154
Net investments in leases	477	543
Short-term bills	2,769	1,879
Others	14	328
	<u>\$ 219,945</u>	<u>\$24,904</u>

c. Other income

	For the Three Months Ended March 31	
	2022	2021
Rental income - operating leases	\$ 22,846	\$ 23,158
Dividends	—	65
	<u>\$ 22,846</u>	<u>\$ 23,223</u>

d. Other gains and losses

	For the Three Months Ended March 31	
	2022	2021
Net foreign exchange gains (losses)	\$ 4,130,134	\$ (15,250)
Fair value changes of financial assets and financial liabilities		
Financial assets mandatorily classified as at FVTPL	703	11,874
Gain arising from lease modifications	32	7,640
Loss arising from the change in fair value of investment properties	(4)	(38)

	For the Three Months Ended March 31	
	2022	2021
Others	41,440	(11,042)
	<u>\$ 4,172,305</u>	<u>\$ (6,816)</u>

e. Finance costs

	For the Three Months Ended March 31	
	2022	2021
Interest on bank loans	\$ 19,346	\$ 108,048
Interest on lease liabilities (including U.S. dollar lease contracts designated as hedging instruments)	470,653	499,009
Other interest expenses	70,958	89,231
	<u>560,957</u>	<u>696,288</u>
Less : Amounts included in the cost of qualifying assets	—	(4,309)
	<u>\$ 560,957</u>	<u>\$ 691,979</u>

Information about capitalized interest is as follow:

	For the Three Months Ended March 31	
	2022	2021
Capitalized interest amount	\$ —	\$ 4,309
Capitalization rate	—	1.24%-1.47%
Depreciation and amortization		

f. Depreciation and amortization

	For the Three Months Ended March 31	
	2022	2021
Right-of -use assets	\$ 3,024,363	\$ 2,654,953
Property, plant and equipment	1,680,827	1,575,963
Intangible assets	13,916	13,256
	<u>\$ 4,719,106</u>	<u>\$ 4,244,172</u>
An analysis of depreciation by function		
Operating costs	\$ 4,613,959	\$ 4,143,580
Operating expenses	91,231	87,336
	<u>\$ 4,705,190</u>	<u>\$ 4,230,916</u>

An analysis of amortization by
function

	For the Three Months Ended March 31	
	2022	2021
Operating costs	\$ 733	\$ 1,483
Operating expenses	13,183	11,773
	<u>\$ 13,916</u>	<u>\$ 13,256</u>

g. Employee benefits expense

	For the Three Months Ended March 31	
	2022	2021
Post-employment benefits		
Defined contribution plans	\$ 75,643	\$ 72,939
Defined benefit plans (Note 23)	24,101	26,027
Termination benefits	9,060	6,058
Other employee benefits	4,021,105	3,128,883
Total employee benefits expense	<u>\$ 4,129,909</u>	<u>\$ 3,233,907</u>
 An analysis of employee benefits by function		
Operating costs	\$ 1,445,816	\$ 907,182
Operating expenses	2,684,093	2,326,725
	<u>\$4,129,909</u>	<u>\$3,233,907</u>

h. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at rates of 1%-5% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. However, if there were accumulated deficit, the Company should reserve offset amount in advance.

The compensation of employees and the remuneration of directors for the three months ended March 31, 2022 and 2021 are as follows:

Accrual rate

	For the Three Months Ended March 31	
	2022	2021
Compensation of employees	1%	1%
Remuneration of directors	—	1%

Amount

	For the Three Months Ended March 31	
	2022	2021
Compensation of employees	\$ 765,111	\$ 290,877
Remuneration of directors	\$ —	\$ 290,877

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, 2021 and 2020, which were approved by the Company's board of directors on March 14, 2022 and March 25, 2021 are as follows:

Amount

	For the Year Ended December 31	
	2021	2020
	Cash	Cash
Compensation of employees	\$ 2,020,049	\$ 57,851
Remuneration of directors	\$ 80,000	\$ 57,851

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the annual financial statements for the year ended December 31, 2021 and 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.

27. 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 March 31	
	2022	2021
Current tax		
In respect of the current period	\$ 13,404,452	\$ 136,601
Adjustments for prior years	(72,035)	—
	<u>13,332,417</u>	<u>136,601</u>
Deferred tax		
In respect of the current period	<u>2,514,934</u>	<u>3,962,408</u>
Income tax expense recognized in profit or loss	<u>\$ 15,847,351</u>	<u>\$ 4,099,009</u>

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

	For the Three Months Ended March 31	
	2022	2021
<u>Deferred tax</u>		
In respect of the current period		
- Translation of foreign operations	\$ 168,742	\$ —
- Cash flow hedges	(309,715)	—
Income tax recognized in other comprehensive income (loss)	<u>\$ (140,973)</u>	<u>\$ —</u>

c. Income tax assessments

<u>Company</u>	<u>Year</u>
Yang Ming Marine Transport Corporation	2019
Kuang Ming Shipping Corp.	2019
Hong Ming Terminal & Stevedoring Corp.	2019
Jing Ming Transportation Co., Ltd.	2019
YES Logistics Corp.	2020

28. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended March 31	
	2022	2021
Basic earnings per share	<u>\$ 17.35</u>	<u>\$ 7.49</u>
Diluted earnings per share	<u>\$ 17.25</u>	<u>\$ 7.34</u>

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

Net Profit for the Period

	For the Three Months Ended March 31	
	2022	2021
Earnings used in the computation of basic earnings per share	\$ 60,577,166	\$ 24,517,051
Effect of potentially dilutive ordinary shares:		

	For the Three Months Ended March 31	
	2022	2021
Interest on convertible bonds (after tax)	—	1,198
Earnings used in the computation of diluted earnings per share	<u>\$ 60,577,166</u>	<u>\$ 24,518,249</u>

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

	For the Three Months Ended March 31	
	2022	2021
Weighted average number of ordinary shares used in the computation of basic earnings per share	3,492,104	3,271,630
Effect of potentially dilutive ordinary shares:		
Convertible bonds	—	60,474
Compensation of employees	19,022	9,295
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>3,511,126</u>	<u>3,341,399</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.

29. CASH FLOW INFORMATION

Changes in Liabilities Arising from Financing Activities

For the three months ended March 31, 2022

	January 1, 2022	Cash Flows	Non-Cash Changes		March 31, 2022
			New Leases	Others (Note)	
Short-term borrowings	\$ 1,393,760	\$ 336,240	\$ —	\$ —	\$ 1,730,000
Short-term bills payable	436,131	462,500	—	(202)	898,429
Long-term borrowings	6,469,309	(3,260,841)	—	147,350	3,355,818
Bonds payable	10,822,014	—	—	25,666	10,847,680
Lease liabilities	61,963,684	(2,800,590)	3,288,286	2,084,884	64,536,264
Other non-current liabilities	836,076	128,064	—	—	964,140
	<u>\$ 81,920,974</u>	<u>\$ (5,134,627)</u>	<u>\$ 3,288,286</u>	<u>\$ 2,257,698</u>	<u>\$ 82,332,331</u>

For the three months ended March 31, 2021

	January 1, 2021	Cash Flows	Non-Cash Changes		March 31, 2021
			New Leases	Others (Note)	
Short-term borrowings	\$ 2,072,156	\$ (420,916)	\$ —	\$ —	\$ 1,651,240
Short-term bills payable	12,113,626	(3,477,500)	—	18,461	8,654,587
Long-term borrowings	53,738,221	(12,243,231)	—	29,460	41,524,450
Bonds payable	6,619,686	—	—	(1,660,709)	4,958,977
Lease liabilities	55,990,206	(2,536,242)	2,565,836	67,850	56,087,650
Other non-current liabilities	610,139	11,753	—	—	621,892
	<u>\$ 131,144,034</u>	<u>\$ (18,666,136)</u>	<u>\$ 2,565,836</u>	<u>\$ (1,544,938)</u>	<u>\$ 113,498,796</u>

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

30. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns to maintain the capital structure through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, capital surplus, retained earnings, other equity and non-controlling interests).

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

	March 31, 2022	December 31, 2021	March 31, 2021
Debt (a)	\$ 166,973,375	\$ 150,093,218	\$ 146,404,279
Cash and cash equivalents	(75,045,365)	(57,448,678)	(38,149,969)
Net debt	<u>\$ 91,928,010</u>	<u>\$ 92,644,540</u>	<u>\$ 108,254,310</u>
Equity (b)	<u>\$ 294,668,082</u>	<u>\$ 234,322,666</u>	<u>\$ 62,449,834</u>
Net debt to equity ratio	<u>31.20%</u>	<u>39.54%</u>	<u>173.35%</u>

- Debt is defined as long-term and short-term borrowing (excluding derivative instruments and financial guarantee contracts).
- Equity includes all capital, capital surplus, unappropriated earnings, other equity and non-controlling interests, of the Group that are managed as capital.

31. FINANCIAL INSTRUMENTS

- Fair value of financial instruments not measured at fair value

March 31, 2022

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Finance lease receivables	\$ 142,194	\$ —	\$ 141,935	\$ —	\$ 141,935
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
- Secured domestic bonds	\$ 10,847,680	\$ —	\$ 10,852,226	\$ —	\$ 10,852,226

December 31, 2021

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Finance lease receivables	\$ 147,220	\$ —	\$ 148,107	\$ —	\$ 148,107
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
- Secured domestic bonds	\$ 10,822,014	\$ —	\$ 10,827,105	\$ —	\$ 10,827,105

March 31, 2021

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Finance lease receivables	\$ 162,198	\$ —	\$ 163,187	\$ —	\$ 163,187
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
- Secured domestic bonds	\$ 4,958,977	\$ —	\$ 4,965,642	\$ —	\$ 4,965,642

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

March 31, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Domestic listed shares	70,016	—	—	70,016
Mutual funds	5,879	—	—	5,879
Domestic limited partnership	—	—	14,727	14,727
Total	\$ 75,895	\$ —	\$ 14,727	\$ 90,622

	<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				
- Unlisted shares	\$ —	\$ —	\$ 521,293	\$ 521,293

December 31, 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Domestic listed shares	70,016	—	—	70,016
Mutual funds	6,032	—	—	6,032
Domestic limited partnership	—	—	13,871	13,871
Total	<u>\$ 76,048</u>	<u>\$ —</u>	<u>\$ 13,871</u>	<u>\$ 89,919</u>

<u>Financial assets at FVTOCI</u>				
Investments in equity instruments at FVTOCI				
- Unlisted shares	\$ —	\$ —	\$ 497,931	\$ 497,931

March 31, 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Domestic listed shares	\$ 94,845	\$ —	\$ —	\$ 94,845
Foreign listed shares	1,876	—	—	1,876
Mutual funds	190,754	—	—	190,754
Total	<u>\$ 287,475</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 287,475</u>

<u>Financial assets at FVTOCI</u>				
Investments in equity instruments at FVTOCI				
- Listed shares	\$ 1,698,198	\$ —	\$ —	\$ 1,698,198
- Unlisted shares	—	—	497,286	497,286
Total	<u>\$ 1,698,198</u>	<u>\$ —</u>	<u>\$ 497,286</u>	<u>\$ 2,195,484</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 three months ended March 31, 2022

Financial assets at FVTPL

	<u>Other Instruments</u> <u>Domestic Limited Partnership</u>
Balance at January 1, 2022	\$ 13,871
Recognized in profit or loss (included in other gains and losses)	856
Transfers out of Level 3	—
Balance at March 31, 2022	<u>\$ 14,727</u>
Unrealized gain or loss for the current period included in profit or loss relating to assets held at the end of the period	<u>\$ 856</u>

Financial assets at FVTOCI

	<u>Equity Instruments</u>
Balance at January 1, 2022	\$ 497,931
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	23,362
Balance at March 31, 2022	<u>\$ 521,293</u>

For the three months ended March 31, 2021

Financial assets at FVTPL

	<u>Derivative</u> <u>Call Option of Bonds</u>
Balance at January 1, 2021	\$ 8,636
Recognized in profit or loss (included in other gains and losses)	2,560
Sales/settlements	(11,196)
Transfers out of Level 3	—
Balance at March 31, 2021	<u>\$ —</u>
Unrealized gain or loss for the current period included in profit or loss relating to assets held at the end of the period	<u>\$ —</u>

Financial assets at FVTOCI

	<u>Equity Instruments</u>
Balance at January 1, 2021	\$ 505,532
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	(28,246)
Purchase	20,000
Balance at March 31, 2021	<u>\$ 497,286</u>

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

- a) 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.
- b) 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

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ 90,622	\$ 89,919	\$ 287,475
Financial assets at amortized cost (1)	293,099,151	215,947,435	54,063,418
Financial assets at FVTOCI			
Equity instruments	521,293	497,931	2,195,484
<u>Financial liabilities</u>			
Financial liabilities for hedging	40,932,591	41,420,877	48,480,893
Amortized cost (2)	41,379,232	41,858,768	78,369,019

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, restricted bank balance, notes receivable, trade receivables (including related parties), and other receivables(including related parties).

- 2) The balances included financial liabilities measured at amortized cost, which comprise short-term and long-term loans, short-term bills payable, notes and trade payables (including related parties), other payables, 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, and lease liabilities. The Group's Corporate Treasury function provides all kinds of financial service to each division by using different financial instruments. Also, the treasury function controls and analyzes the financial risks related to operations; these risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

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

1) Market risk

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

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

a) Foreign currency risk

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

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities are set out in Note 36.

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, CNY, GBP, 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, CNY, GBP, EUR and HKD. For a 1% weakening of New Taiwan dollars against the U.S. dollars, CNY, GBP, EUR and HKD, there would be an equal and opposite impact on profit or loss.

Profit (loss)/Equity of 1% Variation	For the Three Months Ended March 31	
	2022	2021
Profit (loss) (i)		
U.S. dollars	\$ 1,042,245	\$ (14,419)
CNY	13,245	4,710
GBP	21,276	4,495
EUR	112,296	9,639
HKD	(529)	(1,084)
Equity(ii)		
U.S. dollars	(409,326)	(484,809)

- 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 increase in U.S. dollars, GBP, CNY and EUR monetary net assets caused by the increase in U.S. dollar, GBP, CNY and EUR monetary assets; decrease in HKD monetary net liabilities was caused by the decrease in HKD.

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:

	March 31, 2022	December 31, 2021	March 31, 2021
Fair value interest rate risk			
- Financial assets	\$ 225,589,630	\$ 150,381,509	\$ 11,087,124
- Financial liabilities	77,113,944	74,496,783	83,832,497
Cash flow interest rate risk			
- Financial assets	40,856,061	41,536,739	26,740,329
- Financial liabilities	4,254,247	6,588,115	29,044,407

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 three months ended March 31, 2022 would have increased/decreased by \$9,150 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 three months period ended March 31, 2021 would have decreased/increased by \$576 thousand, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings and variable-rate financial assets.

The Group's sensitivity to interest rate 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 limited partnership and mutual funds. The Group periodically evaluates price risk and investment

performance according to procedures of acquisition and disposal of assets and expects no significant price risk occurred.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower, pre-tax profit (loss) for the three months ended March 31, 2022 would have increased/decreased by \$3,501 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income (loss) for the three months ended March 31, 2022 would have increased/decreased by \$26,065 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 three months ended March 31, 2021 would have increased/decreased by \$4,836 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income (loss) for the three months ended March 31, 2021 would have increased/decreased by \$109,774 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 three months period ended March 31, 2022 would have increased/decreased by \$1,030 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 three months ended March 31, 2021 would have increased/decreased by \$9,538 thousand, as a result of the changes in fair value of financial assets at FVTPL.

The Group's sensitivity to price decreased during the current period mainly due to the decrease in financial assets at FVTPL and to the decrease in financial assets at FVTOCI. The Group's sensitivity to limited partnership and 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 March 31, 2022, December 31, 2021 and March 31, 2021, the Group had available unutilized bank loans facilities of \$12,877,369 thousand, \$14,292,257 thousand and \$15,996,576 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.

March 31, 2022

	<u>Less than 1 Year</u>	<u>1-5 Years</u>	<u>5+ Years</u>
Non-interest bearing	\$ 29,458,411	\$ 834,271	\$ —
Lease liabilities	12,702,300	40,052,094	15,867,972
Variable interest rate liabilities	322,639	1,804,462	1,433,584
Fixed interest rate liabilities	2,698,770	9,653,815	1,410,290
Short-term and low value lease commitment	797,040	3,862,150	1,212,375
Lease commitment for future service costs	3,748,368	11,038,227	4,417,034
Financial guarantee liabilities	50,535	—	—
	<u>\$ 49,778,063</u>	<u>\$ 67,245,019</u>	<u>\$ 24,341,255</u>

Additional information about the maturity analysis for financial liabilities :

	Less than 1 Year	1~5 Years	5~10 Years	10~15 Years	15~20 Years	20+Years
Lease liabilities	\$ 12,702,300	\$ 40,052,094	\$ 15,814,141	\$ 53,831	\$ —	\$ —
Variable interest rate liabilities	322,639	1,804,462	1,433,584	—	—	—
Fixed interest rate liabilities	2,698,770	9,653,815	1,410,290	—	—	—
Short-term and low value lease commitment	797,040	3,862,150	1,212,375	—	—	—
Lease commitment for future service costs	3,748,368	11,038,227	4,417,034	—	—	—
	<u>\$ 20,269,117</u>	<u>\$ 66,410,748</u>	<u>\$ 24,287,424</u>	<u>\$ 53,831</u>	<u>\$ —</u>	<u>\$ —</u>

December 31, 2021

	Less than 1 Year	1-5 Years	5+ Years
Non-interest bearing Lease liabilities	\$ 27,364,207	\$ 734,550	\$ —
Variable interest rate liabilities	11,788,382	38,290,068	15,993,939
Fixed interest rate liabilities	860,152	3,830,914	1,728,641
Short-term and low value lease commitment	2,220,990	9,653,815	1,410,290
Lease commitment for future service costs	790,848	4,364,620	1,217,567
Financial guarantee liabilities	3,648,704	11,132,578	4,696,814
	171,997	—	—
	<u>\$ 46,845,280</u>	<u>\$ 68,006,545</u>	<u>\$ 25,047,251</u>

Additional information about the maturity analysis for financial liabilities :

	Less than 1 Year	1~5 Years	5~10 Years	10~15 Years	15~20 Years	20+Years
Lease liabilities	\$ 11,788,382	\$ 38,290,068	\$ 15,927,639	\$ 66,300	\$ —	\$ —
Variable interest rate liabilities	860,152	3,830,914	1,728,641	—	—	—
Fixed interest rate liabilities	2,220,990	9,653,815	1,410,290	—	—	—
Short-term and low value lease commitment	790,848	4,364,620	1,217,567	—	—	—
Lease commitment for future service costs	3,648,704	11,132,578	4,696,814	—	—	—
	<u>\$ 19,309,076</u>	<u>\$ 67,271,995</u>	<u>\$ 24,980,951</u>	<u>\$ 66,300</u>	<u>\$ —</u>	<u>\$ —</u>

March 31, 2021

	Less than 1 Year	1-5 Years	5+ Years
Non-interest bearing	\$ 24,194,140	\$ 538,448	\$ —

	Less than 1 Year	1-5 Years	5+ Years
Lease liabilities	12,938,786	40,106,337	14,875,713
Variable interest rate liabilities	6,567,288	31,444,591	4,464,553
Fixed interest rate liabilities	12,522,510	5,092,500	—
Short-term and low value lease commitment	238,346	5,719,395	2,387,709
Lease commitment for future service costs	3,400,567	11,331,149	3,585,948
Financial guarantee liabilities	177,341	—	—
	<u>\$ 60,038,978</u>	<u>\$ 94,232,420</u>	<u>\$ 25,313,923</u>

Additional information about the maturity analysis for financial liabilities :

	Less than 1 Year	1~5 Years	5~10 Years	10~15 Years	15~20 Years	20+Years
Lease liabilities	\$ 12,938,786	\$ 40,106,337	\$ 14,852,472	\$ 21,580	\$ 1,661	\$ —
Variable interest rate liabilities	6,567,288	31,444,591	4,108,778	355,775	—	—
Short-term and low value lease commitment	238,346	5,719,395	2,387,709	—	—	—
Lease commitment for future service costs	3,400,567	11,331,149	3,585,948	—	—	—
	<u>\$ 23,144,987</u>	<u>\$ 88,601,472</u>	<u>\$ 24,934,907</u>	<u>\$ 377,355</u>	<u>\$ 1,661</u>	<u>\$ —</u>

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 Group did not have outstanding derivative instruments contracts as of March 31, 2022, December 31, 2021 and March 31, 2021

32. TRANSACTIONS WITH RELATED PARTIES

The Ministry of Transportation and Communications R.O.C. (MOTC), National Development Fund, and Taiwan International Ports Corporation, Ltd. held 32.06%, 32.06% and 34.53% of the ordinary shares of YMTC as of March 31, 2022, December 31, 2021 and March 31, 2021, 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 34), properties allocation agreement signed with Chunghwa Post Co., Ltd. (see Note 17), and shipbuilding contracts signed with China Ship Building Corporation (CSBC) (see Note 34).

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>
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 Ltd. 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
Yunn Wang Investment Co., Ltd.	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)
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
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
Mega Securities	Government - related party

(continued)

<u>Related Party Name</u>	<u>Relationship with the Group</u>
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
Northern Region Branch, National Property Administration, MOF	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

<u>Line Item</u>	<u>Related Party Category/Name</u>	<u>For the Three Months Ended March 31</u>	
		<u>2022</u>	<u>2021</u>
Operating revenue	Associates	\$ 66,121	\$ 50,772
	Joint ventures	563	724
	Government – related parties	48,425	66,566
		<u>\$ 115,109</u>	<u>\$ 118,062</u>

Line Item	Related Party Category/Name	For the Three Months Ended March 31	
		2022	2021
Operating cost	Associates	\$ 602,268	\$ 522,491
	Joint ventures	35,356	25,925
	Government – related parties	21,421	43,253
	Investors that have significant influence over the subsidiaries	88,549	80,354
		<u>\$ 747,594</u>	<u>\$ 672,023</u>
Operating expenses	Joint ventures	\$ 10,117	\$ 1,596
	Government – related parties	8,321	7,241
	Investors that have significant influence over the subsidiaries	164	16
	Other related parties	4,627	7,047
		<u>\$ 23,229</u>	<u>\$ 15,900</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, restricted bank balance and pledged time deposits as of March 31, 2022, December 31, 2021 and March 31, 2021) were as follows:

Related Party Category/Name	March 31, 2022	December 31, 2021	March 31, 2021
Government – related parties			
Bank of Taiwan	\$ 59,855,295	\$ 57,198,417	\$ 696,873
Others	36,409,428	29,799,893	6,115,679
	<u>\$ 96,264,723</u>	<u>\$ 86,998,310</u>	<u>\$ 6,812,552</u>

d. Contract assets

Line Item	Related Party Category/Name	March 31, 2022	December 31, 2021	March 31, 2021
Contract assets	Associates	<u>\$ 184,078</u>	<u>\$ 191,689</u>	<u>\$ 132,376</u>

For the three months ended March 31, 2022 and 2021, no impairment losses were recognized for contract assets from related parties.

e. Receivables and payables from related parties

Line Item	Related Party Category/Name	March 31, 2022	December 31, 2021	March 31, 2021
Trade receivables	Associates	\$ 244,100	\$ 278,164	\$ 178,031
	Joint ventures	1,276	4,759	127
	Government – related parties	—	129,132	3,922
		\$ 245,376	\$ 412,055	\$ 182,080
Other receivables (included in other current assets)	Associates	\$ 35,013	\$ 15,702	\$ 43,202
	Government – related parties	87,003	29,595	20,639
	Investors that have significant influence over the subsidiaries	—	961	—
	Other related parties	—	3,243	—
		\$ 122,016	\$ 49,501	\$ 63,841
Trade payables	Associates	\$ 294,886	\$ 257,509	\$ 236,748
	Joint ventures	29,856	19,451	6,146
	Government – related parties	—	—	4,110
	Investors that have significant influence over the subsidiaries	91,945	99,994	85,572
		\$ 416,687	\$ 376,954	\$ 332,576
Other payables	Associates	\$ 43,040	\$ 11,437	\$ 55,520
	Government – related parties			
	CSBC Corporation, Taiwan	—	—	847,655
	Others	24,096	463,792	35,319
	\$ 67,136	\$ 475,229	\$ 938,494	

For the three months ended March 31, 2022 and 2021, no impairment losses were recognized for trade receivables and other receivables from related parties.

f. Financial assets at amortized cost

Repurchase agreements on reporting period (including repurchase agreements under cash and cash equivalents as of March 31, 2022, December 31, 2021 and March 31, 2021) were as follows:

Related Party Category/ Name	March 31, 2022	December 31, 2021	March 31, 2021
Government – related parties	\$ 143,150	\$ 138,400	\$ 115,225

g. Prepayments

Line Item	Related Party Category/Name	March 31, 2022	December 31, 2021	March 31, 2021
Prepayments to shipping agents	Associates			
	Yang Ming Shipping (Egypt) S.A.E.	\$ 35,783	\$ 96,619	\$ 90,457
	Others	34,979	16,690	6,370
		<u>\$ 70,762</u>	<u>\$ 113,309</u>	<u>\$ 96,827</u>
Prepayments	Associates	<u>\$ 776</u>	<u>\$ 1,499</u>	<u>\$ 773</u>
Prepayments for equipment	Government – related parties	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 385</u>

h. Lease arrangements

Line Item	Related Party Category/Name	For the Three Months Ended March 31	
		2022	2021
Acquisition of right-of-use assets	Investors that have significant influence over the subsidiaries	<u>\$ 462</u>	<u>\$ —</u>

Line Item	Related Party Category/Name	March 31, 2022	December 31, 2021	March 31, 2021
Lease liabilities	Associates	\$ 2,815	\$ 2,815	\$ 3,726
	Government – related parties	960,011	1,007,639	1,106,878
	Investors that have significant influence over the subsidiaries	7,527	8,216	12,317
		<u>\$ 970,353</u>	<u>\$ 1,018,670</u>	<u>\$ 1,122,921</u>

Line Item	Related Party Category/Name	For the Three Months Ended March 31	
		2022	2021
Interest expense	Government – related parties	\$ 3,760	\$ 4,327
	Investors that have significant influence over the subsidiaries	168	273
		<u>\$ 3,928</u>	<u>\$ 4,600</u>

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

i. Bonds payable

Related Party Category/ Name	March 31, 2022	December 31, 2021	March 31, 2021
Government – related parties			
Taiwan Cooperative Bank Co., Ltd.	\$ 1,800,000	\$ 1,800,000	\$ 1,400,000
Hua Nan Commercial Bank, Ltd.	1,200,000	1,200,000	500,000
Others	900,000	900,000	500,000
	<u>\$ 3,900,000</u>	<u>\$ 3,900,000</u>	<u>\$ 2,400,000</u>

Note: Original investment amount of domestic bonds.

j. Loans from related parties

Line Item	Related Party Category/Name	March 31, 2022	December 31, 2021	March 31, 2021
Short-term borrowings	Government – related parties			
	Mega International Commercial Bank Co., Ltd.	\$ —	\$ —	\$ 191,240
	Land Bank of Taiwan	140,000	240,000	300,000
	Others	100,000	2,000	170,000
		<u>\$ 240,000</u>	<u>\$ 242,000</u>	<u>\$ 661,240</u>
Short-term bills payable	Government – related parties			
	Mega Bills Finance Co., Ltd.	\$ 499,299	\$ 49,913	\$ 2,196,144
Long-term borrowings	Government – related parties			
Secured borrowings	Taiwan Cooperative Bank Co., Ltd.	\$ 1,821,598	\$ 2,033,696	\$ 3,216,034
	Hua Nan Commercial Bank, Ltd.	695,625	795,000	2,072,000
	Others	505,735	1,407,612	12,438,872
		<u>\$ 3,022,958</u>	<u>\$ 4,236,308</u>	<u>\$ 17,726,906</u>
Unsecured borrowings	Government – related parties	<u>\$ —</u>	<u>\$ 99,839</u>	<u>\$ 2,780,708</u>
Commercial papers	Government – related parties	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,498,469</u>

k. Others

Line Item	Related Party Category/Name	For the Three Months Ended March 31	
		2022	2021
Rental income	Associates	\$ 34	\$ 34
	Other related parties	476	476
		<u>\$ 510</u>	<u>\$ 510</u>
Interest income	Government – related parties	<u>\$ 65,726</u>	<u>\$ 2,842</u>
Finance cost	Government – related parties	<u>\$ 43,227</u>	<u>\$ 119,062</u>

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

I. Remuneration of key management personnel

	For the Three Months Ended March 31	
	2022	2021
Short-term employee benefits	\$ 58,568	\$ 326,573
Post-employment benefits	609	560
	<u>\$ 59,177</u>	<u>\$ 327,133</u>

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

33. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	March 31, 2022	December 31, 2021	March 31, 2021
Restricted bank balance (included in financial assets at amortized cost)	\$ 140,013	\$ 117,493	\$ 138,517
Property, plant and equipment, net	6,469,023	10,421,535	47,139,816
Investment properties, net	—	—	4,698,219
	<u>\$ 6,609,036</u>	<u>\$ 10,539,028</u>	<u>\$ 51,976,552</u>

34. COMMITMENTS AND CONTINGENT LIABILITY

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

- a. Kuang Ming Shipping Corp. signed a contract for 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 contract was not renewed after it expired in January 2022.
- b. The Group signed ship lease contracts with other companies in 2018, which are effective in 2020 with lease periods ranging from 10 to 12 years. As of March 31, 2022, December 31, 2021 and March 31, 2021, rentals for contracts that were not yet in effect were ranging from US\$543,000 thousand to US\$654,000 thousand, from US\$543,000 thousand to US\$654,000 thousand and from US\$1,091,000 thousand to US\$1,316,000 thousand, respectively.
- c. The Group's shipping and port business were secured by the letter of guarantee issued by a bank for \$455,940 thousand, \$485,410 thousand and \$540,034 thousand as of March 31, 2022, December 31, 2021 and March 31, 2021, respectively.
- d. The Group signed shipbuilding contracts with government - related parties, which had been fully delivered and settled as of March 31, 2022 and December 31, 2021. As of March 31, 2021, unpaid amounts for these contracts were \$1,136,347 thousand and US\$36,880 thousand. The Group's related property transactions for the three months ended March 31, 2021 amounted to \$1,187,612 thousand and were included in property, plant and equipment.
- e. The Group made container purchase agreements with other companies, which had been delivered successively since March 2022. As of March 31, 2022, unpaid amounts for these agreements were US\$116,200 thousand.

35. 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 booming due to the accelerating recovery of global economic.

36. 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:

March 31, 2022

	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 4,771,441	28.6300	(USD : NTD)	\$ 136,606,366
GBP	70	1.3128	(GBP : USD)	2,646
CNY	435,802	4.5134	(CNY : NTD)	1,966,960
USD	20,167	14.6461	(USD : TRY)	577,385
EUR	381,600	31.8838	(EUR : NTD)	12,166,869
GBP	61,116	37.5869	(GBP : NTD)	2,297,150
JPY	8,752,112	0.2349	(JPY : NTD)	2,055,815
USD	39,107	6.3433	(USD : CNY)	1,119,632
CAD	24,973	22.8665	(CAD : NTD)	571,052
<u>Non-monetary items</u>				
Investments accounted for using the equity method				
USD	55,084	28.6300	(USD : NTD)	1,577,066
AUD	1,553	21.4052	(AUD : NTD)	33,250
AED	5,859	7.7948	(AED : NTD)	45,671
INR	61,187	0.3782	(INR : NTD)	23,141
CNY	90,680	4.5134	(CNY : NTD)	409,274
IDR	2,994,500	0.0020	(IDR : NTD)	5,989
VND	9,799,231	0.0013	(VND : NTD)	12,739
EGP	23,646	1.5662	(EGP : NTD)	37,034
MYR	468	6.8041	(MYR : NTD)	3,185
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	2,589,048	28.6300	(USD : NTD)	74,124,436
CNY	142,333	4.5134	(CNY : NTD)	642,411
EUR	29,396	31.8838	(EUR : NTD)	937,255
USD	9,500	14.6461	(USD : TRY)	271,971
JPY	1,762,478	0.2349	(JPY : NTD)	413,995
GBP	4,581	37.5869	(GBP : NTD)	172,172
USD	21,482	6.3433	(USD : CNY)	615,042
HKD	14,472	3.6571	(HKD : NTD)	52,924
CAD	5,207	22.8665	(CAD : NTD)	119,065

December 31, 2021

	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 3,630,799	27.6800	(USD : NTD)	\$ 100,500,525
CNY	349,207	4.3419	(CNY : NTD)	1,516,209
USD	18,415	12.8490	(USD : TRY)	509,729
EUR	328,870	31.2964	(EUR : NTD)	10,292,457
GBP	37,293	37.2781	(GBP : NTD)	1,390,203
HKD	89,265	3.5494	(HKD : NTD)	316,833
JPY	7,249,368	0.2404	(JPY : NTD)	1,742,391
USD	53,069	6.3752	(USD : CNY)	1,468,939
CAD	32,180	21.6191	(CAD : NTD)	695,694
<u>Non-monetary items</u>				
Investments accounted for using the equity method				
USD	64,864	27.6800	(USD : NTD)	1,795,440
AUD	1,456	20.0860	(AUD : NTD)	29,250
AED	5,433	7.5361	(AED : NTD)	40,942
INR	53,715	0.3720	(INR : NTD)	19,982
CNY	92,191	4.3419	(CNY : NTD)	400,282
IDR	2,741,579	0.0019	(IDR : NTD)	5,209
VND	7,545,000	0.0012	(VND : NTD)	9,054
EGP	28,579	1.7618	(EGP : NTD)	50,351
MYR	443	6.6260	(MYR : NTD)	2,933
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	2,612,862	27.6800	(USD : NTD)	72,324,016
CNY	139,469	4.3419	(CNY : NTD)	608,555
EUR	37,090	31.2964	(EUR : NTD)	1,160,788
USD	11,849	12.8490	(USD : TRY)	327,973
JPY	1,113,467	0.2404	(JPY : NTD)	267,623
GBP	28,212	37.2781	(GBP : NTD)	1,051,680
USD	46,820	6.3752	(USD : CNY)	1,295,972
CAD	8,807	21.6191	(CAD : NTD)	190,404

March 31, 2021

	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 769,490	28.5400	(USD : NTD)	\$ 21,961,257
GBP	70	1.3767	(GBP : USD)	2,765
CNY	247,473	4.3535	(CNY : NTD)	1,077,366
USD	14,091	8.3243	(USD : TRY)	402,157
EUR	52,967	33.5145	(EUR : NTD)	1,775,152
GBP	15,918	39.2896	(GBP : NTD)	625,427
JPY	3,237,893	0.2580	(JPY : NTD)	835,302
USD	16,571	6.5557	(USD : CNY)	472,924
CAD	4,581	22.6571	(CAD : NTD)	103,792
<u>Non-monetary items</u>				
Investments accounted for using the equity method				
USD	57,299	28.5400	(USD : NTD)	1,635,323
AUD	1,277	21.7375	(AUD : NTD)	27,766
AED	6,481	7.7703	(AED : NTD)	50,359
INR	54,043	0.3888	(INR : NTD)	21,012
GBP	252	39.2896	(GBP : NTD)	9,897
CNY	100,702	4.3535	(CNY : NTD)	438,404
IDR	2,620,000	0.0020	(IDR : NTD)	5,240
VND	1,053,333	0.0012	(VND : NTD)	1,264
EGP	9,947	1.8157	(EGP : NTD)	18,061
MYR	310	6.8829	(MYR : NTD)	2,133
Financial asset at FVTPL				
USD	1,133	28.5400	(USD : NTD)	32,332
CNY	1,516	4.3535	(CNY : NTD)	6,601
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	2,530,480	28.5400	(USD : NTD)	72,219,898
CNY	139,292	4.3535	(CNY : NTD)	606,401
EUR	24,207	33.5145	(EUR : NTD)	811,284
USD	3,265	8.3243	(USD : TRY)	93,183
JPY	1,198,680	0.2580	(JPY : NTD)	309,232

(continued)

March 31, 2021

	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount
GBP	4,548	39.2896	(GBP : NTD)	178,672
USD	15,630	6.5557	(USD : CNY)	446,079
HKD	29,534	3.6714	(HKD : NTD)	108,433
CAD	8,901	22.6571	(CAD : NTD)	201,676
				(concluded)

For the three months ended March 31, 2022 and 2021, realized and unrealized net foreign exchange gains (losses) were \$4,130,134 thousand and \$(15,250) thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group.

37. 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: None;
 - 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 H attached.

38. 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 Three Months Ended March 31, 2022				
	Containership Segment	Bulk Shipping Segment	Other Segments	Adjustment and Eliminations	Combined
Operating revenue					
Sales to customers	\$ 101,432,661	\$ 979,429	\$ 4,292,082	\$ —	\$ 106,704,172
Intercompany sales	2,578,031	—	412,540	(2,990,571)	—
Total revenue	<u>\$ 104,010,692</u>	<u>\$ 979,429</u>	<u>\$ 4,704,622</u>	<u>\$ (2,990,571)</u>	<u>\$ 106,704,172</u>
Segment operating income (loss)	<u>\$ 72,189,912</u>	<u>\$ 252,991</u>	<u>\$ 199,319</u>	<u>\$ 14,186</u>	\$ 72,656,408
Administration cost					(404,958)
Other operating income and expenses					53,981

	For the Three Months Ended March 31, 2022				
	Containership Segment	Bulk Shipping Segment	Other Segments	Adjustment and Eliminations	Combined
Interest income					219,945
Other income					22,846
Other gains and losses					4,172,305
Financial costs					(560,957)
Share of profit of associates and joint ventures					370,274
Profit before income tax					<u>\$ 76,529,844</u>

	For the Three Months Ended March 31, 2021				
	Containership Segment	Bulk Shipping Segment	Other Segments	Adjustment and Eliminations	Combined
Operating revenue					
Sales to customers	\$ 59,274,325	\$ 560,351	\$ 2,447,779	\$ —	\$ 62,282,455
Intercompany sales	1,178,156	—	318,995	(1,497,151)	—
Total revenue	<u>\$ 60,452,481</u>	<u>\$ 560,351</u>	<u>\$ 2,766,774</u>	<u>\$ (1,497,151)</u>	<u>\$ 62,282,455</u>
Segment operating income (loss)	<u>\$ 29,424,714</u>	<u>\$ 14,435</u>	<u>\$ 99,840</u>	<u>\$ 14,430</u>	\$ 29,553,419
Administration cost					(540,415)
Other operating income and expenses					74,254
Interest income					24,904
Other income					23,223
Other gains and losses					(6,816)
Financial costs					(691,979)
Share of profit of associates and joint ventures					249,363
Profit before income tax					<u>\$ 28,685,953</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 and liabilities are zero.

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES
FINANCING PROVIDED TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2022

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	\$ 2,880,435	\$ 2,815,664	\$ 2,815,664	0.6801%~2.9949%	1	\$ —	-	\$ —	-	\$ —	\$ 117,574,902	\$ 146,968,628
1	Yang Ming Line (Singapore) Pte Ltd	Kuang Ming (Liberia) Corp.	Other receivables	Y	100,205 (USD 3,500 thousand)	100,205 (USD 3,500 thousand)	100,205 (USD 3,500 thousand)	1.3000%	2	—	Obtain working capital	—	-	—	358,384	1,075,154
		All Oceans Transportation Inc.	Other receivables	Y	286,300 (USD 10,000 thousand)	286,300 (USD 10,000 thousand)	286,300 (USD 10,000 thousand)	1.2451%	2	—	Obtain working capital	—	-	—	1,791,923	1,791,923
		Yang Ming (France) SAS	Other receivables	Y	10,101 (EUR 317 thousand)	—	—	—	2	—	Obtain working capital	—	-	—	358,384	1,075,154
		Yang Ming Line (Thailand) Co., Ltd.	Other receivables	Y	8,587 (THB 10,000 thousand)	8,587 (THB 10,000 thousand)	8,587 (THB 10,000 thousand)	2.4513%	2	—	Obtain working capital	—	-	—	358,384	1,075,154
		Kuang Ming Shipping Corp.	Other receivables	Y	332,108 (USD 11,600 thousand)	—	—	—	2	—	Obtain working capital	—	-	—	358,384	1,075,154
		Yangming (Japan) Co., Ltd.	Other receivables	Y	4,982 (USD 174 thousand)	4,982 (USD 174 thousand)	—	—	2	—	Obtain working capital	—	-	—	1,791,923	1,791,923
		Yang Ming Line (Hong Kong) Ltd.	Other receivables	Y	75,870 (USD 2,650 thousand)	75,870 (USD 2,650 thousand)	75,870 (USD 2,650 thousand)	1.5000%	2	—	Obtain working capital	—	-	—	1,791,923	1,791,923
2	Kuang Ming Shipping Corp.	Kuang Ming (Liberia) Corp.	Other receivables	Y	71,575 (USD 2,500 thousand)	71,575 (USD 2,500 thousand)	—	—	2	—	Obtain working capital	—	-	—	220,212	660,636
3	YES Logistics Corp.	Yes Logistics Europe GmbH	Other receivables	Y	32,405 (EUR 1,016 thousand)	32,405 (EUR 1,016 thousand)	32,405 (EUR 1,016 thousand)	1.11%~1.75%	1	62,838	-	—	-	—	90,213	908,501
		Yes Logistics Europe GmbH	Other receivables	Y	41,449 (EUR 1,300 thousand)	35,072 (EUR 1,100 thousand)	35,072 (EUR 1,100 thousand)	0.6000%	2	—	Obtain working capital	—	-	—	90,850	181,700
		Yes Logistics (Shanghai) Corp.	Other receivables	Y	125,157 (USD 3,000 thousand and CNY 8,700 thousand)	125,157 (USD 3,000 thousand and CNY 8,700 thousand)	125,157 (USD 3,000 thousand and CNY 8,700 thousand)	2.7800%~3.8500%	1	603,493	-	—	-	—	272,550	908,501
		YES MLC GmbH	Other receivables	Y	31,884 (EUR 1,000 thousand)	31,884 (EUR 1,000 thousand)	31,884 (EUR 1,000 thousand)	0.6000%	2	—	Obtain working capital	—	-	—	90,850	181,700
4	Yang Ming Line Holding Co.	Kuang Ming (Liberia) Corp.	Other receivables	Y	186,095 (USD 6,500 thousand)	186,095 (USD 6,500 thousand)	186,095 (USD 6,500 thousand)	1.3000%	2	—	Obtain working capital	—	-	—	346,916	1,040,748
		Kuang Ming Shipping Corp.	Other receivables	Y	257,670 (USD 9,000千元)	257,670 (USD 9,000千元)	257,670 (USD 9,000千元)	1.3000%	2	—	Obtain working capital	—	-	—	346,916	1,040,748
5	Yang Ming Line B.V.	Kuang Ming Shipping Corp.	Other receivables	Y	114,520 (USD 4,000千元)	114,520 (USD 4,000千元)	114,520 (USD 4,000千元)	1.3000%	2	—	Obtain working capital	—	-	—	163,342	490,028

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. Kung 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 70% 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 20% 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.

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. For the borrower needing short-term financing with direct or indirect holding of 100% voting right on corporation not established in the ROC, maximum financing is 50% of the net total assets.

6. Yang Ming Line B.V.: The maximum financing amount is 80% of the net assets of the lender. For borrowers with transactions with the lender, maximum financing is 50% of the net assets of the lender. For the borrower with transactions with the lender, maximum financing is the lower of 25% of the net assets of the lender or the total amount of transactions between the lender and the borrower in the last two years. For borrowers with short-term financing need, the maximum is 30% of the net assets of the lender. For the borrower 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\$28.63, THB1= NT\$0.8587, EUR1= NT\$31.8838 and CNY1= NT\$4.5134 as of March 31, 2022.

D. Except for Yang Ming Line (B.V. I.) Holding Co., Ltd., All Oceans Transportation Inc., Yang Ming (UK) Ltd. and Yang Ming (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 THREE MONTHS ENDED MARCH 31, 2022

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	\$ 470,299,609	\$ 539,579 (USD 18,847 thousand)	\$ —	\$ —	\$ —	—	\$ 881,811,768	Y	N	N
		Kuang Ming Shipping Corp.	Subsidiary	470,299,609	4,093,424 (USD 58,450 thousand and NTD 2,420,000 thousand)	2,123,132 (USD 19,320 thousand and NTD 1,570,000 thousand)	1,235,735 (USD 9,910 thousand and NTD 952,000 thousand)	—	0.72%	881,811,768	Y	N	N
		Kuang Ming (Liberia) Corp.	Subsidiary	470,299,609	294,663 (USD 10,292 thousand)	262,822 (USD 9,180 thousand)	262,822 (USD 9,180 thousand)	—	0.09%	881,811,768	Y	N	N
		Yang Ming (America) Corp.	Subsidiary	470,299,609	85,890 (USD 3,000 thousand)	85,890 (USD 3,000 thousand)	—	—	0.03%	881,811,768	Y	N	N
1	Yang Ming Line Holding Co.	West Basin Container Terminal LLC	Investments in associates	1,427,406	127,365 (USD 4,449 thousand)	—	—	—	—	1,784,258	N	N	N
		United Terminal Leasing LLC	Investments in associates	1,427,406	50,535 (USD 1,765 thousand)	50,535 (USD 1,765 thousand)	17,491 (USD 611 thousand)	—	0.02%	1,784,258	N	N	N
2	All Oceans Transportation Inc.	Yang Ming Marine Transport Corporation	Parent	29,501,071	2,186,250	2,086,875	2,086,875	2,086,875 (Note C)	0.71%	34,417,916	N	Y	N
3	Kuang Ming Shipping Corp.	Kuang Ming (Liberia) Corp.	Subsidiary	23,977,328	801,640 (USD 28,000 thousand)	801,640 (USD 28,000 thousand)	430,348 (USD 15,031 thousand)	—	0.27%	29,971,660	N	N	N
4	Yang Ming Line (Singapore) Pte Ltd	Yang Ming Line (M) Sdn. Bhd.	Subsidiary	1,439,594	27,216 (MYR 4,000 thousand)	27,216 (MYR 4,000 thousand)	8,643 (MYR 1,270 thousand)	—	0.01%	1,799,492	N	N	N
5	Karlman Properties Limited	Yang Ming Marine Transport Corporation	Parent	338,144	201,500	—	—	—	—	422,681	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 100% of asset of All Oceans Transportation, Inc. Represents 80% 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 400% of the amount as aforementioned.
7. Represents 500% of assets of Karlman Properties Limited. Represents 40% of the amount as aforementioned.

B. United States dollars and Malaysian ringgit translated into New Taiwan dollars at the exchange rates of US\$1=\$28.63 and MYR\$1=6.8041 as of March 31, 2022.

C. Represents 3 ships used as guarantees, with carrying value of \$3,368,671 thousand as of March 31, 2022.

D. Except for Yang Ming Line (B.V. I.) Holding Co., Ltd., All Oceans Transportation Inc., Yang Ming (UK) Ltd. and Yang Ming (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

MARCH 31, 2022

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	March 31, 2022				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	\$ 500,770	9.81	\$ 500,770	
	United Stevedoring Corp.	-	Financial assets at FVTOCI - non-current	500,000	5,464	10.00	5,464	
	Pro-Ascentek Investment Corporation	-	Financial assets at FVTOCI - non-current	2,000,000	12,837	1.67	12,837	
	<u>Domestic listed shares</u>							
	Fubon Financial Holding Co., Ltd. Preferred Shares C	-	Financial assets at FVTPL - current	1,165,000	70,016	—	70,016	
	<u>Mutual funds</u>							
	Hua Nan Multi-Assets Balanced Income Fund TWD (Original: Hua Nan Sele Inc Multi-Asset Fd MD TWD)	-	Financial assets at FVTPL - current	355,849	5,879	—	5,879	
	<u>Domestic limited partnership</u>							
Taiwania Capital Buffalo Fund V, LP.	-	Financial assets at FVTPL - non-current	—	14,727	3.30	14,727		
<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		
YES Logistics Corp.	<u>Domestic unlisted shares</u>							
	United Raw Material Solutions Inc./URMS	-	Financial assets at FVTOCI - non-current	319,751	2,222	2.76	2,222	

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES
MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2022

TABLE D

Unit : In Thousands of New Taiwan Dollars

Company Name (Note A)	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Shares	Amount
Yang Ming Marine Transport Corporation	Yang Ming (Singapore) Pte. Ltd.	Investments accounted for using the equity method	Yang Ming Line (Singapore) Pte Ltd	Subsidiary	—	\$ —	21,285,000	\$ 444,930	—	\$ —	\$ —	\$ —	21,285,000	\$ 11,605,989
Yang Ming Line (Singapore) Pte Ltd	Yang Ming (Singapore) Pte. Ltd.	Investments accounted for using the equity method	Yang Ming Marine Transport Corporation	Parent	21,285,000	5,352,480 (Note B)	—	—	21,285,000	444,930	444,930 (Note B)	—	—	—

Notes:

A. The Group reorganized the organization in January 2022 and adjusted the holding structure of the Group. YMTC acquired equity of Yang Ming (Singapore) Pte. Ltd. from Yang Ming Line (Singapore) Pte Ltd.

B. The balance of investments accounted for using the equity method.

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES
RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20 OF THE PAID-IN CAPITAL
MARCH 31, 2022

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	\$ 2,815,664 (Note A)	—	\$ —	-	\$ —	—
	Yang Ming Anatolia Shipping Agency S.A.	Subsidiary	111,988 (Note D)	—	—	-	111,988	—
	Yang Ming (Netherlands) B.V.	Subsidiary	103,653	—	—	-	103,653	—
	Yang Ming Shipping Europe GmbH	Subsidiary	150,222	—	—	-	150,222	—
	Yang Ming (Italy) S.p.A.	Subsidiary	590,817	—	—	-	590,817	—
	Yang Ming (UK) Ltd	Subsidiary	311,659	—	—	-	311,659	—
	Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	Subsidiary	1,200,287	—	—	-	1,200,287	—
	Yang Ming (France) SAS	Subsidiary	158,267	—	—	-	158,267	—
	YES Logistics Corp.	Subsidiary	530,463 (Note B)	—	—	-	12,600	—
Jing Ming Transportation Co., Ltd.	Yang Ming Marine Transport Corporation	Parent company	123,890	—	—	-	37,243	—
Yang Ming (Singapore) Pte. Ltd.	Yang Ming Marine Transport Corporation	Parent company	2,037,541	—	—	-	1,881,558	—
	Yang Ming (Netherlands) B.V.	The same parent company	122,191	—	—	-	122,191	—
	Yang Ming Shipping Europe GmbH	The same parent company	104,445	—	—	-	104,445	—
	Yang Ming (Italy) S.p.A.	Parent company	237,237	—	—	-	176,750	—
	Yang Ming (UK) Ltd	The same parent company	141,039	—	—	-	139,807	—
	Yang Ming (Spain), S.L.	The same parent company	288,246	—	—	-	288,246	—
	Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	Parent company	965,911	—	—	-	965,911	—
	Yang Ming (France) SAS	The same parent company	132,352	—	—	-	132,352	—
	Yang Ming Line (Singapore) Pte Ltd	All Oceans Transportation Inc.	The same parent company	287,191 (Note A)	—	—	-	287,191
	Kuang Ming (Liberia) Corp.	The same parent company	100,531 (Note A)	—	—	-	100,531	—
Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	Yang Ming (Singapore) Pte. Ltd.	The same parent company	239,350	—	—	-	239,350	—
	Yes Logistics (Shanghai) Corp.	The same parent company	709,394	—	—	-	408,078	—
Yang Ming Line Holding Co.	Kuang Ming Shipping Corp.	The same parent company	258,507 (Note A)	—	—	-	258,507	—
	Kuang Ming (Liberia) Corp.	The same parent company	186,700 (Note A)	—	—	-	186,700	—
Yang Ming (America) Corp.	Yang Ming Marine Transport Corporation	Parent company	102,425	—	—	-	102,425	—
Kuang Ming (Liberia) Corp.	Kuang Ming Shipping Corp.	The same parent company	251,222	—	—	-	251,222	—
YES Logistics Corp.	Yes Logistics (Shanghai) Corp.	Parent company	143,931 (Note C)	—	—	-	1,511	—
Yang Ming Line B.V.	Kuang Ming Shipping Corp.	The same parent company	111,833	—	—	-	111,833	—
Yang Ming (UK) Ltd	Yang Ming Marine Transport Corporation	Parent company	335,200	—	—	-	335,200	—
	Yang Ming Line (India) Pvt. Ltd.	The same parent company	157,618	—	—	-	157,618	—
	Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	The same parent company	185,388	—	—	-	185,388	—
	Yang Ming (Singapore) Pte. Ltd.	The same parent company	320,004	—	—	-	320,004	—

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 THREE MONTHS ENDED MARCH 31, 2022

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	\$ 21,396,920	Conducted as agreed terms	0.05	
				Long-term notes receivable and trade receivables	2,815,664	Conducted as agreed terms	0.01	
				Lease liabilities	4,823,799	Conducted as agreed terms	0.01	
				Operating cost	1,279,301	Conducted as agreed terms	0.01	
		Hong Ming Terminal & Stevedoring Corp.	1	Operating cost	125,083	Conducted as agreed terms	—	—
		Yangming (Japan) Co., Ltd.	1	Contract assets	168,279	Conducted as agreed terms	—	
								Yang Ming (Singapore) Pte. Ltd.
		Yang Ming Shipping (Vietnam) Co., Ltd.	1	Contract assets	639,673	Conducted as agreed terms	—	
								Yang Ming Anatolia Shipping Agency S.A.
		Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	1	Trade receivables	111,988	Conducted as agreed terms	—	
								Yang Ming (France) SAS
		Yang Ming (America) Corp.	1	Payables to shipping agents	102,425	Conducted as agreed terms	—	
								Yang Ming (Netherlands) B.V.
		Yang Ming (Italy) S.p.A.	1	Contract assets	145,532	Conducted as agreed terms	—	
								Yang Ming (UK) Ltd
		Yang Ming Shipping Europe GmbH	1	Contract assets	182,521	Conducted as agreed terms	—	
								Yang Ming Shipping Europe GmbH
		Yang Ming Shipping Europe GmbH	1	Trade payables	335,200	Conducted as agreed terms	—	
								Yang Ming Shipping Europe GmbH
		Yang Ming Shipping Europe GmbH	1	Operating cost	219,547	Conducted as agreed terms	—	
								Yang Ming Shipping Europe GmbH
		Yang Ming Shipping Europe GmbH	1	Trade receivables	150,222	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
		Kuang Ming Shipping Corp.	1	Financial assets at amortized cost - non-current	\$ 600,000	Conducted as agreed terms	—
		YES Logistics Corp.	1	Long-term lease receivables	490,828	Conducted as agreed terms	—
		Yes Logistics (Shanghai) Corp.	1	Operating revenue	450,767	Conducted as agreed terms	—
1	All Oceans Transportation Inc.	Yang Ming Line (Singapore) Pte Ltd	2	Operating revenue	2,036,887	Conducted as agreed terms	0.02
2	Yang Ming Line (Singapore) Pte Ltd	Yang Ming Line (Singapore) Pte Ltd	2	Other payables	286,300	Conducted as agreed terms	—
3	Yang Ming (Singapore) Pte. Ltd.	Kuang Ming (Liberia) Corp.	2	Other receivables	100,531	Conducted as agreed terms	—
		Yang Ming Line (M) Sdn. Bhd.	2	Contract assets	125,183	Conducted as agreed terms	—
		Yang Ming Shipping (Vietnam) Co., Ltd.	2	Contract assets	193,339	Conducted as agreed terms	—
		Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	2	Contract assets	1,439,729	Conducted as agreed terms	—
				Trade receivables	965,911	Conducted as agreed terms	—
				Payables to shipping agents	239,350	Conducted as agreed terms	—
		Yang Ming (France) SAS	2	Contract assets	106,412	Conducted as agreed terms	—
				Trade receivables	132,352	Conducted as agreed terms	—
		Yang Ming (Netherlands) B.V.	2	Trade receivables	122,191	Conducted as agreed terms	—
		Yang Ming (Italy) S.p.A.	2	Contract assets	262,814	Conducted as agreed terms	—
				Trade receivables	237,237	Conducted as agreed terms	—
		Yang Ming (UK) Ltd	2	Contract assets	134,639	Conducted as agreed terms	—
				Trade receivables	141,039	Conducted as agreed terms	—
				Trade payables	320,004	Conducted as agreed terms	—
				Operating cost	861,817	Conducted as agreed terms	0.01
		Yang Ming Shipping Europe GmbH	2	Trade receivables	104,445	Conducted as agreed terms	—
		Yang Ming (Spain), S.L.	2	Contract assets	179,981	Conducted as agreed terms	—
				Trade receivables	288,246	Conducted as agreed terms	—
4	Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	Yes Logistics (Shanghai) Corp.	2	Trade receivables	709,394	Conducted as agreed terms	—
5	Yang Ming Line Holding Co.	Kuang Ming Shipping Corp.	2	Other receivables	258,507	Conducted as agreed terms	—
		Kuang Ming (Liberia) Corp.	2	Other receivables	186,700	Conducted as agreed terms	—
6	Yang Ming Line B.V.	Kuang Ming Shipping Corp.	2	Other receivables	111,833	Conducted as agreed terms	—
7	Yang Ming (UK) Ltd	Yang Ming Line (India) Pvt. Ltd.	2	Trade receivables	157,618	Conducted as agreed terms	—
		Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	2	Contract assets	129,967	Conducted as agreed terms	—
				Trade receivables	185,388	Conducted as agreed terms	—
8	Kuang Ming Shipping Corp.	Kuang Ming (Liberia) Corp.	2	Other payables	251,222	Conducted as agreed terms	—
				Operating revenue	149,654	Conducted as agreed terms	—
9	YES Logistics Corp.	Yes Logistics Corporation USA	2	Operating cost	156,105	Conducted as agreed terms	—
		Yes Logistics (Shanghai) Corp.	2	Long-term notes receivable and trade receivables	125,157	Conducted as agreed terms	—
				Operating cost	199,592	Conducted as agreed terms	—

(Continued)

Note A: Transactions between Yang Ming Marine Transport Corp. and its subsidiaries should be remarked, as well as numbered in the first column. Rules are as follows:

1. Yang Ming Marine Transport Corp. - 0
2. Subsidiaries are numbered in Arabic figures.

Note B: Related party transactions are divided into two categories as follows:

1. Yang Ming Marine Transport Corp. to its subsidiaries.
2. Subsidiaries to Subsidiaries

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

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES
INFORMATION ON INVESTEEES
FOR THE THREE MONTHS ENDED MARCH 31, 2022

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 March 31, 2022			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2022	December 31, 2021	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	\$ 4,964,194	\$ 76,017	\$ 36,108	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	555,266	1,757	100.00	9,957,272	2,021,219	2,004,106	Subsidiary
	Yang Ming Line B.V. (Note S)	Netherlands	Investment, shipping agency, forwarding agency and shipping managers	—	—	2,500	100.00	1,633,428	98,730	98,730	Subsidiary
	Kuang Ming Shipping Corp.	Taiwan	Shipping service, shipping agency and forwarding agency	8,927,857	8,927,857	98,882,111	98.88	2,079,998	140,677	139,189	Subsidiary
	Yang Ming Line (Singapore) Pte Ltd	Singapore	Investment, shipping service, sale and purchase of ships, chartering and forwarding agency	(Note P) 1,113,356	(Note P) 1,113,356	(Note P) 60,130,000	100.00	3,585,556	103,676	103,888	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	3,469,160	308,687	308,687	Subsidiary
	All Oceans Transportation Inc.	Republic of Liberia	Shipping agency, forwarding agency and	1,500,181 (Note V)	1,500,181 (Note V)	1,000 (Note V)	100.00	1,129,273	24,733	29,626	Subsidiary
	YES Logistics Corp.	Taiwan	Warehouse operation and forwarding agency	1,141,691 (Note Y)	1,141,691 (Note Y)	115,630,977 (Note Y)	96.36 (Note Y)	1,620,551	151,616	146,348	Subsidiary
	Hong Ming Terminal & Stevedoring Corp.	Taiwan	Terminal operation and stevedoring	104,261 (Note Y)	104,261 (Note Y)	10,000,000 (Note Y)	100.00 (Note Y)	172,163	10,284	10,287	Subsidiary
	Jing Ming Transportation Co., Ltd.	Taiwan	Container transportation	35,844	35,844	8,615,923	50.98	134,716	1,012	519	Subsidiary
	Yunn Wang Investment Co., Ltd.	Taiwan	Investment	179,810	179,810	5,211,474	49.75	234,229	(294)	(146)	Investments in associates
	Taiwan Foundation International Pte. Ltd.	Singapore	Investment and subsidiaries management	103,802	103,802	3,400,000	34.00	99,739	(83)	(28)	Investments in associates
	Taiwan Navigation Co., Ltd.	Taiwan	Shipping agency, forwarding agency, shipping managers and shipping lines	4,367,005 (Note W)	4,366,674 (Note W)	70,793,243	16.96	3,600,715	165,254	28,027	Investments in associates
	Yang Ming (Singapore) Pte. Ltd. (Note Z)	Singapore	Shipping agency, forwarding agency, shipping managers and shipping lines	444,930	—	21,285,000	100.00	11,605,989	10,904,777	10,904,777	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Business and Products	Original Investment Amount (Note A)		As of March 31, 2022			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2022	December 31, 2021	Shares	Percentage of Ownership	Carrying Amount			
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	\$ 258,527	\$ 20,729	\$ —	Subsidiary
	Transcont Intermodal Logistics, Inc.	U.S.A.	Inland forwarding agency	326	326	200	100.00	219	(3)	—	Subsidiary
	Yang Ming Shipping (Canada) Ltd.	Canada	Shipping agency, forwarding agency and shipping managers	2,981	2,981	1,000	100.00	25,253	87	—	Subsidiary
	West Basin Container Terminal LLC	U.S.A.	Terminal operation and stevedoring	132,050	132,050	(Note D)	40.00	1,195,803	709,204	—	Investments in associates
	United Terminal Leasing LLC	U.S.A.	Terminal operation and machine lease	34,750	34,750	(Note E)	40.00	281,524	6,550	—	Investments in associates
Yang Ming Line (B.V.I.) Holding Co., Ltd.	Yang Ming Line N.V.	Curaçao	Investment, shipping agency, forwarding agency and shipping managers	42,038	42,038	1,528,803	100.00	—	—	—	Subsidiary
	Yang Ming (UK) Ltd	U.K.	Shipping agency, forwarding agency, shipping managers and shipping lines	2,633,724 (Note U)	2,633,724	68,097,591	97.84	9,663,291	2,065,897	—	Subsidiary
Yang Ming Line B.V.	Yang Ming (Belgium) N.V.	Belgium	Shipping agency	8,614	8,614	553	89.92	23,248	2,587	—	Subsidiary
	Yang Ming (Netherlands) B.V.	Netherlands	Shipping agency	15,285	15,285	400,000	100.00	109,586	18,302	—	Subsidiary
	Yang Ming (Italy) S.p.A.	Italy	Shipping agency	4,319	4,319	125,000	50.00	38,391	4,681	—	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	212,851	2,065,897	—	Subsidiary
	Yang Ming Shipping Europe GmbH	Germany	Shipping agency, forwarding agency and shipping managers	29,697	29,697	(Note F)	100.00	155,748	(6,695)	—	Subsidiary
	Yang Ming (Russia) LLC	Russia	Shipping agency	3,017	3,017	(Note G)	60.00	22,041	9,653	—	Subsidiary
	Yang Ming (Spain), S.L.	Spain	Shipping agency	2,213	2,213	60,000	60.00	224,345	37,977	—	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	38,346	237	—	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	37,034	31,587	—	Investments in associates
Yang Ming (UK) Ltd	Yang Ming (Belgium) N.V.	Belgium	Shipping agency	1,900	1,900	62	10.08	2,606	2,587	—	Subsidiary
	Corstor Ltd. (Note X)	U.K.	Warehouse management and container haulage services	7,411	7,411	1,000	100.00	25,895	1,557	—	Subsidiary
Yang Ming (Italy) S.p.A.	Yang Ming (Naples) S.r.l.	Italy	Forwarding agency	1,695 (Note R)	1,695 (Note R)	(Note H)	60.00	4,346	302	—	Subsidiary
Yang Ming Line (Singapore) Pte Ltd	Yang Ming Shipping (B.V.I.) Inc.	British Virgin Islands	Forwarding agency and shipping agency	247,772	247,772	1,000	100.00	61,415	863	—	Subsidiary
	Yang Ming Line (Hong Kong) Ltd.	Hong Kong	Forwarding agency and shipping agency	2,138	2,138	1,000,000	1.44	(771) (Note C)	1,589	—	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Business and Products	Original Investment Amount (Note A)		As of March 31, 2022			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2022	December 31, 2021	Shares	Percentage of Ownership	Carrying Amount			
	Yang Ming Line (India) Pvt. Ltd.	India	Shipping agency, forwarding agency and shipping managers	\$ 2,228	\$ 2,228	300,000	60.00	\$ (2,759)	\$ (7,928)	\$ —	Subsidiary
	Yang Ming (Korea) Co. Ltd.	Korea	Shipping agency, forwarding agency and shipping managers	10,107	10,107	60,000	60.00	(Note C) 34,631	1,264	—	Subsidiary
	Young-Carrier Company Ltd.	Hong Kong	Investment, shipping agency, forwarding agency and shipping managers	14,926	14,926	1,000,000	100.00	210,261	(98)	—	Subsidiary
	Yangming (Japan) Co., Ltd.	Japan	Shipping services, sale and purchase of ships, chartering and forwarding agency	36,235	36,235	3,000	100.00	1,455	(5,342)	—	Subsidiary
	Yang Ming (Singapore) Pte. Ltd. (Note Z)	Singapore	Shipping agency, forwarding agency, shipping managers and shipping lines	—	18,851	—	—	—	—	—	Subsidiary
	Yang Ming Line (M) Sdn. Bhd.	Malaysia	Shipping agency, forwarding agency and shipping managers	10,727	10,727	1,000,000	100.00	64,829	8,319	—	Subsidiary
	Sun-Baked Pte. Ltd.	Singapore	Insurance	2,271	2,271	350,000	100.00	6,663	(16)	—	Subsidiary
	Yang Ming Anatolia Shipping Agency S.A.	Turkey	Shipping agency, forwarding agency and shipping managers	1,077	1,077	50,000	50.00	191,608	144,197	—	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	45,671	6,637	—	Investments in associates
	Yang Ming Shipping (Vietnam) Co., Ltd.	Vietnam	Forwarding agency and shipping managers	9,881	9,881	(Note K)	100.00	87,669	4,023	—	Subsidiary
	Yang Ming (Australia) Pty. Ltd.	Australia	Shipping agency, forwarding agency and shipping managers	4,597	4,597	150,000	50.00	33,250	1,980	—	Investments in associates
	LogiTrans Technology Private Limited	India	Information system service	10,211	10,211	2,040,000	51.00	23,141	5,103	—	Investments in joint ventures
	Yang Ming Shipping Philippines, Inc.	Philippines	Forwarding agency and shipping managers	6,435	6,435	99,995	100.00	(10,788)	(2,314)	—	Subsidiary
	Yang Ming (Latin America) Corp.	Panama	Shipping agency, forwarding agency and shipping managers	6,020	6,020	200	100.00	(Note C) 7,709	47	—	Subsidiary
	Yang Ming Line (Thailand) Co., Ltd.	Thailand	Shipping agency, forwarding agency and shipping managers	3,589	3,589	3,920	49.00	18,683	1,765	—	Subsidiary
	Yang Ming Line shipping (Thailand) Co., Ltd.	Thailand	Shipping agency	2,282	2,282	2,450	49.00	11,419	1,122	—	Subsidiary
	Yang Ming Insurance Co., Ltd.	Bermuda	Insurance	7,740	7,740	250,000	100.00	157,443	7,461	—	Subsidiary
	PT Yang Ming Shipping Indonesia	Indonesia	Shipping agency, forwarding agency and shipping managers	40,946	40,946	18,865	49.00	38,456	(2,167)	—	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Business and Products	Original Investment Amount (Note A)		As of March 31, 2022			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2022	December 31, 2021	Shares	Percentage of Ownership	Carrying Amount			
	PT. Formosa Sejati Logistics	Indonesia	Storage and stevedoring	\$ 5,701	\$ 5,701	1,875	15.00	\$ 5,989	\$ 3,889	\$ —	Investments in associates
	Jambatan Merah Formosa Depot Sdn Bhd.	Malaysia	Storage and stevedoring	1,743	1,743	250,000	25.00	3,185	642	—	Investments in joint ventures
	Yang Ming (France) SAS	France	Shipping agency, forwarding agency and shipping managers	3,025	3,025	90,000	60.00	20,887	9,667	—	Subsidiary
Yang Ming Shipping (B.V.I.) Inc.	Yang Ming Line (Hong Kong) Ltd.	Hong Kong	Forwarding agency and shipping agency	249,953	249,953	68,556,347	98.56	(52,838)	1,589	—	Subsidiary
	Karlman Properties Limited	Hong Kong	Property agency	4	4	24,000,000	100.00	83,132	90	—	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	11,652	1,122	—	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	18,683	1,765	—	Subsidiary
Yangming (Japan) Co., Ltd.	Manwa Co., Ltd.	Japan	Forwarding agency and shipping agency	2,666	2,666	200	100.00	2,234	112	—	Subsidiary
Kuang Ming Shipping Corp.	Kuang Ming (Liberia) Corp.	Republic of Liberia	Forwarding agency	6,032,544	6,032,544	5	100.00	2,872,322	108,832	—	Subsidiary
YES Logistics Corp.	Yes Logistics Corporation USA	U.S.A.	Shipping agency, forwarding agency and shipping managers	179,763	179,763	2,173,411	100.00	218,531	40,056	—	Subsidiary
	Yes Yangming Logistics (Singapore) Pte. Ltd.	Singapore	Investment and subsidiaries management	37,263	37,263	1,607,984	100.00	39,987	5,442	—	Subsidiary
	PT. YES Logistics Indonesia	Indonesia	Forwarding agency	15,315	15,315	510,000	51.00	13,272	3,634	—	Subsidiary
	YES LIBERAL Logistics Corp.	Taiwan	Warehouse operation	75,000	75,000	7,500,000	50.00	78,728	2,244	—	Investments in joint ventures
Yes Yangming Logistics (Singapore) Pte. Ltd.	Yes Logistics Benelux B.V.	Netherlands	Forwarding agency	10,179	10,179	12,600	70.00	5,641	2,938	—	Subsidiary
	Yes Logistics Company Ltd.	Hong Kong	Forwarding agency	32,351	32,351	7,882,278	100.00	20,681	132	—	Subsidiary
	Yes And HQL Logistics Company	Vietnam	Forwarding agency	3,128	3,128	(Note O)	51.00	12,739	6,526	—	Investments in joint ventures
Yes Logistics Corporation USA	Golden Logistics USA Corporation	U.S.A.	Container transportation	328	328	100	100.00	3,855	(68)	—	Subsidiary
	Yes Logistics Europe GmbH	Germany	Forwarding agency	40,090	40,090	(Note L)	100.00	(68,925)	5,560	—	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	(18,502)	4,910	—	Subsidiary
YES MLC GmbH	Merlin Logistics GmbH	Austria	Warehouse operation and logistics	1,380	1,380	(Note N)	100.00	(94)	—	—	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Business and Products	Original Investment Amount (Note A)		As of March 31, 2022			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2022	December 31, 2021	Shares	Percentage of Ownership	Carrying Amount			
Merlin Logistics GmbH	YES Logistics Bulgaria Ltd.	Bulgaria	Cargo consolidation service and forwarding agency	740	740	500	100.00	(2,274) (Note C)	—	—	Subsidiary

Notes:

- A. This is translated into New Taiwan dollars at the exchange rate prevailing at the time of investment acquisition.
- B. This is an adjustment to the remainder investment of investment income or loss recognized at fair value on the date of losing control.
- C. 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. 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.
- W. 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.
- X. 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.
- Y. The Group's board of directors resolved in July 2021 to apply for the short-form merger of YMTC and Ching Ming Investment Corp. and the base date of merger was November 1, 2021. The subsidiary's shares had been transferred to YMTC from Ching Ming Investment Corp.
- Z. The Group reorganized the organization in January 2022 and adjusted the holding structure of the Group. YMTC acquired equity of Yang Ming (Singapore) Pte. Ltd. from Yang Ming Line (Singapore) Pte Ltd.
- AA. 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 THREE MONTHS ENDED MARCH 31, 2022

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, 2022 (Note J)	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2022 (Note J)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note E)	Carrying Amount as of March 31, 2022 (Note E)	Accumulated Repatriation of Investment Income as of March 31, 2022
						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	\$ —	\$ —	\$ —	\$ —	\$ 2,695	51.00%	\$ 1,374	\$ 22,905	\$ —
	Sino Trans PFS Cold Chain Logistics Co., Ltd. (Note D)	Storage facilities construction and operation as well as providing supporting services related	US\$ 46,242 thousand	The Company direct investment in Mainland China	23,510 (CNY 5,209 thousand)	—	—	23,510 (CNY 5,209 thousand)	(15,590)	6.67%	(1,039)	21,711	—
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	229,040 (US\$ 8,000 thousand)	—	—	229,040 (US\$ 8,000 thousand)	43,671	96.36%	42,081	442,165	—
	Chang Ming Logistics Company Limited (Note B)	Terminal operation and stevedoring, storage, and shipping agency	CNY 144,800	Investee's direct investment in Mainland China	266,288 (US\$ 9,301 thousand)	—	—	266,288 (US\$ 9,301 thousand)	684	47.22%	323	286,420	—
	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	176,475 (US\$ 6,164 thousand)	—	—	176,475 (US\$ 6,164 thousand)	(15,590)	12.85%	(2,003)	43,431	—
	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	45,134 (CNY 10,000 thousand)	—	—	45,134 (CNY 10,000 thousand)	(5,272)	19.27%	(1,016)	57,712	—

Company Name	Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2022 (Note J)	Investment Amounts Authorized by Investment Commission, MOEA (Note J)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Yang Ming Marine Transport Corporation (Note D)	\$23,510 (CNY 5,209 thousand)	\$229,102 (US\$ 7,181 thousand) (CNY 5,209 thousand)	\$176,800,849
YES Logistics Corp. (Note C)	\$720,998 (US\$ 17,301 thousand) (CNY 50,000 thousand)	\$720,998 (US\$ 17,301 thousand) (CNY 50,000 thousand)	\$— (Note F)

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. The Company was authorized to invest in mainland China by Investment Commission, Ministry of Economic Affairs on August 25, 2021.

- 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\$28.63 and CNY1=NT\$4.5134 as of March 31, 2022.

YANG MINT MARINE TRANSPORT CORPORATION AND SUBSIDIARIES
INFORMATION OF MAJOR SHAREHOLDERS
MARCH 31, 2022

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.