

**Yang Ming Marine Transport Corporation
and Subsidiaries**

**Consolidated Financial Statements for the
Three Months Ended March 31, 2023 and 2022 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, 2023 and 2022, 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 following paragraph, we conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". 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, 2023 and 2022, the combined total assets of these non-significant subsidiaries were NT\$62,198,160 thousand and NT\$35,716,465 thousand, respectively, representing 12.35% and 7.74%, respectively, of the consolidated total assets, and the combined total liabilities of these non-significant subsidiaries were NT\$10,808,718 thousand and NT\$11,462,907 thousand, respectively, representing 6.88% and 6.97%, respectively, of the consolidated total liabilities; for the three-month periods ended March 31, 2023 and 2022, the amounts of the combined comprehensive income of these non-significant subsidiaries were NT\$82,960 thousand and NT\$2,098,191 thousand, respectively, representing 2.87% and 3.48% respectively, of the consolidated total comprehensive income. As also disclosed in Note 14, as of March 31, 2023 and 2022, the investments accounted for using the equity method were NT\$5,922,331 thousand and NT\$7,424,500 thousand, respectively; and for the three-month periods ended March 31, 2023 and 2022, the amounts of the Group's share of the profit of such investments accounted for using the equity method were NT\$57,310 thousand and NT\$404,751 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, 2023 and 2022 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, 2023

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, 2023 (Reviewed)		December 31, 2022 (Audited)		March 31, 2022 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 6 and 32)	\$ 113,387,531	23	\$ 149,427,959	30	\$ 75,045,365	17
Financial assets at fair value through profit or loss (FVTPL) - current (Note 7)	5,076,347	1	4,302,945	1	75,895	—
Financial assets at amortized cost - current (Notes 9, 32 and 33)	172,041,548	34	133,484,952	26	193,820,667	42
Financial assets for hedging - current (Notes 6, 31 and 33)	30,450,000	6	30,710,000	6	—	—
Contract assets, net (Notes 25 and 32)	1,367,771	—	1,853,463	1	5,608,866	1
Notes receivable, net (Note 10)	19,022	—	4,262	—	26,572	—
Trade receivables, net (Notes 10 and 25)	8,092,690	2	10,298,914	2	23,558,323	5
Trade receivables from related parties (Notes 10, 25 and 32)	233,370	—	339,219	—	245,376	—
Finance lease receivables, net (Note 11)	455,788	—	766,403	—	20,271	—
Shipping fuel (Note 12)	4,579,317	1	4,503,947	1	4,355,105	1
Prepayments (Note 32)	805,758	—	746,081	—	627,486	—
Prepayments to shipping agents (Note 32)	246,356	—	542,406	—	408,072	—
Other current assets (Note 32)	2,066,784	—	1,598,472	—	1,056,968	—
Total current assets	<u>338,822,282</u>	<u>67</u>	<u>338,579,023</u>	<u>67</u>	<u>304,848,966</u>	<u>66</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss (FVTPL) - non-current (Note 7)	349,174	—	353,165	—	14,727	—
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Note 8)	499,586	—	506,847	—	521,293	—
Financial assets at amortized cost - non-current (Notes 9, 32 and 33)	2,520,148	1	2,138,776	—	28,434	—
Investments accounted for using equity method (Note 14)	8,606,770	2	8,742,640	2	11,025,215	2
Property, plant and equipment (Notes 15, 33 and 34)	74,203,624	15	75,777,886	15	72,935,167	16
Right-of-use assets (Notes 16 and 32)	70,186,579	14	73,362,475	15	63,537,234	14
Investment properties (Notes 17 and 32)	7,146,807	1	7,146,807	1	7,083,722	2
Other intangible assets	141,302	—	133,157	—	127,100	—
Deferred tax assets (Note 4)	884,170	—	784,153	—	941,464	—
Prepayments for equipment	100,179	—	222,605	—	171,984	—
Refundable deposits	221,045	—	219,399	—	233,330	—
Finance lease receivables - non-current (Note 11)	101,381	—	106,542	—	121,923	—
Other financial assets - non-current	23,279	—	23,744	—	21,211	—
Other non-current assets	15,801	—	51,561	—	29,687	—
Total non-current assets	<u>164,999,845</u>	<u>33</u>	<u>169,569,757</u>	<u>33</u>	<u>156,792,491</u>	<u>34</u>
TOTAL	<u>\$ 503,822,127</u>	<u>100</u>	<u>\$ 508,148,780</u>	<u>100</u>	<u>\$ 461,641,457</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 18 and 32)	\$ 2,180,000	—	\$ 2,430,000	—	\$ 1,730,000	—
Short-term bills payable (Notes 18 and 32)	1,099,216	—	1,098,548	—	898,429	—
Financial liabilities for hedging - current (Notes 16 and 31)	8,427,058	2	8,371,948	2	7,914,372	2
Contract liabilities - current (Note 25)	471,493	—	532,259	—	1,247,793	—
Notes payable (Note 32)	20,823	—	35,317	—	23,271	—
Trade payables (Note 20)	14,118,661	3	15,571,592	3	21,597,586	5
Trade payables to related parties (Notes 20 and 32)	274,933	—	347,105	—	416,687	—
Other payables (Notes 21 and 32)	7,139,273	1	8,651,744	2	7,420,867	2
Current tax liabilities (Note 4)	31,092,647	6	29,771,775	6	42,041,634	9
Provisions - current (Note 22)	2,562	—	—	—	56,307	—
Lease liabilities - current (Notes 16 and 32)	5,027,540	1	5,157,412	1	3,819,670	1
Current portion of long-term liabilities (Notes 18, 19, 32 and 33)	2,567,036	1	2,560,364	1	274,989	—
Other advance account	73,851	—	178,512	—	133,269	—
Other current liabilities	957,378	—	1,223,639	—	1,137,050	—
Total current liabilities	<u>73,452,471</u>	<u>14</u>	<u>75,930,215</u>	<u>15</u>	<u>88,711,924</u>	<u>19</u>
NON-CURRENT LIABILITIES						
Financial liabilities for hedging - non-current (Notes 16 and 31)	34,350,466	7	36,816,306	7	33,018,219	7
Bonds payable (Notes 19, 32 and 33)	8,370,336	2	8,351,220	2	10,847,680	2
Long-term borrowings (Notes 18, 32 and 33)	265,021	—	305,070	—	3,080,829	1
Provisions - non-current (Note 22)	5,101	—	3,559	—	1,393	—
Deferred tax liabilities (Note 4)	10,058,850	2	10,787,845	2	8,120,741	2
Lease liabilities - non-current (Notes 16 and 32)	27,514,143	6	28,824,524	6	19,784,003	4
Other advance account - non-current	71,782	—	56,287	—	77,395	—
Net defined benefit liabilities - non-current (Notes 4 and 23)	1,807,092	—	1,971,067	—	2,367,051	1
Other non-current liabilities	1,314,448	—	1,316,724	—	964,140	—
Total non-current liabilities	<u>83,757,239</u>	<u>17</u>	<u>88,432,602</u>	<u>17</u>	<u>78,261,451</u>	<u>17</u>
Total liabilities	<u>157,209,710</u>	<u>31</u>	<u>164,362,817</u>	<u>32</u>	<u>166,973,375</u>	<u>36</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Share capital - ordinary shares	34,921,043	7	34,921,043	7	34,921,043	8
Capital surplus	27,975,030	6	27,975,030	6	27,975,030	6
Retained earnings						
Legal reserve	16,907,064	3	16,907,064	3	166,092	—
Special reserve	3,713,230	1	3,713,230	1	1,494,827	—
Unappropriated earnings	262,858,379	52	259,456,948	51	227,988,462	50
Total retained earnings	<u>283,478,673</u>	<u>56</u>	<u>280,077,242</u>	<u>55</u>	<u>229,649,381</u>	<u>50</u>
Other equity	(578,992)	—	(13,577)	—	1,391,802	—
Total equity attributable to owners of the Company	<u>345,795,754</u>	<u>69</u>	<u>342,959,738</u>	<u>68</u>	<u>293,937,256</u>	<u>64</u>
NON-CONTROLLING INTERESTS	<u>816,663</u>	<u>—</u>	<u>826,225</u>	<u>—</u>	<u>730,826</u>	<u>—</u>
Total equity	<u>346,612,417</u>	<u>69</u>	<u>343,785,963</u>	<u>68</u>	<u>294,668,082</u>	<u>64</u>
TOTAL	<u>\$ 503,822,127</u>	<u>100</u>	<u>\$ 508,148,780</u>	<u>100</u>	<u>\$ 461,641,457</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' review report dated May 12, 2023)

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			
	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 16, 25 and 32)	\$ 36,953,438	100	\$106,704,172	100
OPERATING COSTS (Notes 12, 16, 26 and 32)	<u>33,536,911</u>	<u>91</u>	<u>31,389,100</u>	<u>29</u>
GROSS PROFIT	<u>3,416,527</u>	<u>9</u>	<u>75,315,072</u>	<u>71</u>
OPERATING EXPENSES (Notes 10, 16, 25, 26 and 32)				
Selling and marketing expenses	1,619,103	4	2,522,882	2
General and administrative expenses	345,137	1	535,388	1
Expected credit loss (gain)	(8,594)	—	5,352	—
Total operating expenses	<u>1,955,646</u>	<u>5</u>	<u>3,063,622</u>	<u>3</u>
OTHER OPERATING INCOME AND EXPENSES (Notes 16 and 26)	8,933	—	53,981	—
PROFIT FROM OPERATIONS	<u>1,469,814</u>	<u>4</u>	<u>72,305,431</u>	<u>68</u>
NON-OPERATING INCOME AND EXPENSES (Notes 16, 26 and 32)				
Interest income	3,137,257	9	219,945	—
Other income	20,641	—	22,846	—
Other gains and losses	137,087	—	4,172,305	4
Finance costs	(629,803)	(2)	(560,957)	—
Share of profit or loss of associates and joint ventures	90,526	—	370,274	—
Total non-operating income and expenses	<u>2,755,708</u>	<u>7</u>	<u>4,224,413</u>	<u>4</u>
PROFIT BEFORE INCOME TAX	4,225,522	11	76,529,844	72
INCOME TAX EXPENSE (Notes 4 and 27)	<u>(763,822)</u>	<u>(2)</u>	<u>(15,847,351)</u>	<u>(15)</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			
	2023		2022	
	Amount	%	Amount	%
NET PROFIT FOR THE PERIOD	\$ 3,461,700	9	\$ 60,682,493	57
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 6, 16, 23, 24 and 27)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at FVTOCI	(7,261)	—	23,362	—
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	23,411	—	36,525	—
	16,150	—	59,887	—
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	(840,063)	(2)	1,010,638	1
Gain (loss) on hedging instruments	119,234	—	(1,548,575)	(1)
Income tax related to items that may be reclassified subsequently to profit or loss	134,716	1	140,973	—
	(586,113)	(1)	(396,964)	—
Other comprehensive income (loss) for the period, net of income tax	(569,963)	(1)	(337,077)	—
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	\$ 2,891,737	8	\$ 60,345,416	57
NET PROFIT ATTRIBUTABLE TO :				
Owners of the Company	\$ 3,401,431	9	\$ 60,577,166	57
Non-controlling interests	60,269	—	105,327	—
	\$ 3,461,700	9	\$ 60,682,493	57

(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			
	2023		2022	
	Amount	%	Amount	%
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO :				
Owners of the Company	\$ 2,836,016	8	\$ 60,245,982	57
Non-controlling interests	55,721	—	99,434	—
	\$ 2,891,737	8	\$ 60,345,416	57
EARNINGS PER SHARE (Note 28)				
Basic	\$ 0.97		\$ 17.35	
Diluted	\$ 0.97		\$ 17.25	

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

(With Deloitte & Touche auditors' review report dated May 12, 2023)

(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											
	Share Capital (Note 24)		Capital Surplus (Note 24)	Retained Earnings (Note 24)			Other Equity			Total	Non-controlling Interests (Note 24)	Total Equity
	Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings	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)			
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 the 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>
BALANCE AT JANUARY 1, 2023	3,492,104	\$ 34,921,043	\$ 27,975,030	\$ 16,907,064	\$ 3,713,230	\$259,456,948	\$ 86,183	\$ (685,376)	\$ 585,616	\$342,959,738	\$ 826,225	\$343,785,963
Net profit for the three months ended March 31, 2023	—	—	—	—	—	3,401,431	—	—	—	3,401,431	60,269	3,461,700
Other comprehensive income (loss) for the three months ended March 31, 2023, net of income tax	—	—	—	—	—	—	(676,952)	16,150	95,387	(565,415)	(4,548)	(569,963)
Total comprehensive income (loss) for the three months ended March 31, 2023	—	—	—	—	—	3,401,431	(676,952)	16,150	95,387	2,836,016	55,721	2,891,737
Decrease in non-controlling interests	—	—	—	—	—	—	—	—	—	—	(65,283)	(65,283)
BALANCE AT MARCH 31, 2023	<u>3,492,104</u>	<u>\$ 34,921,043</u>	<u>\$ 27,975,030</u>	<u>\$ 16,907,064</u>	<u>\$ 3,713,230</u>	<u>\$262,858,379</u>	<u>\$ (590,769)</u>	<u>\$ (669,226)</u>	<u>\$ 681,003</u>	<u>\$345,795,754</u>	<u>\$ 816,663</u>	<u>\$346,612,417</u>

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

(With Deloitte & Touche auditors' review report dated May 12, 2023)

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	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 4,225,522	\$ 76,529,844
Adjustments for :		
Depreciation expenses	5,157,186	4,705,190
Amortization expenses	17,022	13,916
Expected credit (gain) loss recognized	(8,594)	5,352
Net gain on fair value change of financial assets/ liabilities at FVTPL	(11,515)	(703)
Finance costs	629,803	560,957
Interest income	(3,137,257)	(219,945)
Share of profit of associates and joint ventures	(90,526)	(370,274)
Gain on disposal of property, plant and equipment	(4,949)	(2,681)
Write-downs of shipping fuel	150,014	—
Net loss (gain) on foreign currency exchange	239,051	(2,898,177)
Loss on changes in fair value of investment properties	—	4
Gain on lease modification	—	(32)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at FVTPL	(757,896)	—
Contract assets	491,845	(138,078)
Notes receivable	(14,760)	(21,448)
Trade receivables	2,283,262	(875,870)
Trade receivables from related parties	105,849	166,679
Shipping fuel	(225,359)	(946,398)
Prepayments	(59,490)	(86,924)
Prepayments to shipping agents	296,050	54,368
Other current assets	95,673	101,997
Current liabilities	(60,766)	344,340
Notes payable	(14,494)	(10,581)
Trade payables	(1,354,974)	717,329
Trade payables to related parties	(72,172)	39,733
Other payables	(1,559,978)	62,251
Other advance account	(89,166)	(92,478)
Other current liabilities	(298,169)	62,676
Net defined benefit liabilities	(163,975)	(461,295)
Cash generated from operations	5,771,233	77,239,752
Interest received	2,852,686	114,166
Dividends received	182,179	559,930

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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	
	2023	2022
Interest paid	\$ (582,586)	\$ (527,496)
Income tax paid	(426,859)	(821,310)
Net cash generated from operating activities	7,796,653	76,565,042
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(109,589,713)	(59,529,886)
Proceeds from sale of financial assets at amortized cost	69,979,048	5,590,366
Acquisition of associates and joint ventures	(465)	(330)
Payments for property, plant and equipment	(139,992)	(376,371)
Proceeds from disposal of property, plant and equipment	41,836	7,498
Increase in refundable deposits	(1,646)	(14,221)
Payments for intangible assets	(24,901)	(60,024)
Payments for investment property	—	(434,368)
Decrease in financial lease receivables	309,061	5,026
Decrease in other financial assets	465	493
Decrease (increase) in other non-current assets	33,141	(1,196)
Increase in prepayments for equipment	(6,201)	(121,497)
Net cash used in investing activities	(39,399,367)	(54,934,510)
 CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayments of) proceeds from short-term borrowings	(250,000)	336,240
Proceeds from short-term bills payable	—	462,500
Proceeds from long-term borrowings	260,578	—
Repayments of long-term borrowings	(300,112)	(3,260,841)
Repayments of the principal portion of lease liabilities	(3,366,002)	(2,800,590)
(Decrease) increase in other non-current liabilities	(2,276)	113,064
Net change in non-controlling interests	(65,283)	—
Net cash used in financing activities	(3,723,095)	(5,149,627)
 EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	(714,619)	1,115,782
 NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	 (36,040,428)	 17,596,687
 CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	 149,427,959	 57,448,678

(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	
	2023	2022
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 113,387,531</u>	<u>\$ 75,045,365</u>

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

(With Deloitte & Touche auditors' review report dated May 12, 2023)

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022

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

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by YMTC’s board of directors on May 12, 2023.

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

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

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

- 1) 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.
- 2) 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.

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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
Amendments to IFRS 16 “Leases Liability in a Sale and leaseback”	January 1, 2024 (Note 2)
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, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024

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

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

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

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

The 2020 amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Group’s own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that 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 IFRS 16 “Leases Liability in a Sale and leaseback”

The amendments clarify that the liability that arises from a sale and leaseback transaction - that satisfies the requirements in IFRS 15 to be accounted for as a sale—is a lease liability to which IFRS 16 applies. However, if the lease in a leaseback that includes variable lease payments that do not depend on an index or rate, the seller-lessee shall measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. Seller-lessee subsequently recognizes in profit or loss the difference between the payments made for the lease and the lease payments that reduce the carrying amount of the lease liability.

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, 2022.

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, 2022.

6. CASH AND CASH EQUIVALENTS

	March 31, 2023	December 31, 2022	March 31, 2022
Cash on hand	\$ 11,135	\$ 10,791	\$ 14,572
Checking accounts and demand deposits	12,620,556	28,649,263	41,969,170
Cash equivalents (investments with original maturities of 3 months or less)			
Time deposits	100,578,599	114,991,201	32,955,692
Repurchase agreements	—	5,600,000	105,931
Call deposits	177,241	176,704	—
	<u>\$ 113,387,531</u>	<u>\$ 149,427,959</u>	<u>\$ 75,045,365</u>

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

	March 31, 2023	December 31, 2022	March 31, 2022
Time deposits	0.05%~21.00%	0.10%~20.00%	0.06%~17.00%
Repurchase agreements	—	1.57%	0.37%~0.49%
Call deposits	1.75%	1.75%	—

Financial assets designated as hedging

The Group designated certain USD-denominated demand deposits and time deposits as hedging instruments to hedge future volatility of USD-denominated prepayments for ship purchase, and the accounting treatment is applicable to cash flow hedges. The information on the transactions is summarized as follow:

	Maturity Period	Account	Carrying Amount
March 31, 2023	2023/06/29	Financial assets for hedging	<u>\$ 30,450,000</u>
December 31, 2022	2023/03/29	Financial assets for hedging	<u>\$ 30,710,000</u>

Impact on comprehensive income (loss):

	Recognized in Other Comprehensive Income	Amount Reclassified to Property, Plant and Equipment
For the three months ended March 31, 2023	<u>\$ (260,000)</u>	<u>\$ —</u>

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

7. FINANCIAL INSTRUMENTS AT FVTPL

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Financial assets at FVTPL - current</u>			
Financial assets mandatorily classified as at FVTPL			
Derivative financial assets (not under hedge accounting)			
- Oil derivatives	\$ 706	\$ —	\$ —
Non-derivative financial assets			
- Domestic listed shares	68,851	64,192	70,016
- Mutual funds	5,006,790	4,238,753	5,879
	<u>\$ 5,076,347</u>	<u>\$ 4,302,945</u>	<u>\$ 75,895</u>
 <u>Financial assets at FVTPL - non-current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
- Domestic listed shares	\$ 268,800	\$ 274,400	\$ —
- Mutual funds	51,021	49,176	—
- Domestic limited partnership	29,353	29,589	14,727
	<u>\$ 349,174</u>	<u>\$ 353,165</u>	<u>\$ 14,727</u>

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

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

	Maturity Date	Unsettled Amount	
		Notional Amount	Fair Value
March 31, 2023	June 30, 2023	USD\$1,800 thousand	\$ 706

8. FINANCIAL ASSETS AT FVTOCI - NON-CURRENT

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Domestic investments in equity instruments</u>			
Unlisted shares			
Ordinary shares - Taipei Port Container Terminal Co., Ltd.	\$ 479,930	\$ 489,102	\$ 500,770
Ordinary shares - United Stevedoring Corp.	5,142	4,495	5,464
Ordinary shares - United Raw Material Solutions Inc.	1,626	1,626	2,222
Ordinary shares - Pro-Ascentek Investment Corporation	12,888	11,624	12,837
	<u>\$ 499,586</u>	<u>\$ 506,847</u>	<u>\$ 521,293</u>

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

9. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2023	December 31, 2022	March 31, 2022
Time deposits with original maturity of more than 3 months	\$ 169,122,921	\$ 133,355,775	\$ 191,616,235
Restricted bank balance (Note 33)	151,109	161,640	140,013
Repurchase agreements	2,800,000	—	2,092,853
Corporate bonds	2,487,666	2,106,313	—
	<u>\$ 174,561,696</u>	<u>\$ 135,623,728</u>	<u>\$ 193,849,101</u>
Current	<u>\$ 172,041,548</u>	<u>\$ 133,484,952</u>	<u>\$ 193,820,667</u>
Non-current	<u>\$ 2,520,148</u>	<u>\$ 2,138,776</u>	<u>\$ 28,434</u>

10. NOTES RECEIVABLE AND TRADE RECEIVABLES

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Notes receivable - operating</u>	<u>\$ 19,022</u>	<u>\$ 4,262</u>	<u>\$ 26,572</u>
<u>Trade receivables</u>			
At amortized cost			
Trade receivables - non-related parties	\$ 8,189,696	\$ 10,401,687	\$ 23,708,206
Trade receivables - related parties	233,370	339,219	245,376
Less : Allowance for impairment loss	(97,006)	(102,773)	(149,883)
	<u>\$ 8,326,060</u>	<u>\$ 10,638,133</u>	<u>\$ 23,803,699</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 assets 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, 2023

	No Signs of Default By Client					Signs of Default by Client	Total
	Less than 60 Days	61 to 90 days	91 to 180 days	181 to 365 days	Over 365 days		
Expected credit loss rate	0.00%-0.88%	0.50%-1.88%	0.50%-5.38%	0.50%-10.38%	0.50%-20.38%	100.00%	
Gross carrying amount	\$ 8,282,819	\$ 81,063	\$ 28,627	\$ 25,278	\$ 24,189	\$ 112	\$ 8,442,088
Loss allowance (Lifetime ECLs)	(93,489)	(504)	(1,404)	(290)	(1,207)	(112)	(97,006)
Amortized cost	<u>\$ 8,189,330</u>	<u>\$ 80,559</u>	<u>\$ 27,223</u>	<u>\$ 24,988</u>	<u>\$ 22,982</u>	<u>\$ —</u>	<u>\$ 8,345,082</u>

December 31, 2022

	No Signs of Default By Client					Signs of Default by Client	Total
	Less than 60 Days	61 to 90 days	91 to 180 days	181 to 365 days	Over 365 days		
Expected credit loss rate	0.00%-0.88%	0.50%-1.88%	0.50%-5.38%	0.50%-10.38%	0.50%-20.38%	100.00%	
Gross carrying amount	\$ 10,424,625	\$ 189,315	\$ 85,916	\$ 29,670	\$ 15,068	\$ 574	\$ 10,745,168
Loss allowance (Lifetime ECLs)	(95,380)	(1,084)	(3,008)	(1,409)	(1,318)	(574)	(102,773)
Amortized cost	<u>\$ 10,329,245</u>	<u>\$ 188,231</u>	<u>\$ 82,908</u>	<u>\$ 28,261</u>	<u>\$ 13,750</u>	<u>\$ —</u>	<u>\$ 10,642,395</u>

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>

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

	For the Three Months Ended March 31	
	2023	2022
Balance at January 1	\$ 102,773	\$ 136,577
Add : Net remeasurement of loss allowance	(2,624)	11,521
Add : Reclassified of allowance of overdue receivables	—	1,435
Less : Amounts written off	(370)	(1,386)
Less : Amounts reclassified to allowance of overdue receivables	(2,435)	—
Foreign exchange gains and losses	(338)	1,736
Balance at March 31	<u>\$ 97,006</u>	<u>\$ 149,883</u>

11. FINANCE LEASE RECEIVABLES

The composition of finance lease receivables was as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Undiscounted lease payments			
Year 1	\$ 458,315	\$ 771,437	\$ 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	16,507	22,010	38,517
	<u>562,866</u>	<u>881,491</u>	<u>148,572</u>
Less : Unearned finance income	(5,697)	(8,546)	(6,378)
Net investment in leases presented as finance lease receivables	<u>\$ 557,169</u>	<u>\$ 872,945</u>	<u>\$ 142,194</u>
Current	<u>\$ 455,788</u>	<u>\$ 766,403</u>	<u>\$ 20,271</u>
Non-current	<u>\$ 101,381</u>	<u>\$ 106,542</u>	<u>\$ 121,923</u>

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

The Group has been subleasing its ship with daily fixed lease payments of USD 112 thousand. As the Group subleases the ship for all the remaining lease term of the main lease to the sublessee, the sublease contract is classified as a finance lease.

The interest rates inherent in leases are fixed at the contract dates for the entire term of the lease. The interest rate inherent in the finance lease was approximately 1.33%~1.80%, 1.33%~1.80% and 1.33% per annum as of March 31, 2023, December 31, 2022 and March 31, 2022, respectively.

The Group measures the loss allowance for finance lease receivables at an amount equal to lifetime ECLs. The respective leased equipment served as collateral for the finance lease receivables. 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, 2023	December 31, 2022	March 31, 2022
Shipping fuel	<u>\$ 4,579,317</u>	<u>\$ 4,503,947</u>	<u>\$ 4,355,105</u>

The cost of shipping fuel recognized as operating cost for the three months ended March 31, 2023 and 2022 was \$4,992,641 thousand and \$5,096,636 thousand, respectively.

The cost of shipping fuel recognized as operating cost for the three months ended March 31, 2023 included shipping fuel write-downs of 150,014 thousand.

13. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Note
			March 31, 2023	December 31, 2022	March 31, 2022	
Yang Ming Marine Transport Corporation	Yang Ming Line (B.V.I.) Holding Co., Ltd. (YML-BVI)	Investment, shipping agency, forwarding agency and shipping managers	100.00	100.00	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	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	96.36	
"	Kuang Ming Shipping Corp. (Kuang Ming)	Shipping service, shipping agency and forwarding agency	98.88	98.88	98.88	
"	Hong Ming Terminal & Stevedoring Corp.	Terminal operation and stevedoring	100.00	100.00	100.00	
"	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	100.00	100.00	Note b
YML Holding	Yang Ming (America) Corp.	Shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	
"	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 c
"	Yang Ming (UK) Ltd (Yangming-UK)	Shipping agency, forwarding agency, shipping managers and shipping lines	97.84	97.84	97.84	
YML-BV	Yangming-UK	Shipping agency, forwarding agency, shipping managers and shipping lines	2.16	2.16	2.16	
"	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	

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Note
			March 31, 2023	December 31, 2022	March 31, 2022	
"	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	100.00	
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	Note d
"	Yang Ming Line (Hong Kong) Ltd. (YML-HK)	Forwarding agency and shipping agency	1.44	1.44	1.44	
"	YM-Singapore	Shipping agency, forwarding agency, shipping managers and shipping lines	—	—	—	Note b
"	Yang Ming Line (M) Sdn. Bhd.	Shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	
"	Yang Ming Line (India) Pvt. Ltd.	Shipping agency, forwarding agency and shipping managers	60.00	60.00	60.00	
"	Yang Ming (Korea) Co., Ltd	Shipping agency, forwarding agency and shipping managers	60.00	60.00	60.00	
"	Yang Ming Anatolia Shipping Agency S.A. (Yang Ming Anatolia)	Shipping agency, forwarding agency and shipping managers	50.00	50.00	50.00	
"	Yang Ming Shipping (Vietnam) Co., Ltd	Forwarding agency and shipping managers	100.00	100.00	100.00	
"	Yang Ming Shipping Philippines, Inc.	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	100.00	100.00	100.00	Note e
"	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	

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Note
			March 31, 2023	December 31, 2022	March 31, 2022	
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	
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 and again in November 2022 to process cash capital increase of YML-Singapore with a limit amount of US\$1,100,000 thousand. As of November 2022, there was a cash capital increase of US\$1,070,000 thousand.

Note b: Due to the consideration of operational strategies and management purposes, the Group's board of directors approved an organizational restructuring in January 2022 to acquire 100% shareholding of YM-Singapore from YML-Singapore for the amount of US\$16,061 thousand, and the registration was completed in February 2022.

Note c: The Group's board of directors resolved in August 2021 to liquidate Yang Ming Line N.V.

Note d: The Group's board of directors resolved in January 2020 to liquidate Sun-Baked Pte. Ltd. The liquidation was completed in October 2022.

Note e: The Group contributed 51% of capital in terms of cash input, but de facto holds 100% of the equity based on terms stipulated in the joint venture agreement.

Although YMTC directly or indirectly owns 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, 2023	December 31, 2022	March 31, 2022
Investment in associates	\$ 8,204,744	\$ 8,343,367	\$ 10,621,002
Investment in joint ventures	402,026	399,273	404,213
	<u>\$ 8,606,770</u>	<u>\$ 8,742,640</u>	<u>\$ 11,025,215</u>

- a. Investment in associates

	March 31, 2023	December 31, 2022	March 31, 2022
Associates that are not individually material			
Kao Ming Container Terminal Corp.	\$ 3,607,712	\$ 3,598,892	\$ 4,964,194
Taiwan Navigation Co., Ltd.	2,684,439	2,676,199	3,600,715
West Basin Container Terminal LLC	1,086,961	1,254,411	1,195,803
United Terminal Leasing LLC	314,248	311,913	281,524
Sino Trans PFS Cold Chain Logistics Co., Ltd.	62,443	61,789	65,142
Yunn Wang Investment Co., Ltd.	204,352	179,490	234,229
Taiwan Foundation International Pte. Ltd.	113,265	108,555	99,739
Shanghai United Cold Chain logistics Co., Ltd.	35,853	42,156	57,712
Yang Ming Shipping (Egypt) S.A.E	27,791	46,572	37,034
Yang Ming (U.A.E.) LLC	11,492	10,462	45,671

	March 31, 2023	December 31, 2022	March 31, 2022
Yang Ming (Australia) Pty. Ltd.	50,238	46,386	33,250
PT. Formosa Sejati Logistics	5,950	6,542	5,989
	<u>\$ 8,204,744</u>	<u>\$ 8,343,367</u>	<u>\$ 10,621,002</u>

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, 2023	December 31, 2022	March 31, 2022
Joint ventures that are not individually material			
Chang Ming Logistics Company Limited	\$ 283,377	\$ 280,796	\$ 286,420
YES LIBERAL Logistics Corp.	80,379	80,661	78,728
LogiTrans Technology Private Limited	17,039	16,421	23,141
Jambatan Merah Formosa Depot Sdn Bhd.	5,655	4,919	3,185
Yes And HQL Logistics Company	14,015	14,873	12,739
Yes Easyway Logistics (Thailand) Co., Ltd. (Note)	1,561	1,603	—
	<u>\$ 402,026</u>	<u>\$ 399,273</u>	<u>\$ 404,213</u>

Note: The Group's board of directors resolved in October 2020 to establish a joint-venture Yes Easyway Logistics (Thailand) Co., Ltd and completed the Step1 capital injection in October 2022. YMTC directly or indirectly owns 48.6% of its shares. After the Group completed the Step2 capital injection in January 2023, YMTC directly or indirectly owns 49% of its shares.

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, 2023	December 31, 2022	March 31, 2022
Assets used by the Group	\$ 68,045,080	\$ 69,483,708	\$ 64,793,894
Assets leased under operating leases	6,158,544	6,294,178	8,141,273
	<u>\$ 74,203,624</u>	<u>\$ 75,777,886</u>	<u>\$ 72,935,167</u>

a. Assets used by the Group

	Land	Buildings	Container and Chassis	Ships	Leasehold Improvements	Miscellaneous Equipment	Total
<u>Cost</u>							
Balance at January 1, 2023	\$ 751,708	\$ 1,573,665	\$ 33,887,202	\$ 95,684,633	\$ 346,453	\$ 2,959,756	\$ 135,203,417
Additions	—	—	—	106,348	2,643	57,887	166,878
Disposals	—	—	(23,284)	(67,754)	—	(38,551)	(129,589)
Reclassification	—	—	—	21,963	—	106,106	128,069
Effects of foreign currency exchange differences	27	(3,442)	(10)	(5,113)	(300)	(663)	(9,501)
Balance at March 31, 2023	<u>\$ 751,735</u>	<u>\$ 1,570,223</u>	<u>\$ 33,863,908</u>	<u>\$ 95,740,077</u>	<u>\$ 348,796</u>	<u>\$ 3,084,535</u>	<u>\$ 135,359,274</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2023	\$ —	\$ 647,503	\$ 17,036,056	\$ 45,360,769	\$ 274,873	\$ 2,400,508	\$ 65,719,709
Disposals	—	—	(18,397)	(67,754)	—	(38,459)	(124,610)
Depreciation expenses	—	8,301	485,232	1,184,672	4,535	41,544	1,724,284
Effects of foreign currency exchange differences	—	(2,307)	—	(1,792)	(64)	(1,026)	(5,189)
Balance at March 31, 2023	<u>\$ —</u>	<u>\$ 653,497</u>	<u>\$ 17,502,891</u>	<u>\$ 46,475,895</u>	<u>\$ 279,344</u>	<u>\$ 2,402,567</u>	<u>\$ 67,314,194</u>
Balance at March 31, 2023, net value	<u>\$ 751,735</u>	<u>\$ 916,726</u>	<u>\$ 16,361,017</u>	<u>\$ 49,264,182</u>	<u>\$ 69,452</u>	<u>\$ 681,968</u>	<u>\$ 68,045,080</u>
Balance at December 31, 2022 and January 1, 2023, net value	<u>\$ 751,708</u>	<u>\$ 926,162</u>	<u>\$ 16,851,146</u>	<u>\$ 50,323,864</u>	<u>\$ 71,580</u>	<u>\$ 559,248</u>	<u>\$ 69,483,708</u>
<u>Cost</u>							
Balance at January 1, 2022	\$ 696,590	\$ 1,492,991	\$ 26,929,194	\$ 92,622,106	\$ 311,829	\$ 2,798,834	\$ 124,851,544
Additions	—	—	—	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>\$ 125,393,626</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2022	\$ —	\$ 593,675	\$ 15,321,569	\$ 40,566,789	\$ 250,915	\$ 2,379,045	\$ 59,111,993
Disposals	—	—	(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>\$ 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>\$ 64,793,894</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>Ships</u>
<u>Cost</u>	
Balance at January 1, 2023	\$ 10,168,509
Additions	108
Effects of foreign currency exchange differences	(53,970)
Balance at March 31, 2023	<u>\$ 10,114,647</u>
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2023	\$ 3,874,331
Depreciation expenses	107,432
Effects of foreign currency exchange differences	(25,660)
Balance at March 31, 2023	<u>\$ 3,956,103</u>
Balance at March 31, 2023, net value	<u>\$ 6,158,544</u>
Balance at December 31, 2022 and January 1, 2023, net value	<u>\$ 6,294,178</u>
<u>Cost</u>	
Balance at January 1, 2022	\$ 11,687,888
Effects of foreign currency exchange differences	204,426
Balance at March 31, 2022	<u>\$ 11,892,314</u>
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2022	\$ 3,531,970
Depreciation expenses	128,137
Effects of foreign currency exchange differences	90,934
Balance at March 31, 2022	<u>\$ 3,751,041</u>
Balance at March 31, 2022, net value	<u>\$ 8,141,273</u>

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

	March 31, 2023	December 31, 2022	March 31, 2022
Year 1	\$ 983,533	\$ 1,032,307	\$ 1,290,363
Year 2	—	1,844	9,032
Year 3 onwards	—	—	—
	<u>\$ 983,533</u>	<u>\$ 1,034,151</u>	<u>\$ 1,299,395</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 Baltic Dry Index average daily rent. The rate was 95%-111%, 95%-111%, and 104%-120% as of March 31, 2023, December 31, 2022 and March 31, 2022, respectively.

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, 2023	December 31, 2022	March 31, 2022
Carrying amounts			
Land	\$ 32,118	\$ 34,361	\$ 41,091
Buildings	1,840,683	1,799,999	2,055,936
Container and chassis	5,149,399	5,371,965	5,636,640
Ships	63,084,736	66,070,753	55,722,405

	March 31, 2023	December 31, 2022	March 31, 2022
Miscellaneous equipment	79,643	85,397	81,162
	<u>\$ 70,186,579</u>	<u>\$ 73,362,475</u>	<u>\$ 63,537,234</u>
	<u>For the Three Months Ended March 31</u>		
	2023	2022	
Additions to right-of-use assets	<u>\$ 168,102</u>	<u>\$ 3,288,286</u>	
Depreciation expenses for right-of-use assets			
Land	\$ 2,243	\$ 2,198	
Buildings	126,563	119,332	
Container and chassis	222,565	133,038	
Ships	2,964,195	2,760,635	
Miscellaneous equipment	9,904	9,160	
	<u>\$ 3,325,470</u>	<u>\$ 3,024,363</u>	
Income from the subleasing of right-of-use assets (presented in operating revenue and other income)	<u>\$ 134,449</u>	<u>\$ 182,525</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, 2023 and 2022.

b. Lease liabilities

	March 31, 2023	December 31, 2022	March 31, 2022
Carrying amounts			
Current	\$ 5,027,540	\$ 5,157,412	\$ 3,819,670
Non-current	<u>\$ 27,514,143</u>	<u>\$ 28,824,524</u>	<u>\$ 19,784,003</u>
Lease liabilities designated as hedging (presented in financial liabilities for hedging)			
Current	\$ 8,427,058	\$ 8,371,948	\$ 7,914,372
Non-current	<u>\$ 34,350,466</u>	<u>\$ 36,816,306</u>	<u>\$ 33,018,219</u>

Financial liabilities designated as hedging

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

	<u>Maturity Period</u>	<u>Account</u>	<u>Carrying Amount</u>
March 31, 2023	2027/04/30-2031/01/31	Financial liabilities for hedging	<u>\$ 42,777,524</u>
December 31, 2022	2027/04/30-2031/01/31	Financial liabilities for hedging	<u>\$ 45,188,254</u>
March 31, 2022	2025/01/31-2031/01/31	Financial liabilities for hedging	<u>\$ 40,932,591</u>

Impact on comprehensive income (loss):

	<u>Recognized in Other Comprehensive Income</u>	<u>Amount Reclassified to Profit or Loss</u>
For the three months ended March 31, 2023	<u>\$ 383,676</u>	<u>\$ (4,442)</u>
For the three months ended March 31, 2022	<u>\$ (1,369,375)</u>	<u>\$ (179,200)</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:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Land	1.12%-1.49%	1.12%-1.49%	1.12%-1.49%
Buildings	0.89%-10.00%	0.89%-10.00%	0.85%-10.00%
Container and chassis	0.18%-2.16%	0.18%-2.16%	0.08%-1.52%
Ships	0.09%-7.24%	0.09%-7.24%	0.09%-7.24%
Miscellaneous equipment	0.84%-8.64%	0.84%-8.64%	0.84%-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; when the purchase option prices are better than the market price, the Group will consider if the purchase options are exercised or not. These terms are not reflected in measuring lease liabilities in many cases because the options are not reasonably certain to be exercised. The table below summarizes potential future rental payments relating to periods following the exercise dates of extension 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, 2023</u>			
Ships	\$ 44,365,575	\$ 18,750,154	31.43%
<u>December 31, 2022</u>			
Ships	\$ 46,347,185	\$ 18,762,939	31.59%
<u>March 31, 2022</u>			
Ships	\$ 47,264,240	\$ 21,648,713	0.90%

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 Baltic Dry Index average daily rent. The rate was 95%-111%, 95%-111%, and 104%-120% as of March 31, 2023, December 31, 2022 and March 31, 2022, respectively.

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

	March 31, 2023	December 31, 2022	March 31, 2022
Year 1	\$ 292,818	\$ 578,813	\$ 246,101
Year 2	399	366	2,798
Year 3 onwards	—	—	—
	<u>\$ 293,217</u>	<u>\$ 579,179</u>	<u>\$ 248,899</u>

e. Other lease information

	For the Three Months Ended March 31	
	2023	2022
Expenses relating to short-term leases	<u>\$ 19,889</u>	<u>\$ 294,463</u>
Expenses relating to low-value asset leases	<u>\$ 750,394</u>	<u>\$ 726,424</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 15,147</u>	<u>\$ 7,598</u>
Expenses relating to service cost payments not included in the measurement of lease liabilities	<u>\$ 1,100,661</u>	<u>\$ 949,454</u>
Total cash outflow for leases	<u>\$ (5,911,044)</u>	<u>\$ (5,254,927)</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 \$3,417,231 thousand, \$3,590,682 thousand and \$5,871,565 thousand as of March 31, 2023, December 31, 2022 and March 31, 2022, respectively.

The amounts of lease commitments for future service cost which was recognized as non-lease components of contracts were \$23,362,625 thousand, \$24,671,562 thousand and \$19,203,629 thousand as of March 31, 2023, December 31, 2022 and March 31, 2022, respectively.

17. INVESTMENT PROPERTIES

	March 31, 2023	December 31, 2022	March 31, 2022
Completed Investment Property	<u>\$ 7,146,807</u>	<u>\$ 7,146,807</u>	<u>\$ 7,083,722</u>

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, 2023 and 2022.

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, 2023	December 31, 2022	March 31, 2022
Independent valuation	\$ 7,146,807	\$ 7,146,807	\$ 7,083,722

The maturity analysis of lease payments receivable under operating lease of investment properties as of March 31, 2023, December 31, 2022 and March 31, 2022, respectively was as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Year 1	\$ 76,140	\$ 71,684	\$ 70,229
Year 2	54,005	54,643	52,336
Year 3	39,533	39,549	21,580
Year 4	17,731	23,474	10,518
Year 5	1,529	2,759	3,718
Year 6 onwards	2,057	2,286	2,971
	\$ 190,995	\$ 194,395	\$ 161,352

18. BORROWINGS

a. Short-term borrowings

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Unsecured borrowings</u>			
Line of credit borrowings	\$ 1,700,000	\$ 1,800,000	\$ 1,490,000
Loans from related parties (Note 32)	480,000	630,000	240,000
	\$ 2,180,000	\$ 2,430,000	\$ 1,730,000

- 1) The range of weighted average effective interest rate on credit borrowings was 1.92%-2.10%, 1.83%-2.17% and 1.23%-1.39% per annum as of March 31, 2023, December 31, 2022 and March 31, 2022, respectively.
- 2) Loans from related parties of the Group were the amounts repayable to government-related entities. Interest rates were 1.82%-2.12%, 1.70%-2.11% and 1.28%-1.50% per annum as of March 31, 2023, December 31, 2022 and March 31, 2022, respectively.

b. Short-term bills payable

	March 31, 2023	December 31, 2022	March 31, 2022
Commercial paper	\$ 600,000	\$ 600,000	\$ 400,000
Less : Unamortized discount on bills payable	595	307	870
	<u>599,405</u>	<u>599,693</u>	<u>399,130</u>
Loans from related parties (Note 32)	500,000	500,000	500,000
Less : Unamortized discount on bills payable	189	1,145	701
	<u>499,811</u>	<u>498,855</u>	<u>499,299</u>
	<u>\$ 1,099,216</u>	<u>\$ 1,098,548</u>	<u>\$ 898,429</u>

Interest rates of the outstanding short-term bills payable were 1.99%-2.09%, 1.97%-2.02% and 1.24%-1.39% per annum as of March 31, 2023, December 31, 2022 and March 31, 2022, respectively.

Interest rates of the outstanding related parties' short-term bills payable were 1.97%, 2.04% and 1.34% per annum as of March 31, 2023, December 31, 2022 and March 31, 2022, respectively.

c. Long-term borrowings

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Secured borrowings</u> (Note 33)			
Secured bank loans	\$ 6,487	\$ 7,149	\$ 8,643
Loans from related parties (Note 32)	148,000	364,672	3,022,958
	<u>154,487</u>	<u>371,821</u>	<u>3,031,601</u>
<u>Unsecured borrowings</u>			
Line of credit borrowings	196,051	18,645	24,515
<u>Commercial paper</u>			
Line of credit borrowings	—	—	300,000
Less : Unamortized discount on bills payable	—	—	298
	<u>—</u>	<u>—</u>	<u>299,702</u>
Total	350,538	390,466	3,355,818
Less : Current portion	85,517	85,396	274,989
Long-term borrowings	<u>\$ 265,021</u>	<u>\$ 305,070</u>	<u>\$ 3,080,829</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, 2023	December 31, 2022	March 31, 2022
<u>NT\$</u>			
Amount	\$ 328,000	\$ 364,672	\$ 2,608,577
Interest rate	1.85%-1.98%	1.85%-1.91%	1.12%-1.53%
Contract term	2020/02/27-2025/2/27	2020/02/27-2031/3/12	2020/02/27-2031/10/26
<u>US\$</u>			
Foreign currency amount	525	600	25,767
New Taiwan dollar amount	\$ 16,051	\$ 18,645	\$ 737,683
Interest rate	7.57 %	7.73 %	1.51%-3.13%
Contract term	2019/11/21-2024/11/21	2019/11/21-2024/11/21	2016/08/16-2026/09/28
<u>MYR</u>			
Foreign currency amount	940	1,023	1,270
New Taiwan dollar amount	\$ 6,487	\$ 7,149	\$ 8,643
Interest rate	4.25 %	4.25 %	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
New Taiwan dollar amount	\$ —	\$ —	\$ 915
Interest rate	—	—	5.00 %
Contract term	—	—	2020/06/03-2022/12/31

Secured borrowings

1) Secured bank loans

The secured bank loans of the Group will be repaid in MYR. The loans are repayable in installment at varying amounts before April 1, 2034. Interest rates were 4.25%, 4.25% and 3.25% on March 31, 2023, December 31, 2022 and March 31, 2022, respectively. The Group's buildings are pledged as collaterals for the secured loans.

2) Loans from related parties

The Group's loans from related parties are borrowings repaid in New Taiwan dollars and U.S. dollars from government-related entities. The loans are repayable in installment at

varying amounts before February 27, 2025. Interest rates were 1.85%, 1.85%-1.91% and 1.12%-2.46% on March 31, 2023, December 31, 2022 and March 31, 2022, respectively. The Group's ships are pledged as collaterals for the secured loans.

Unsecured 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 January 4, 2025. Interest rates were 1.98%-7.57%, 7.73% and 3.13%-5.00% on March 31, 2023, December 31, 2022 and March 31, 2022, 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 Group's commercial paper had been fully repaid before May 24, 2022 and the contracts were terminated. 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) are required maintained at a certain level specified in the contracts. As of March 31, 2022, the Group had met the above requirements.

The Group's commercial paper had been fully repaid in the New Taiwan dollars before May 24, 2022. Interest rate was 1.44% on March 31, 2022.

19. BONDS PAYABLE

	March 31, 2023	December 31, 2022	March 31, 2022
Secured domestic bonds	\$ 10,851,855	\$ 10,826,188	\$ 10,847,680
Less : Current portion	2,481,519	2,474,968	—
	<u>\$ 8,370,336</u>	<u>\$ 8,351,220</u>	<u>\$ 10,847,680</u>

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.

20. TRADE PAYABLES

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Trade payables - operating</u>			
Trade payables - non-related parties	\$ 14,118,661	\$ 15,571,592	\$ 21,597,586
Trade payables - related parties	274,933	347,105	416,687
	<u>\$ 14,393,594</u>	<u>\$ 15,918,697</u>	<u>\$ 22,014,273</u>
Payable for cost of voyage in sailing	\$ 10,330,985	\$ 11,483,569	\$ 11,118,911
Payable for fuel	2,118,405	2,401,576	2,772,807
Payable for space hire	1,501,762	1,663,481	7,625,541
Payable for freight expenses	284,750	281,428	388,091
Payable for stevedoring expenses	152,842	83,752	103,949
Payable for management expenses	4,850	4,891	4,974
	<u>\$ 14,393,594</u>	<u>\$ 15,918,697</u>	<u>\$ 22,014,273</u>

21. OTHER PAYABLES

	March 31, 2023	December 31, 2022	March 31, 2022
Payable for container lease	\$ 482,962	\$ 634,911	\$ 543,319
Payable for salary and bonus	3,475,517	5,430,781	4,769,743
Payable for interest expenses	139,642	119,129	128,259
Payable for equipment M&R expenses	47,088	125,966	37,192
Payable for annual leave	145,150	145,398	141,363
Payable for vessel charter hire	122,183	66,049	61,975
Payable for equipment	110,453	83,459	52,059
Others	2,616,278	2,046,051	1,686,957
	<u>\$ 7,139,273</u>	<u>\$ 8,651,744</u>	<u>\$ 7,420,867</u>

22. PROVISIONS

	March 31, 2023	December 31, 2022	March 31, 2022
Restoration cost for leased assets (a)	\$ 5,101	\$ 3,559	\$ 1,393
Others (b)	2,562	—	56,307
	<u>\$ 7,663</u>	<u>\$ 3,559</u>	<u>\$ 57,700</u>
Current	\$ 2,562	\$ —	\$ 56,307
Non-current	5,101	3,559	1,393
	<u>\$ 7,663</u>	<u>\$ 3,559</u>	<u>\$ 57,700</u>

	Restoration Cost for Leased Assets	Others	Total
Balance at January 1, 2023	\$ 3,559	\$ —	\$ 3,559
Additional provisions recognized	1,434	2,562	3,996
Effect of foreign currency exchange differences	108	—	108
Balance at March 31, 2023	<u>\$ 5,101</u>	<u>\$ 2,562</u>	<u>\$ 7,663</u>
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>

- 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 estimated 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 aforementioned amount has been paid in July 2022. The Group will continue to evaluate the following measures to ensure maximum benefit.

23. RETIREMENT BENEFIT PLANS

For the three months ended March 31, 2023 and 2022, 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, 2022 and 2021, the amounts are \$22,059 thousand and \$24,101 thousand, respectively.

24. EQUITY

a. Share capital

Ordinary shares

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
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	3,492,104
Shares issued	<u>\$ 34,921,043</u>	<u>\$ 34,921,043</u>	<u>\$ 34,921,043</u>

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

The board of directors resolved to convert the privately placed ordinary shares of 697,394 thousand into publicly placed shares on November 11, 2021. The above transaction was approved by the FSC on December 28, 2021 and was listed on January 3, 2022.

b. Capital surplus

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
<u>May Be Used to Offset a Deficit, Distributed as Cash Dividends, or Transferred to Share Capital</u>			
Issuance of Ordinary Shares	<u>\$ 27,975,030</u>	<u>\$ 27,975,030</u>	<u>\$ 27,975,030</u>

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

c. Retained earnings and dividend policy

The shareholders of the Company held their regular meeting on May 27, 2022 and in that meeting, resolved the amendments to the Company's Articles of Incorporation (the "Articles").

Under the dividend policy as set forth in the amended Articles, when Company makes profit in a fiscal year, at least 25% of the remaining profit should be distributed as dividends after the profit has been utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the expansion of transportation equipment and improvement of financial structure, and distributing dividends for preference shares. The Company's board of directors should consider

long-term financial plans, the change in the environment of the industry, capital expenditures, the working capital for operation and the shareholders' interests as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting. At least 20% of the amount declared as dividends for ordinary shares should be in the form of cash as opposed to stock.

Under the dividend policy as set forth in the Articles before amending, when the Company makes a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the expansion of transportation equipment and improvement of financial structure, and then any remaining profit together with any undistributed retained earnings, distributed at least 25%, shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and of bonus of shareholders. For the policies on the distribution of compensation of employees and remuneration of directors and supervisors before and after amendment, refer to Note 26 h. compensation of employees and remuneration of directors.

Appropriation of earnings to legal reserve shall at least be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset a deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The shareholders of the Company held their regular meeting on May 27, 2022 and in that meeting, resolved the amendments to the Articles. The amendments explicitly stipulate that when a special reserve is appropriated for cumulative net debit balance reserves from the prior period and cumulative net increases in fair value measurement of investment properties from the prior period, the sum of net profit for the current period and items other than the net profit that are included directly in the unappropriated earnings for the current period is used if the prior unappropriated earnings are not sufficient. Before the Articles are amended, the special reserve is appropriated from the prior unappropriated earnings.

The appropriation of earnings for 2022 proposed by the Company's board of directors on March 9, 2023 and the appropriation of earnings for 2021 approved in the shareholders' meeting on May 27, 2022, were as follows:

	For the year ended December 31, 2022	For the year ended December 31, 2021
Legal reserve	\$ 18,084,869	\$ 16,740,972
Special reserve	\$ 275,542	\$ 2,218,403
Cash dividends	\$ 69,842,086	\$ 69,842,085
Cash dividends per share (NT\$)	\$ 20	\$ 20

The appropriation of earnings for 2022 will be resolved by the shareholders in their meeting to be held on May 26, 2023.

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.

e. Others equity items

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

	For the Three Months Ended March 31	
	2023	2022
Balance at January 1	\$ 86,183	\$ (1,253,998)
Recognized for the period		
Exchange differences on translation of the financial statements of foreign operations	(835,515)	1,016,529
Related income tax	158,563	(168,742)
Other comprehensive income recognized for the period	(676,952)	847,787
Balance at March 31	\$ (590,769)	\$ (406,211)

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

	For the Three Months Ended March 31	
	2023	2022
Balance at January 1	\$ (685,376)	\$ (299,493)
Recognized for the period		
Unrealized gain (loss) Equity instruments	(7,261)	23,364
Share from associates and joint ventures accounted for using the equity method	23,411	36,525
Other comprehensive income recognized for the period	16,150	59,889
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal by associates	—	(1,577)
Balance at March 31	\$ (669,226)	\$ (241,181)

3) Gain (loss) on hedging instruments

	For the Three Months Ended March 31	
	2023	2022
Balance at January 1	\$ 585,616	\$ 3,278,054
Recognized for the period		
Foreign currency risk- lease liabilities	383,676	(1,369,375)
Foreign currency risk- demand and time deposits	(260,000)	—
Related income tax	(23,847)	309,715
Reclassification adjustments		
Foreign currency risk- operating revenue	(4,442)	(179,200)
Other comprehensive income (loss) recognized for the period	95,387	(1,238,860)
Balance at March 31	\$ 681,003	\$ 2,039,194

f. Non-controlling interests

	For the Three Months Ended March 31	
	2023	2022
Balance at January 1	\$ 826,225	\$ 631,392
Share of profit for the period	60,269	105,327
Other comprehensive income (loss) during the period		
Exchange difference on translating the financial statements of foreign entities	(4,548)	(5,891)
Unrealized (loss) gain on financial assets at FVTOCI	—	(2)
Cash dividends distributed by subsidiaries	(65,283)	—
Balance at March 31	\$ 816,663	\$ 730,826

25. REVENUE

	For the Three Months Ended March 31	
	2023	2022
Revenue from contracts with customers		
Cargo revenue	\$ 31,041,695	\$ 100,015,114
Slottage revenue	1,062,297	1,033,031
Rental income		

	For the Three Months Ended March 31	
	2023	2022
Rental revenue on vessel	595,119	775,783
Other operating revenue	4,254,327	4,880,244
	<u>\$ 36,953,438</u>	<u>\$ 106,704,172</u>

a. Contract balances

	March 31, 2023	December 31, 2022	March 31, 2022	January 1, 2022
Trade receivables (Note 10)	<u>\$ 8,326,060</u>	<u>\$ 10,638,133</u>	<u>\$ 23,803,699</u>	<u>\$ 22,054,984</u>
Contract assets				
Cargo revenue	\$ 1,384,994	\$ 1,876,839	\$ 5,671,306	\$ 5,533,228
Less : Allowance for impairment loss	(17,223)	(23,376)	(62,440)	(67,894)
Contract assets	<u>\$ 1,367,771</u>	<u>\$ 1,853,463</u>	<u>\$ 5,608,866</u>	<u>\$ 5,465,334</u>
Contract liabilities - current				
Advance on contract	<u>\$ 471,493</u>	<u>\$ 532,259</u>	<u>\$ 1,247,793</u>	<u>\$ 903,453</u>

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

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

	For the Three Months Ended March 31	
	2023	2022
Balance at January 1	\$ 23,376	\$ 67,894
Less : Net remeasurement of loss allowance	(5,970)	(6,169)
Foreign exchange gains and losses	(183)	715
Balance at March 31	<u>\$ 17,223</u>	<u>\$ 62,440</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	
	2023	2022
Gain on disposal and retirement of property, plant and equipment	\$ 4,949	\$ 2,681
Reimbursement income	3,984	51,300
	<u>\$ 8,933</u>	<u>\$ 53,981</u>

b. Interest income

	For the Three Months Ended March 31	
	2023	2022
Bank deposits (including USD-denominated deposits as hedging instruments)	\$ 3,083,501	\$ 216,685
Net investments in leases	2,815	477
Short-term bills	20,462	2,769
Corporate bonds	30,332	—
Others	147	14
	<u>\$ 3,137,257</u>	<u>\$ 219,945</u>

c. Other income

	For the Three Months Ended March 31	
	2023	2022
Rental income - operating leases	\$ 20,641	\$ 22,846

d. Other gains and losses

	For the Three Months Ended March 31	
	2023	2022
Net foreign exchange gains (losses)	\$ 78,168	\$ 4,130,134
Fair value changes of financial assets and financial liabilities		
Financial assets mandatorily classified as at FVTPL	11,515	703
Gain (loss) arising from lease modifications	—	32

	For the Three Months Ended March 31	
	2023	2022
Gain (loss) arising from the change in fair value of investment properties	—	(4)
Others	47,404	41,440
	<u>\$ 137,087</u>	<u>\$ 4,172,305</u>

e. Finance costs

	For the Three Months Ended March 31	
	2023	2022
Interest on bank loans	\$ 19,292	\$ 19,346
Interest on lease liabilities (including U.S. dollar lease contracts designated as hedging instruments)	563,777	470,653
Other interest expenses	46,734	70,958
	<u>\$ 629,803</u>	<u>\$ 560,957</u>

f. Depreciation and amortization

	For the Three Months Ended March 31	
	2023	2022
Right-of -use assets	\$ 3,325,470	\$ 3,024,363
Property, plant and equipment	1,831,716	1,680,827
Intangible assets	17,022	13,916
	<u>\$ 5,174,208</u>	<u>\$ 4,719,106</u>
An analysis of depreciation by function		
Operating costs	\$ 5,051,144	\$ 4,613,959
Operating expenses	106,042	91,231
	<u>\$ 5,157,186</u>	<u>\$ 4,705,190</u>
An analysis of amortization by function		
Operating costs	\$ 1,485	\$ 733
Operating expenses	15,537	13,183
	<u>\$ 17,022</u>	<u>\$ 13,916</u>

g. Employee benefits expense

	For the Three Months Ended March 31	
	2023	2022
Post-employment benefits		
Defined contribution plans	\$ 76,756	\$ 75,643
Defined benefit plans (Note 23)	22,059	24,101
Termination benefits	15,559	9,060
Other employee benefits	2,325,508	4,021,105
Total employee benefits expense	<u>\$ 2,439,882</u>	<u>\$ 4,129,909</u>
An analysis of employee benefits by function		
Operating costs	\$ 922,579	\$ 1,445,816
Operating expenses	1,517,303	2,684,093
	<u>\$2,439,882</u>	<u>\$4,129,909</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, 2023 and 2022 are as follows:

Accrual rate

	For the Three Months Ended March 31	
	2023	2022
Compensation of employees	1%	1%
Remuneration of directors	—	—

Amount

	For the Three Months Ended March 31	
	2023	2022
Compensation of employees	\$ 41,023	\$ 765,111
Remuneration of directors	\$ —	\$ —

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, 2022 and 2021, which were approved by the Company's board of directors on March 9, 2023 and March 14, 2022 are as follows:

<u>Amount</u>	<u>For the Year Ended December 31</u>	
	<u>2022</u>	<u>2021</u>
	<u>Cash</u>	<u>Cash</u>
Compensation of employees	<u>\$ 2,328,973</u>	<u>\$ 2,020,049</u>
Remuneration of directors	<u>\$ 80,000</u>	<u>\$ 80,000</u>

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the year ended December 31, 2022 and 2021.

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

27. INCOME TAXES

- a. Income tax expense recognized in profit or loss

Major components of income tax expense are as follow:

	<u>For the Three Months Ended March 31</u>	
	<u>2023</u>	<u>2022</u>
Current tax		
In respect of the current period	\$ 1,664,974	\$ 13,404,452
Adjustments for prior years	(207,283)	(72,035)
	<u>1,457,691</u>	<u>13,332,417</u>
Deferred tax		
In respect of the current period	(693,869)	2,514,934
Income tax expense recognized in profit or loss	<u>\$ 763,822</u>	<u>\$ 15,847,351</u>

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

	For the Three Months Ended March 31	
	2023	2022
<u>Deferred tax</u>		
In respect of the current period		
- Translation of foreign operations	\$ (158,563)	\$ 168,742
- Cash flow hedges	23,847	(309,715)
Income tax recognized in other comprehensive income (loss)	<u>\$ (134,716)</u>	<u>\$ (140,973)</u>

c. Income tax assessments

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

28. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended March 31	
	2023	2022
Basic earnings per share	<u>\$ 0.97</u>	<u>\$ 17.35</u>
Diluted earnings per share	<u>\$ 0.97</u>	<u>\$ 17.25</u>

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

Net Profit for the Period

	For the Three Months Ended March 31	
	2023	2022
Earnings used in the computation of earnings per share	<u>\$ 3,401,431</u>	<u>\$ 60,577,166</u>

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

	For the Three Months Ended March 31	
	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	3,492,104	3,492,104
Effect of potentially dilutive ordinary shares:		
Compensation of employees	26,789	19,022
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>3,518,893</u>	<u>3,511,126</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, 2023

	January 1, 2023	Cash Flows	Non-Cash Changes		March 31, 2023
			New Leases	Others (Note)	
Short-term borrowings	\$ 2,430,000	\$ (250,000)	\$ —	\$ —	\$ 2,180,000
Short-term bills payable	1,098,548	—	—	668	1,099,216
Long-term borrowings	390,466	(39,534)	—	(394)	350,538
Bonds payable	10,826,188	—	—	25,667	10,851,855
Lease liabilities	79,170,190	(3,366,002)	168,102	(653,083)	75,319,207
Other non-current liabilities	1,316,724	(2,276)	—	—	1,314,448
	<u>\$ 95,232,116</u>	<u>\$ (3,657,812)</u>	<u>\$ 168,102</u>	<u>\$ (627,142)</u>	<u>\$ 91,115,264</u>

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	113,064	—	15,000	964,140
	<u>\$ 81,920,974</u>	<u>\$ (5,149,627)</u>	<u>\$ 3,288,286</u>	<u>\$ 2,272,698</u>	<u>\$ 82,332,331</u>

Note: Other changes include lease modification, interest amortization of short-term bills payable, long-term borrowings, and bonds payable, and effect of foreign currency exchange rate.

30. CAPITAL MANAGEMENT

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

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

31. FINANCIAL INSTRUMENTS

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

March 31, 2023

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Finance lease receivables	\$ 557,169	\$ —	\$ 549,107	\$ —	\$ 549,107
Financial assets measured at amortized cost					
- Foreign corporate bonds	2,487,666	—	2,480,995	—	2,480,995
Total	<u>\$ 3,044,835</u>	<u>\$ —</u>	<u>\$ 3,030,102</u>	<u>\$ —</u>	<u>\$ 3,030,102</u>
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
- Secured domestic bonds	<u>\$ 10,851,855</u>	<u>\$ —</u>	<u>\$ 10,823,203</u>	<u>\$ —</u>	<u>\$ 10,823,203</u>

December 31, 2022

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Finance lease receivables	\$ 872,945	\$ —	\$ 858,097	\$ —	\$ 858,097
Financial assets measured at amortized cost					
- Foreign corporate bonds	2,106,313	—	2,107,886	—	2,107,886
Total	<u>\$ 2,979,258</u>	<u>\$ —</u>	<u>\$ 2,965,983</u>	<u>\$ —</u>	<u>\$ 2,965,983</u>
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
- Secured domestic bonds	<u>\$ 10,826,188</u>	<u>\$ —</u>	<u>\$ 10,795,061</u>	<u>\$ —</u>	<u>\$ 10,795,061</u>

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

The fair values of the financial assets and financial liabilities included in the Level 2 category above have been determined in accordance with income approaches based on a discounted cash flow analysis; the fair values of corporate bonds and bonds payable have been determined by quoted market prices provided by third-party pricing services.

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

1) Fair value hierarchy

March 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivative financial assets				
- Oil derivatives	\$ —	\$ —	\$ 706	\$ 706
Domestic listed shares	337,651	—	—	337,651
Mutual funds	5,057,811	—	—	5,057,811
Domestic limited partnership	—	—	29,353	29,353
Total	\$ 5,395,462	\$ —	\$ 30,059	\$ 5,425,521

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI

- Unlisted shares	\$ —	\$ —	\$ 499,586	\$ 499,586
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December 31, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Domestic listed shares	\$ 338,592	\$ —	\$ —	\$ 338,592
Mutual funds	4,287,929	—	—	4,287,929
Domestic limited partnership	—	—	29,589	29,589
Total	\$ 4,626,521	\$ —	\$ 29,589	\$ 4,656,110

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI

- Unlisted shares	\$ —	\$ —	\$ 506,847	\$ 506,847
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March 31, 2022

	<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	5,879	—	—	5,879
Domestic limited partnership	—	—	14,727	14,727
Total	<u>\$ 75,895</u>	<u>\$ —</u>	<u>\$ 14,727</u>	<u>\$ 90,622</u>
 <u>Financial assets at FVTOCI</u>				
Investments in equity instruments at FVTOCI				
- Unlisted shares	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 521,293</u>	<u>\$ 521,293</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, 2023

Financial assets at FVTPL

	<u>Other Instruments</u>	<u>Derivatives</u>	
	<u>Domestic Limited Partnership</u>	<u>Oil derivatives</u>	<u>Total</u>
Balance at January 1, 2023	\$ 29,589	\$ —	\$ 29,589
Recognized in profit or loss (included in other gains and losses)	(236)	(70)	(306)
Purchases	—	776	776
Sales/settlements	—	—	—
Transfers out of Level 3	—	—	—
Balance at March 31, 2023	<u>\$ 29,353</u>	<u>\$ 706</u>	<u>\$ 30,059</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>\$ (236)</u>	<u>\$ (70)</u>	<u>\$ (306)</u>

Financial assets at FVTOCI

	<u>Equity Instruments</u>
Balance at January 1, 2023	\$ 506,847
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	<u>(7,261)</u>
Balance at March 31, 2023	<u>\$ 499,586</u>

For the three months ended March 31, 2022

Financial assets at FVTPL

	<u>Other Instruments</u> <u>Domestic Limited</u> <u>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)	<u>23,362</u>
Balance at March 31, 2022	<u>\$ 521,293</u>

3) Valuation techniques and inputs applied for Level 3 fair value measurement

- a) The fair values of oil derivatives are determined using Black-Scholes models where the significant unobservable inputs are implied volatility. The variable in the implied volatility used in isolation would result in a increase or decrease in the fair value.
- 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

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ 5,425,521	\$ 4,656,110	\$ 90,622
Financial assets at amortized cost (1)	297,452,731	296,590,290	293,099,151
Financial assets for hedging	30,450,000	30,710,000	—
Financial assets at FVTOCI			
Equity instruments	499,586	506,847	521,293
<u>Financial liabilities</u>			
Financial liabilities for hedging			
	42,777,524	45,188,254	40,932,591
Amortized cost (2)	32,412,755	33,772,904	41,377,355

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, time deposits with original maturities of more than 3 months, repurchase agreements, corporate bonds, restricted bank balance, notes receivable, trade receivables (including related parties), and other receivables(including related parties).
- 2) The balances included financial liabilities measured at amortized cost, which comprise short-term and long-term loans, short-term bills payable, notes and trade payables (including related parties), other payables, and bonds payable.

d. Financial risk management objectives and policies

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

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

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). The Group uses

assets, liabilities and a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk.

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

a) Foreign currency risk

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

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

Profit (loss)/Equity of 1% Variation	For the Three Months Ended March 31	
	2023	2022
Profit (loss) (i)		
U.S. dollars	\$ 478,335	\$ 1,042,245
GBP	24,089	21,276
CNY	5,320	13,245
EUR	69,829	112,296
HKD	6,866	(529)
Equity(ii)		
U.S. dollars	(123,275)	(409,326)

- i. This was mainly attributable to the exposure of outstanding foreign currency deposits, repurchase bonds, corporate bonds, receivables, payables, and bank loans at the end of the reporting period.

- ii. This was mainly attribute to the exposure of changing in foreign exchange rates of U.S. dollars demand and time deposits and lease contracts designated as cash flow hedge.

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

Hedge accounting

The Group’s hedging strategy is to enter into USD-denominated demand deposits and time deposits to avoid exchange rate exposure of highly possible USD-denominated prepayments for ship purchase. Those transactions are designated as cash flow hedges.

The Group expects that the value of the U.S. dollars demand deposits and time deposits will have systematically change in opposite directions with the value of corresponding hedged items.

The source of hedge ineffectiveness in these hedging relationships is the USD-denominated demand deposits and time deposits are not paid for USD-denominated ship purchase.

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 6 and 16 (b) for information relating to foreign exchange rates hedging instruments.

b) Interest rate risk

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

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

	March 31, 2023	December 31, 2022	March 31, 2022
Fair value interest rate risk			
- Financial assets	\$ 305,430,030	\$ 284,420,770	\$ 225,589,630

	March 31, 2023	December 31, 2022	March 31, 2022
- Financial liabilities	89,450,278	93,524,926	78,012,373
Cash flow interest rate risk			
- Financial assets	12,324,584	31,080,756	40,856,061
- Financial liabilities	350,538	390,466	3,355,818

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, 2023 would have increased/decreased by \$2,994 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, 2022 would have increased/decreased by \$9,375 thousand, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings and variable-rate financial assets.

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

c) Other price risk

The Group was exposed to equity price risk through its investments in oil derivatives, limited partnership and mutual funds. The Group periodically evaluates price risk and investment performance according to procedures of acquisition and disposal of assets and expects no significant price risk occurred.

Sensitivity analysis

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

If equity prices had been 5% higher/lower, pre-tax profit (loss) for the three months ended March 31, 2023 would have increased/decreased by \$16,883 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, 2023 would have increased/decreased by \$24,979 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, 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 limited partnership and mutual funds had been 5% higher/lower, pre-tax profit (loss) for the three months period ended March 31, 2023 would have increased/decreased by \$254,358 thousand, as a result of the changes in fair value of financial assets at FVTPL.

If limited partnership and mutual funds had been 5% higher/lower, pre-tax profit (loss) for the three months 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 oil derivatives price had been 5% higher/lower, the fair value of the derivative financial assets - oil derivatives (the purpose for hedge but not applied for the hedge accounting) for the three months ended March 31, 2023 would have varied by \$35 thousand (USD \$1.15 thousand).

The Group's sensitivity to price increased during the current period mainly due to the increase in equity instruments measured at FVTPL. The Group's sensitivity to limited partnership and mutual funds price increased during the current period mainly due to the increase in financial assets at FVTPL.

2) Credit risk

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

- a) The carrying amount of the respective recognized financial assets as stated in the balance sheets; and
- b) The maximum amount of the Group would have to pay if the financial guarantee is called upon.

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

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient letter of bank guarantee and security deposit, where appropriate, as a means of mitigating the risk of financial loss from defaults. To reduce credit risk, the Group has established an internal monitoring 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, 2023, December 31, 2022 and March 31, 2022, the Group had available unutilized bank loans facilities of \$11,480,763 thousand, \$12,024,267 thousand and \$12,877,369 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, 2023

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years
Non-interest bearing	\$ 21,553,690	\$ 926,419	\$ —	\$ —
Lease liabilities	15,884,327	51,488,801	16,213,978	15,968
Variable interest rate liabilities	92,297	268,843	—	—
Fixed interest rate liabilities	5,851,071	7,796,565	703,430	—
Short-term and low value lease commitment	1,927,974	1,402,400	86,857	—
Lease commitment for future service costs	4,276,594	14,155,252	4,930,779	—
	<u>\$ 49,585,953</u>	<u>\$76,038,280</u>	<u>\$21,935,044</u>	<u>\$ 15,968</u>

December 31, 2022

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years
Non-interest bearing	\$ 24,605,758	\$ 926,457	\$ —	\$ —
Lease liabilities	15,730,463	52,705,460	17,922,676	21,213
Variable interest rate liabilities	93,003	219,272	102,693	—

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years
Fixed interest rate liabilities	6,103,349	7,796,565	703,430	—
Short-term and low value lease commitment	1,721,398	1,728,598	140,686	—
Lease commitment for future service costs	4,373,314	14,796,200	5,502,048	—
	<u>\$ 52,627,285</u>	<u>\$78,172,552</u>	<u>\$24,371,533</u>	<u>\$ 21,213</u>

March 31, 2022

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years
Non-interest bearing Lease liabilities	\$ 29,458,411	\$ 834,271	\$ —	\$ —
Variable interest rate liabilities	14,044,981	43,122,506	15,944,339	53,831
Fixed interest rate liabilities	322,639	1,804,462	1,433,584	—
Short-term and low value lease commitment	2,698,770	9,653,815	1,410,290	—
Lease commitment for future service costs	797,040	3,862,150	1,212,375	—
Financial guarantee liabilities	3,748,368	11,038,227	4,417,034	—
	50,535	—	—	—
	<u>\$ 51,120,744</u>	<u>\$70,315,431</u>	<u>\$24,417,622</u>	<u>\$ 53,831</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 maturity date of all the derivative instruments contracts held by the Group as of March 31, 2023 is within one year. The Group did not have outstanding derivative instruments contracts as of December 31, 2022 and March 31, 2022.

32. TRANSACTIONS WITH RELATED PARTIES

The Ministry of Transportation and Communications R.O.C. (MOTC), National Development Fund, and Taiwan International Ports Corporation, Ltd. held 31.16%, 31.16% and 32.06% of the ordinary shares of YMTC as of March 31, 2023, December 31, 2022 and March 31, 2022, 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), and properties allocation agreement signed with Chunghwa Post Co., Ltd. (see Note 17).

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

a. Related party name and 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
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
LogiTrans Technology Private Limited	Joint venture
YES LIBERAL Logistics Corp.	Joint venture
YES and HQL Logistics Group	Joint venture
Yes Easyway Logistics (Thailand) Co., Ltd.	Joint venture
Chunghwa Telecom Co., Ltd.	Government - related party
Taiwan International Ports Corporation, Ltd.	Government - related party
Taiwan Internation Ports Logistics Corporation	Government - related party
Chunghwa Post Co., Ltd.	Government - related party
Agricultural Bank of Taiwan	Government - related party
Taipei Exchange	Government - related party
First Commercial Bank	Government - related party
Mega International Commercial Bank Co., Ltd.	Government - related party
Chung Kuo Insurance Group, Limited	Government - related party
Mega Bills Finance Co., Ltd.	Government - related party
Mega Securities	Government - related party
Bank of Taiwan	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

(Continued)

<u>Related Party Name</u>	<u>Relationship with the Group</u>
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
Northern Region Branch, National Property Administration, MOF	Government – related party
National Taiwan Ocean University	Government – related party
Keelung Hospital, Ministry of Health and Welfare	Government – related party
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>2023</u>	<u>2022</u>
Operating revenue	Associates	\$ 49,763	\$ 66,121
	Joint ventures	532	563
	Government – related parties	7,811	48,425
		<u>\$ 58,106</u>	<u>\$ 115,109</u>
Operating cost	Associates	\$ 445,477	\$ 602,268
	Joint ventures	19,370	35,356
	Government – related parties	22,383	21,421

Line Item	Related Party Category/Name	For the Three Months Ended March 31	
		2023	2022
	Investors that have significant influence over the subsidiaries	68,747	88,549
		<u>\$ 555,977</u>	<u>\$ 747,594</u>
Operating expenses	Associates	\$ 24	\$ —
	Joint ventures	13,975	10,117
	Government – related parties	8,680	8,557
	Investors that have significant influence over the subsidiaries	3	164
	Other related parties	8,313	4,627
		<u>\$ 30,995</u>	<u>\$ 23,465</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, financial assets for hedging and restricted bank balance) were as follows:

Related Party Category/ Name	March 31, 2023	December 31, 2022	March 31, 2022
Government – related parties			
Land Bank of Taiwan	\$ 39,842,468	\$ 61,534,507	\$ 27,406,681
Others	63,836,959	43,170,995	68,858,042
	<u>\$ 103,679,427</u>	<u>\$ 104,705,502</u>	<u>\$ 96,264,723</u>

d. Contract assets

Line Item	Related Party Category/Name	March 31, 2023	December 31, 2022	March 31, 2022
Contract assets	Associates	<u>\$ 144,674</u>	<u>\$ 197,602</u>	<u>\$ 184,078</u>

For the three months ended March 31, 2023 and 2022, 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, 2023	December 31, 2022	March 31, 2022
Trade receivables	Associates	\$ 232,845	\$ 290,713	\$ 244,100
	Joint ventures	525	849	1,276
	Government – related parties	—	47,657	—
		<u>\$ 233,370</u>	<u>\$ 339,219</u>	<u>\$ 245,376</u>
Other receivables (included in other current assets)	Associates	\$ 36,978	\$ 17,420	\$ 35,013
	Joint ventures	—	299	—
	Government – related parties	221,334	77,566	87,003
	Other related parties	—	3,897	—
		<u>\$ 258,312</u>	<u>\$ 99,182</u>	<u>\$ 122,016</u>
Notes payable	Associates	<u>\$ —</u>	<u>\$ 180</u>	<u>\$ —</u>
Trade payables	Associates	\$ 192,809	\$ 250,300	\$ 294,886
	Joint ventures	10,625	13,301	29,856
	Investors that have significant influence over the subsidiaries	71,499	83,504	91,945
		<u>\$ 274,933</u>	<u>\$ 347,105</u>	<u>\$ 416,687</u>
Other payables	Associates	\$ 29,146	\$ 17,636	\$ 43,040
	Joint ventures	2,852	255	—
	Government – related parties	43,157	26,615	24,096
		<u>\$ 75,155</u>	<u>\$ 44,506</u>	<u>\$ 67,136</u>

For the three months ended March 31, 2023 and 2022, 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, 2023, December 31, 2022 and March 31, 2022) were as follows:

Related Party Category/ Name	March 31, 2023	December 31, 2022	March 31, 2022
Government – related parties	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 143,150</u>

g. Prepayments

Line Item	Related Party Category/Name	March 31, 2023	December 31, 2022	March 31, 2022
Prepayments to shipping agents	Associates			

Line Item	Related Party Category/Name	March 31, 2023	December 31, 2022	March 31, 2022
	Yang Ming Shipping (Egypt) S.A.E.	\$ 132,664	\$ 185,490	\$ 35,783
	Others	—	—	34,979
		<u>\$ 132,664</u>	<u>\$ 185,490</u>	<u>\$ 70,762</u>
Prepayments	Associates	\$ 775	\$ —	\$ 776
	Government – related parties	—	140	—
		<u>\$ 775</u>	<u>\$ 140</u>	<u>\$ 776</u>

h. Lease arrangements

Related Party Category/Name	For the Three Months Ended March 31	
	2023	2022
<u>Acquisition of right-of-use assets</u>		
Investors that have significant influence over the subsidiaries	<u>\$ 405</u>	<u>\$ 462</u>

Line Item	Related Party Category/Name	March 31, 2023	December 31, 2022	March 31, 2022
Lease liabilities	Associates	\$ 1,891	\$ 1,891	\$ 2,815
	Government – related parties	761,289	811,251	960,011
	Investors that have significant influence over the subsidiaries	3,049	3,583	7,527
		<u>\$ 766,229</u>	<u>\$ 816,725</u>	<u>\$ 970,353</u>

Line Item	Related Party Category/Name	For the Three Months Ended March 31	
		2023	2022
Interest expense	Government – related parties	\$ 3,015	\$ 3,760
	Investors that have significant influence over the subsidiaries	72	168
		<u>\$ 3,087</u>	<u>\$ 3,928</u>

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

i. Bonds payable

Related Party Category/ Name	March 31, 2023	December 31, 2022	March 31, 2022
Government – related parties			
Taiwan Cooperative Bank Co., Ltd.	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000
Hua Nan Commercial Bank , Ltd.	1,200,000	1,200,000	1,200,000
Others	900,000	900,000	900,000
	<u>\$ 3,900,000</u>	<u>\$ 3,900,000</u>	<u>\$ 3,900,000</u>

Note: Original investment amount of domestic bonds.

j. Loans from related parties

Line Item	Related Party Category/Name	March 31, 2023	December 31, 2022	March 31, 2022
Short-term borrowings	Government – related parties			
	Land Bank of Taiwan	\$ —	\$ 230,000	\$ 140,000
	Others	480,000	400,000	100,000
		<u>\$ 480,000</u>	<u>\$ 630,000</u>	<u>\$ 240,000</u>
Short-term bills payable	Government – related parties			
	Mega Bills Finance Co., Ltd.	\$ 499,811	\$ 498,855	\$ 499,299
Long-term borrowings	Government – related parties			
Secured borrowings	Taiwan Cooperative Bank Co., Ltd.	\$ —	\$ —	\$ 1,821,598
	Chang Hwa Bank Ltd.	148,000	165,922	222,000
	Hua Nan Commercial Bank , Ltd.	—	198,750	695,625
	Others	—	—	283,735
		<u>\$ 148,000</u>	<u>\$ 364,672</u>	<u>\$ 3,022,958</u>

k. Others

Line Item	Related Party Category/Name	For the Three Months Ended March 31	
		2023	2022
Rental income	Associates	\$ 34	\$ 34
	Other related parties	476	476
		<u>\$ 510</u>	<u>\$ 510</u>
Interest income	Government – related parties		
	Land Bank of Taiwan Co. Ltd.	\$ 433,437	\$ 12,334
	Others	673,949	53,392
		<u>\$ 1,107,386</u>	<u>\$ 65,726</u>
Finance cost	Government – related parties	<u>\$ 42,450</u>	<u>\$ 43,227</u>

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

1. Remuneration of key management personnel

	For the Three Months Ended March 31	
	2023	2022
Short-term employee benefits	\$ 18,301	\$ 59,992
Post-employment benefits	872	609
	<u>\$ 19,173</u>	<u>\$ 60,601</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, 2023	December 31, 2022	March 31, 2022
Restricted bank balance (included in financial assets at amortized cost)	\$ 151,109	\$ 161,640	\$ 140,013
Property, plant and equipment, net	668,768	1,753,947	6,469,023
	<u>\$ 819,877</u>	<u>\$ 1,915,587</u>	<u>\$ 6,609,036</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. 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. All the ship lease contracts were effective as of March 31, 2023 and December 31, 2022. As of March 31, 2022, rentals for contracts that were not yet in effect were ranging from US\$543,000 thousand to US\$654,000 thousand, respectively.
- b. The Group's shipping and port business were secured by the letter of guarantee issued by a bank for \$429,345 thousand, \$429,887 thousand and \$455,940 thousand as of March 31, 2023, December 31, 2022 and March 31, 2022, respectively.
- c. The Group signed container building contracts with other companies. As of March 31, 2022 and 2023, unpaid amounts for these contracts were US\$21,633 thousand and US\$116,200 thousand.

35. OTHER ITEMS

The Group 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 maintained stability due to the recovery of global economy.

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, 2023		
	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 3,651,483	30.4500 (USD : NTD)	\$ 111,187,660
GBP	71	1.2360 (GBP : USD)	2,656
CNY	168,449	4.4310 (CNY : NTD)	746,401
USD	13,594	19.1883 (USD : TRY)	413,928
EUR	228,016	33.1128 (EUR : NTD)	7,550,262
GBP	65,118	37.6347 (GBP : NTD)	2,450,690
HKD	213,630	3.8791 (HKD : NTD)	828,688
JPY	4,477,421	0.2284 (JPY : NTD)	1,022,748
USD	17,848	6.8720 (USD : CNY)	543,475
CAD	14,561	22.4615 (CAD : NTD)	327,068
AUD	66,436	20.3299 (AUD : NTD)	1,350,631

(Continued)

March 31, 2023

	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount
<u>Non-monetary items</u>				
Investments accounted for using the equity method				
USD	49,736	30.4500	(USD : NTD)	1,514,474
AUD	2,471	20.3299	(AUD : NTD)	50,238
AED	1,386	8.2912	(AED : NTD)	11,492
INR	46,026	0.3702	(INR : NTD)	17,039
CNY	86,137	4.4310	(CNY : NTD)	381,673
IDR	2,975,000	0.0020	(IDR : NTD)	5,950
VND	10,780,769	0.0013	(VND : NTD)	14,015
EGP	28,103	0.9889	(EGP : NTD)	27,791
MYR	820	6.9001	(MYR : NTD)	5,655
THB	1,752	0.8909	(THB : NTD)	1,561
Financial asset at FVTPL				
USD	23	30.4500	(USD : NTD)	706
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	2,506,607	30.4500	(USD : NTD)	76,326,171
CNY	48,389	4.4310	(CNY : NTD)	214,414
EUR	17,135	33.1128	(EUR : NTD)	567,387
USD	1,363	19.1883	(USD : TRY)	41,495
JPY	1,524,445	0.2284	(JPY : NTD)	348,219
GBP	1,182	37.6347	(GBP : NTD)	44,481
USD	8,913	6.8720	(USD : CNY)	271,406
HKD	36,631	3.8791	(HKD : NTD)	142,093
CAD	4,710	22.4615	(CAD : NTD)	105,784
AUD	3,051	20.3299	(AUD : NTD)	62,034
				(Concluded)

December 31, 2022

	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 3,553,642	30.7100	(USD : NTD)	\$ 109,132,344
GBP	71	1.2055	(GBP : USD)	2,613
CNY	229,859	4.4176	(CNY : NTD)	1,015,422
USD	14,344	18.7220	(USD : TRY)	440,503
EUR	147,580	32.7353	(EUR : NTD)	4,831,096
GBP	56,227	37.0209	(GBP : NTD)	2,081,576
HKD	121,321	3.9384	(HKD : NTD)	477,810
JPY	3,235,863	0.2330	(JPY : NTD)	753,914
USD	28,963	6.9518	(USD : CNY)	889,450
CAD	12,554	22.6701	(CAD : NTD)	284,602
<u>Non-monetary items</u>				
Investments accounted for using the equity method				
USD	54,539	30.7100	(USD : NTD)	1,674,879
AUD	2,224	20.8536	(AUD : NTD)	46,386
AED	1,251	8.3622	(AED : NTD)	10,462
INR	44,250	0.3711	(INR : NTD)	16,421
CNY	87,093	4.4176	(CNY : NTD)	384,741
IDR	3,271,000	0.0020	(IDR : NTD)	6,542
VND	11,440,769	0.0013	(VND : NTD)	14,873
EGP	37,546	1.2404	(EGP : NTD)	46,572
MYR	704	6.9880	(MYR : NTD)	4,919
THB	1,802	0.8895	(THB : NTD)	1,603
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	2,630,271	30.7100	(USD : NTD)	80,775,627
CNY	140,616	4.4176	(CNY : NTD)	621,182
EUR	19,983	32.7353	(EUR : NTD)	654,139
USD	4,954	18.7220	(USD : TRY)	152,146
JPY	1,872,306	0.2330	(JPY : NTD)	436,223
GBP	6,657	37.0209	(GBP : NTD)	246,455
USD	18,208	6.9518	(USD : CNY)	559,163
CAD	3,525	22.6701	(CAD : NTD)	79,903

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

For the three months ended March 31, 2023 and 2022, realized and unrealized net foreign exchange gains (losses) were \$78,168 thousand and \$4,130,134 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 on significant transactions

- 1) Financing provided to others: See Table A attached;
- 2) Endorsement/guarantee provided: See Table B attached;
- 3) Marketable securities held: See Table C attached;
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: See Table D attached;
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None;
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None;
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None;
- 8) Receivable from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: See Table E attached;
- 9) Trading in derivative instruments: See Note 7;
- 10) Intercompany relationships and significant intercompany transactions: See Table F attached;

b. Information on investees: See Table G attached;

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: See Table H attached;
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: See Table F attached;
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

- c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: See Table I attached.

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, 2023				
	Containership Segment	Bulk Shipping Segment	Other Segments	Adjustment and Eliminations	Combined
Operating revenue					
Sales to customers	\$ 34,492,472	\$ 1,079,626	\$ 1,381,340	\$ —	\$ 36,953,438
Intercompany sales	472,478	—	313,837	(786,315)	—
Total revenue	<u>\$ 34,964,950</u>	<u>\$ 1,079,626</u>	<u>\$ 1,695,177</u>	<u>\$ (786,315)</u>	<u>\$ 36,953,438</u>
Segment operating income (loss)	<u>\$ 1,450,450</u>	<u>\$ 100,484</u>	<u>\$ 64,195</u>	<u>\$ 15,968</u>	\$ 1,631,097
Administration cost					(170,216)
Other operating income and expenses					8,933
Interest income					3,137,257
Other income					20,641
Other gains and losses					137,087
Financial costs					(629,803)
Share of profit of associates and joint ventures					90,526
Profit before income tax					<u>\$ 4,225,522</u>

	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
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>

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

b. Segment assets and liabilities

Reportable segments do not regularly report the measure of total assets and liabilities to the chief operating decision maker and therefore was not disclosed.

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES
FINANCING PROVIDED TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2023

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	\$ 2,290,000	\$ 2,290,000	\$ 2,290,000	1.3000%~5.9500%	1	\$ 4,054,429	-	\$ —	-	\$ —	\$ 138,318,301	\$ 172,897,876
1	Yang Ming Line (Singapore) Pte Ltd	Kuang Ming (Liberia) Corp.	Other receivables	Y	106,575 (USD 3,500 thousand)	—	—	—	2	—	Obtain working capital	—	-	—	3,718,018	11,154,056
		All Oceans Transportation Inc.	Other receivables	Y	306,632 (USD 10,070 thousand)	306,632 (USD 10,070 thousand)	306,632 (USD 10,070 thousand)	4.7000%	2	—	Obtain working capital	—	-	—	18,590,094	18,590,094
		Yang Ming Line (Thailand) Co., Ltd.	Other receivables	Y	6,236 (THB 7,000 thousand)	6,236 (THB 7,000 thousand)	6,236 (THB 7,000 thousand)	2.7528%	2	—	Obtain working capital	—	-	—	3,718,018	11,154,056
		Yangming (Japan) Co., Ltd.	Other receivables	Y	5,298 (USD 174 thousand)	—	—	—	2	—	Obtain working capital	—	-	—	18,590,094	18,590,094
		Yang Ming Line (Hong Kong) Ltd.	Other receivables	Y	72,471 (USD 2,380 thousand)	72,471 (USD 2,380 thousand)	72,471 (USD 2,380 thousand)	1.5000%	2	—	Obtain working capital	—	-	—	18,590,094	18,590,094
2	YES Logistics Corp.	Yes Logistics Europe GmbH	Other receivables	Y	33,654 (EUR 1,016 thousand)	32,528 (EUR 982 thousand)	32,528 (EUR 982 thousand)	1.1100%~1.7000%	1	39,798	-	—	-	—	102,636	936,724
		Yes Logistics Europe GmbH	Other receivables	Y	67,881 (EUR 2,050 thousand)	33,941 (EUR 1,025 thousand)	33,941 (EUR 1,025 thousand)	3.3900%	2	—	Obtain working capital	—	-	—	93,672	187,344
		Yes Logistics (Shanghai) Corp.	Other receivables	Y	125,469 (USD 3,000 thousand and CNY 7,700 thousand)	110,244 (USD 2,500 thousand and CNY 7,700 thousand)	110,244 (USD 2,500 thousand and CNY 7,700 thousand)	2.7800%~3.8500%	1	493,182	-	—	-	—	281,017	936,724
		YES MLC GmbH	Other receivables	Y	52,981 (EUR 1,600 thousand)	26,490 (EUR 800 thousand)	26,490 (EUR 800 thousand)	3.3900%	2	—	Obtain working capital	—	-	—	93,672	187,344
3	Yang Ming Line Holding Co.	Kuang Ming (Liberia) Corp.	Other receivables	Y	197,925 (USD 6,500 thousand)	197,925 (USD 6,500 thousand)	—	—	2	—	Obtain working capital	—	-	—	402,889	1,208,669

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. Yes Logistics Corp.: The maximum financing amount is the 60% of the net assets of the lender. For borrowers with transactions with the lender, maximum financing is 50% of the net assets of the lender. For the borrower with transactions with the lender, maximum financing is the lower of 15% of the net assets of the lender or the total amount of transactions between the lender and the borrower in the last two years. For borrowers with short-term financing need, the maximum is 10% of the net assets of the lender. For the borrower needing short-term financing, maximum financing is 5% of the net assets of the lender.
4. 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.
- C. United States dollars, Thai Baht, Euros and Chinese Yuan translated into New Taiwan dollars at the exchange rates of US\$1=NT\$30.45, THB1= NT\$0.8909, EUR1= NT\$33.1128 and CNY1= NT\$4.4310 as of March 31, 2023.
- 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, 2023

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	Kuang Ming Shipping Corp.	Subsidiary	553,273,205	\$ 670,000	\$ 370,000	\$ 148,000	\$ —	0.11%	\$ 1,037,387,260	Y	N	N
		Kuang Ming (Liberia) Corp.	Subsidiary	553,273,205	103,891 (USD 3,412 thousand)	70,026 (USD 2,300 thousand)	70,026 (USD 2,300 thousand)	—	0.02%	1,037,387,260	Y	N	N
		Yang Ming (America) Corp.	Subsidiary	553,273,205	91,350 (USD 3,000 thousand)	91,350 (USD 3,000 thousand)	—	—	0.03%	1,037,387,260	Y	N	N
1	All Oceans Transportation Inc.	Yang Ming Marine Transport Corporation	Parent	28,113,764	198,750	—	—	—	—	32,799,391	N	Y	N
2	Yang Ming Line (Singapore) Pte Ltd	Yang Ming Line (M) Sdn. Bhd.	Subsidiary	14,875,395	27,600 (MYR 4,000 thousand)	27,600 (MYR 4,000 thousand)	6,487 (MYR 940 thousand)	—	0.01%	18,594,244	N	N	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 700% of asset of All Oceans Transportation, Inc. Represents 600% of the amount as aforementioned.
4. Represents 50% of asset of Yang Ming Line (Singapore) Pte Ltd. 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=\$30.45 and MYR\$1=6.9001 as of March 31, 2023.

C. 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, 2023

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, 2023				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	\$ 479,930	9.81	\$ 479,930	
	United Stevedoring Corp.	-	Financial assets at FVTOCI - non-current	500,000	5,142	10.00	5,142	
	Pro-Ascentek Investment Corporation	-	Financial assets at FVTOCI - non-current	2,000,000	12,888	1.67	12,888	
	<u>Domestic listed shares</u>							
	Fubon Financial Holding Co., Ltd. Preferred Shares C	-	Financial assets at FVTPL - current	1,165,000	68,851	—	68,851	
	Taishin Financial Holding Co., Ltd. Class Z	-	Financial assets at FVTPL - non-current	16,000,000	268,800	—	268,800	
	<u>Mutual funds</u>							
	Taishin 1699 Money Market Fund	-	Financial assets at FVTPL - current	362,563,891	5,006,790	—	5,006,790	
	KGI GALLANT Fund	-	Financial assets at FVTPL - non-current	3,440,351	51,021	—	51,021	
	<u>Domestic limited partnership</u>							
	Taiwania Capital Buffalo Fund V, LP.	-	Financial assets at FVTPL - non-current	—	29,353	3.19	29,353	
	<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	
	Alphabet Inc.	-	Financial assets at amortized cost - non-current	2,000	55,180	—	55,973	
	Apple Inc.	-	Financial assets at amortized cost - non-current	5,000	136,400	—	138,532	
	BANK OF AMERICA CORP.	-	Financial assets at amortized cost - non-current	6,000	182,416	—	180,413	
Citigroup Global Markets Holdings	-	Financial assets at amortized cost - non-current	25,000	761,250	—	745,788		
Commonwealth Bank of Australia	-	Financial assets at amortized cost - non-current	2,000	55,642	—	56,312		
FOXCONN (FAR EAST) LTD.	-	Financial assets at amortized cost - non-current	7,000	199,508	—	198,410		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2023				Note
				Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Intel Corporation	-	Financial assets at amortized cost - non-current	5,000	\$ 144,206	—	\$ 148,967	
	International Business Machines Corporation	-	Financial assets at amortized cost - non-current	3,000	88,855	—	90,343	
	JPMORGAN CHASE & CO.	-	Financial assets at amortized cost - non-current	4,000	120,383	—	119,311	
	Mitsubishi UFJ Financial Group, Inc.	-	Financial assets at amortized cost - non-current	5,000	141,859	—	141,295	
	MIZUHO FINANCIAL GROUP	-	Financial assets at amortized cost - non-current	5,000	136,757	—	137,892	
	QNB FINANCE LTD.	-	Financial assets at amortized cost - non-current	2,000	58,208	—	56,758	
	The Walt Disney Company	-	Financial assets at amortized cost - non-current	3,000	87,283	—	89,667	
	TSMC GLOBAL LTD.	-	Financial assets at amortized cost - non-current	11,000	319,719	—	321,334	
YES Logistics Corp.	<u>Domestic unlisted shares</u> United Raw Material Solutions Inc./URMS	-	Financial assets at FVTOCI - non-current	319,751	1,626	2.76	1,626	

(Concluded)

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, 2023

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 (Note A)
Yang Ming Marine Transport Corporation	Mutual funds Taishin 1699 Money Market Fund	Financial assets at FVTPL - current	—	—	305,409,356	\$ 4,200,000	362,563,891	\$ 5,000,000	305,409,356	\$ 4,206,992	\$ 4,200,000	\$ 6,992	362,563,891	\$ 5,000,000

Notes:

A. The balance is the time of investment acquisition.

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, 2023

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	\$ 2,531,052 (Note A)	—	\$ —	-	\$ —	—
	Yang Ming (Singapore) Pte. Ltd.	Subsidiary	1,249,860	—	—	-	1,249,860	—
	YES Logistics Corp.	Subsidiary	504,715 (Note B)	—	—	-	12,600	—
Jing Ming Transportation Co., Ltd.	Yang Ming Marine Transport Corporation	Parent company	112,888	—	—	-	50,228	—
Yang Ming (Singapore) Pte. Ltd.	Yang Ming Marine Transport Corporation	Parent company	845,412	—	—	-	845,412	—
	Yang Ming Shipping Europe GmbH	The same parent company	121,467	—	—	-	121,467	—
	Yang Ming (Italy) S.P.A.	The same parent company	178,232	—	—	-	178,232	—
	Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	The same parent company	604,843	—	—	-	604,843	—
Yang Ming Line (Singapore) Pte Ltd	All Oceans Transportation Inc.	The same parent company	310,234 (Note A)	—	—	-	—	—
Yang Ming Line (Thailand) Co., Ltd.	Yang Ming Marine Transport Corporation	Parent company	100,095	—	—	-	100,095	—
Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	Yang Ming Marine Transport Corporation	Parent company	324,555	—	—	-	324,555	—
	Yes Logistics (Shanghai) Corp.	The same parent company	141,616	—	—	-	76,440	—
Yang Ming (America) Corp.	Yang Ming Marine Transport Corporation	Parent company	190,435	—	—	-	190,435	—
Kuang Ming (Liberia) Corp.	Kuang Ming Shipping Corp.	Parent company	148,662	—	—	-	148,662	—
YES Logistics Corp.	Yes Logistics (Shanghai) Corp.	Subsidiary	124,500 (Note C)	—	—	-	11,936	—
Yang Ming (UK) Ltd	Yang Ming Marine Transport Corporation	Parent company	792,809	—	—	-	792,809	—
	Yang Ming (Singapore) Pte. Ltd.	The same parent company	210,572	—	—	-	210,572	—

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, 2023

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	Other receivables	\$ 229,971	Conducted as agreed terms	—		
				Right-of-use assets	19,448,141	Conducted as agreed terms	0.04		
				Long-term notes receivable and trade receivables	2,301,081	Conducted as agreed terms	—		
				Lease liabilities	4,465,682	Conducted as agreed terms	0.01		
		Hong Ming Terminal & Stevedoring Corp.	1	Operating cost	1,304,038	Conducted as agreed terms	0.04		
					119,988	Conducted as agreed terms	—		
		Jing Ming Transportation Co., Ltd.	1	Other payables	112,888	Conducted as agreed terms	—		
					Operating cost	135,979	Conducted as agreed terms	—	
		Yang Ming (Singapore) Pte. Ltd.	1	Other receivables	1,249,860	Conducted as agreed terms	—		
					Trade payables	845,412	Conducted as agreed terms	—	
				Operating revenue	11,143,281	Conducted as agreed terms	0.30		
					Yang Ming Line (Thailand) Co., Ltd.	1	Payables to shipping agents	100,095	Conducted as agreed terms
		Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	1	Payables to shipping agents	324,555	Conducted as agreed terms	—		
		Yang Ming (America) Corp.	1	Payables to shipping agents	190,435	Conducted as agreed terms	—		
		Yang Ming (UK) Ltd	1	Trade payables	792,809	Conducted as agreed terms	—		
		Kuang Ming Shipping Corp.	1	Operating revenue	414,472	Conducted as agreed terms	0.01		
					Financial assets at amortized cost - non-current	600,000	Conducted as agreed terms	—	
				YES Logistics Corp.	1	Long-term lease receivables	451,443	Conducted as agreed terms	—
				Yes Logistics (Shanghai) Corp.	1	Operating revenue	363,306	Conducted as agreed terms	0.01
		1	All Oceans Transportation Inc.	Yang Ming Line (Singapore) Pte Ltd	2	Other payables	310,234	Conducted as agreed terms	—
2	Yang Ming (Singapore) Pte. Ltd.					Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	Contract assets	917,972	Conducted as agreed terms
		Trade receivables	604,843	Conducted as agreed terms	—				
		Operating cost	189,258	Conducted as agreed terms	0.01				
		Yang Ming Shipping (Canada) Ltd.	2	Operating cost	277,550	Conducted as agreed terms	0.01		
		Yang Ming Shipping Europe GmbH	2	Trade receivables	121,467	Conducted as agreed terms	—		
		Yang Ming (Italy) S.P.A.	2	Trade receivables	178,232	Conducted as agreed terms	—		
		Yang Ming (UK) Ltd	2	Trade payables	210,572	Conducted as agreed terms	—		
		3	Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	Yes Logistics (Shanghai) Corp.	2	Operating cost	455,704	Conducted as agreed terms	0.01
						Trade receivables	141,616	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
4	Kuang Ming Shipping Corp.	Kuang Ming (Liberia) Corp.	2	Other payables	148,662	Conducted as agreed terms	—
5	YES Logistics Corp.	Yes Logistics (Shanghai) Corp.	2	Long-term notes receivable and trade receivables	110,244	Conducted as agreed terms	—
					—		—

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

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

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

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

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

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES
INFORMATION ON INVESTEEES
FOR THE THREE MONTHS ENDED MARCH 31, 2023

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, 2023			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2023	December 31, 2022	Shares	Percentage of Ownership	Carrying Amount			
Yang Ming Marine Transport Corporation	Kao Ming Container Terminal Corp.	Taiwan	Terminal operation and stevedoring	\$ 3,181,313	\$ 3,181,313	323,000,000	47.50	\$ 3,607,712	\$ 18,568	\$ 8,820	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	14,472,492	(Note B) 295,694	(Note B) 278,581	Subsidiary
	Yang Ming Line B.V.	Netherlands	Investment, shipping agency, forwarding agency and shipping managers	—	—	2,500	100.00	2,066,431	49,443	49,443	Subsidiary
	Kuang Ming Shipping Corp.	Taiwan	Shipping service, shipping agency and forwarding agency	8,927,857	8,927,857	98,882,111	98.88	2,747,517	77,973	77,350	Subsidiary
	Yang Ming Line (Singapore) Pte Ltd	Singapore	Investment, shipping service, sale and purchase of ships, chartering and forwarding agency	(Note P) 34,296,196	(Note P) 34,296,196	(Note P) 1,535,553,000	100.00	37,181,364	707,170	706,979	Subsidiary
	Yang Ming Line Holding Co.	U.S.A.	Investment, shipping agency, forwarding agency and shipping managers	(Note S) 143,860	143,860	(Note S) 13,500	100.00	4,028,897	56,550	56,550	Subsidiary
	All Oceans Transportation Inc.	Republic of Liberia	Shipping agency, forwarding agency and	1,500,181	1,500,181	1,000	100.00	1,284,635	68,062	74,518	Subsidiary
	YES Logistics Corp.	Taiwan	Warehouse operation and forwarding agency	1,141,691	1,141,691	115,630,977	96.36	1,663,537	28,926	28,247	Subsidiary
	Hong Ming Terminal & Stevedoring Corp.	Taiwan	Terminal operation and stevedoring	104,261	104,261	10,000,000	100.00	172,495	(7,725)	(7,727)	Subsidiary
	Jing Ming Transportation Co., Ltd.	Taiwan	Container transportation	35,844	35,844	8,615,923	50.98	138,009	1,340	682	Subsidiary
	Yunn Wang Investment Co., Ltd.	Taiwan	Investment	179,810	179,810	5,211,474	49.75	204,352	(455)	(226)	Investments in associates
	Taiwan Foundation International Pte. Ltd.	Singapore	Investment and subsidiaries management	103,802	103,802	3,400,000	34.00	113,265	15,693	5,336	Investments in associates
	Taiwan Navigation Co., Ltd.	Taiwan	Shipping agency, forwarding agency, shipping managers and shipping lines	4,367,004	4,367,004	70,793,243	16.96	2,684,439	142,610	24,187	Investments in associates

(Continued)

Investor Company	Investee Company	Location	Main Business and Products	Original Investment Amount (Note A)		As of March 31, 2023			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2023	December 31, 2022	Shares	Percentage of Ownership	Carrying Amount			
Yang Ming Line Holding Co.	Yang Ming (Singapore) Pte. Ltd.	Singapore	Shipping agency, forwarding agency, shipping managers and shipping lines	\$ 444,930	\$ 444,930	799,342,500	100.00	\$ 32,444,432	\$ (4,343,693)	\$ (4,343,693)	Subsidiary
	Yang Ming (America) Corp.	U.S.A.	Shipping agency, forwarding agency and shipping managers	17,305	17,305	(Note T) 5,000	100.00	302,951	9,842	—	Subsidiary
	Transcont Intermodal Logistics, Inc.	U.S.A.	Inland forwarding agency	326	326	200	100.00	221	(3)	—	Subsidiary
	Yang Ming Shipping (Canada) Ltd.	Canada	Shipping agency, forwarding agency and shipping managers	2,981	2,981	1,000	100.00	24,978	(1,106)	—	Subsidiary
Yang Ming Line (B.V.I.) Holding Co., Ltd.	West Basin Container Terminal LLC	U.S.A.	Terminal operation and stevedoring	132,050	132,050	(Note D)	40.00	1,086,961	64,592	—	Investments in associates
	United Terminal Leasing LLC	U.S.A.	Terminal operation and machine lease	34,750	34,750	(Note E)	40.00	314,248	12,424	—	Investments in associates
	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	2,633,724	68,097,591	97.84	14,245,165	301,594	—	Subsidiary
Yang Ming Line B.V.	Yang Ming (Belgium) N.V.	Belgium	Shipping agency	8,614	8,614	553	89.92	39,207	5,548	—	Subsidiary
	Yang Ming (Netherlands) B.V.	Netherlands	Shipping agency	15,285	15,285	400,000	100.00	66,420	20,038	—	Subsidiary
	Yang Ming (Italy) S.P.A.	Italy	Shipping agency	4,319	4,319	125,000	50.00	37,410	(4,654)	—	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	314,489	301,594	—	Subsidiary
	Yang Ming Shipping Europe GmbH	Germany	Shipping agency, forwarding agency and shipping managers	29,697	29,697	(Note F)	100.00	184,539	8,713	—	Subsidiary
	Yang Ming (Russia) LLC	Russia	Shipping agency	3,017	3,017	(Note G)	60.00	26,146	(2,084)	—	Subsidiary
	Yang Ming (Spain), S.L.	Spain	Shipping agency	2,213	2,213	60,000	60.00	256,925	22,384	—	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	41,504	170	—	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	27,791	26,625	—	Investments in associates
Yang Ming (UK) Ltd	Yang Ming (Belgium) N.V.	Belgium	Shipping agency	1,900	1,900	62	10.08	4,395	5,548	—	Subsidiary
	Corstor Ltd.	U.K.	Warehouse management and container haulage services	7,411	7,411	1,000	100.00	26,607	2,939	—	Subsidiary
Yang Ming (Italy) S.P.A.	Yang Ming (Naples) S.r.l.	Italy	Forwarding agency	1,695	1,695	(Note H)	60.00	4,815	(492)	—	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Business and Products	Original Investment Amount (Note A)		As of March 31, 2023			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2023	December 31, 2022	Shares	Percentage of Ownership	Carrying Amount			
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	\$ 84,899	\$ 1,757	\$ —	Subsidiary
	Yang Ming Line (Hong Kong) Ltd.	Hong Kong	Forwarding agency and shipping agency	2,138	2,138	1,000,000	1.44	(571)	1,820	—	Subsidiary
	Yang Ming Line (India) Pvt. Ltd.	India	Shipping agency, forwarding agency and shipping managers	2,228	2,228	300,000	60.00	14,625	5,577	\$ —	Subsidiary
	Yang Ming (Korea) Co., Ltd	Korea	Shipping agency, forwarding agency and shipping managers	10,107	10,107	60,000	60.00	31,074	4,946	—	Subsidiary
	Young-Carrier Company Ltd.	Hong Kong	Investment, shipping agency, forwarding agency and shipping managers	14,926	14,926	1,000,000	100.00	19,770	(45)	—	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	18,692	9,589	—	Subsidiary
	Yang Ming Line (M) Sdn. Bhd.	Malaysia	Shipping agency, forwarding agency and shipping managers	10,727	10,727	1,000,000	100.00	70,751	9,164	—	Subsidiary
	Yang Ming Anatolia Shipping Agency S.A.	Turkiye	Shipping agency, forwarding agency and shipping managers	1,077	1,077	50,000	50.00	220,327	87,835	—	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	11,492	11,688	—	Investments in associates
	Yang Ming Shipping (Vietnam) Co., Ltd	Vietnam	Forwarding agency and shipping managers	9,881	9,881	(Note K)	100.00	57,901	558	—	Subsidiary
	Yang Ming (Australia) Pty. Ltd.	Australia	Shipping agency, forwarding agency and shipping managers	4,597	4,597	150,000	50.00	50,238	13,846	—	Investments in associates
	LogiTrans Technology Private Limited	India	Information system service	10,211	10,211	2,040,000	51.00	17,039	5,894	—	Investments in joint ventures
	Yang Ming Shipping Philippines, Inc.	Philippines	Forwarding agency and shipping managers	6,435	6,435	99,995	100.00	(4,421)	929	—	Subsidiary
	Yang Ming (Latin America) Corp.	Panama	Shipping agency, forwarding agency and shipping managers	6,020	6,020	200	100.00	8,495	66	—	Subsidiary
	Yang Ming Line (Thailand) Co., Ltd.	Thailand	Shipping agency, forwarding agency and shipping managers	3,589	3,589	3,920	49.00	23,740	1,726	—	Subsidiary
	Yang Ming Line shipping (Thailand) Co., Ltd.	Thailand	Shipping agency	2,282	2,282	2,450	49.00	14,593	1,096	—	Subsidiary
Yang Ming Insurance Co., Ltd.	Bermuda	Insurance	7,740	7,740	250,000	100.00	164,243	27,466	—	Subsidiary	
PT Yang Ming Shipping Indonesia	Indonesia	Shipping agency, forwarding agency and shipping managers	40,946	40,946	18,865	49.00	50,516	1,776	—	Subsidiary	

(Continued)

Investor Company	Investee Company	Location	Main Business and Products	Original Investment Amount (Note A)		As of March 31, 2023			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note	
				March 31, 2023	December 31, 2022	Shares	Percentage of Ownership	Carrying Amount				
Yang Ming Shipping (B.V.I.) Inc.	PT. Formosa Sejati Logistics	Indonesia	Storage and stevedoring	\$ 5,701	\$ 5,701	1,875	15.00	\$ 5,950	\$ 1,643	\$ —	Investments in associates	
	Jambatan Merah Formosa Depot Sdn Bhd.	Malaysia	Storage and stevedoring	1,743	1,743	250,000	25.00	5,655	3,956	—	Investments in joint ventures	
	Yang Ming (France) SAS	France	Shipping agency, forwarding agency and shipping managers	3,025	3,025	90,000	60.00	41,548	5,351	—	Subsidiary	
	Yang Ming Line (Hong Kong) Ltd.	Hong Kong	Forwarding agency and shipping agency	249,953	249,953	68,556,347	98.56	(39,162)	1,820	—	Subsidiary	
	Yang Ming Line (Thailand) Co., Ltd.	Karlman Properties Limited	Hong Kong	Property agency	4	4	24,000,000	100.00	87,416	101	—	Subsidiary
		Yang Ming Line shipping (Thailand) Co., Ltd.	Thailand	Shipping agency	2,328	2,328	2,500	50.00	14,891	1,096	—	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	23,740	1,726	—	Subsidiary
	Yangming (Japan) Co., Ltd.	Manwa Co., Ltd.	Japan	Forwarding agency and shipping agency	2,666	2,666	200	100.00	2,292	93	—	Subsidiary
	Kuang Ming Shipping Corp.	Kuang Ming (Liberia) Corp.	Republic of Liberia	Forwarding agency	6,032,544 (Note Q)	6,032,544 (Note Q)	5	100.00	3,475,642	27,747	—	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	277,951	1,319	—	Subsidiary
Yes Yangming Logistics (Singapore) Pte. Ltd.	Yes Yangming Logistics (Singapore) Pte. Ltd.	Singapore	Investment and subsidiaries management	40,305	40,305	1,750,784	100.00	53,590	(204)	—	Subsidiary	
	PT. YES Logistics Indonesia	Indonesia	Forwarding agency	15,315	15,315	510,000	51.00	14,704	165	—	Subsidiary	
	YES LIBERAL Logistics Corp.	Taiwan	Warehouse operation	75,000	75,000	7,500,000	50.00	80,379	(564)	—	Investments in joint ventures	
	Yes Logistics Benelux B.V.	Netherlands	Forwarding agency	10,179	10,179	12,600	70.00	17,931	2,634	—	Subsidiary	
	Yes Logistics Company Ltd.	Hong Kong	Forwarding agency	32,351	32,351	7,882,278	100.00	19,159	(536)	—	Subsidiary	
	Yes And HQL Logistics Company	Vietnam	Forwarding agency	3,128	3,128	(Note O)	51.00	14,015	(517)	—	Investments in joint ventures	
	Yes Easyway Logistics (Thailand) Co., Ltd.	Thailand	Forwarding agency	2,530	2,061	29,400	49.00	1,561	(1,015)	—	Investments in joint ventures	
	Yes Logistics Corporation USA	Golden Logistics USA Corporation	U.S.A.	Container transportation	328	328	100	100.00	4,877	479	—	Subsidiary
	Yes Logistics Europe GmbH	Yes Logistics Europe GmbH	Germany	Forwarding agency	40,090	40,090	(Note L)	100.00	(39,588)	4,084	—	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	(5,171)	2,288	—	Subsidiary
YES MLC GmbH	Merlin Logistics GmbH	Austria	Warehouse operation and logistics	1,380	1,380	(Note N)	100.00	(497)	—	—	Subsidiary	

(Continued)

Investor Company	Investee Company	Location	Main Business and Products	Original Investment Amount (Note A)		As of March 31, 2023			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2023	December 31, 2022	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	\$ (1,966) (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. Yang Ming Line (Singapore) Pte Ltd applied for the capital increase by cash of US\$10,700,000 thousand and issued of 1,475,423,000 shares in November 2022.
- T. The amount includes the capitalization of retained earnings to issue 778,057,500 shares of Yang Ming (Singapore) Pte. Ltd. in December 2022.
- U. 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, 2023

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, 2023 (Note J)	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2023 (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, 2023 (Note E)	Accumulated Repatriation of Investment Income as of March 31, 2023
						Outflow	Inflow						
Yang Ming Marine Transport Corporation	Huan Ming (Shanghai) International Shipping Agency (Note G)	Shipping agency, forwarding agency and shipping managers	US\$ 1,000 thousand (Note H)	Indirect investment through Singapore-based subsidiary's direct investment in Mainland China	\$ —	\$ —	\$ —	\$ —	\$ 26,558	100.00%	\$ 26,558	\$ (232,452)	\$ —
	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	23,081 (CNY 5,209 thousand)	—	—	23,081 (CNY 5,209 thousand)	3,194	6.67%	213	20,773	—
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	243,600 (US\$ 8,000 thousand)	—	—	243,600 (US\$ 8,000 thousand)	(4,769)	96.36%	(4,595)	458,596	—
	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	283,215 (US\$ 9,301 thousand)	—	—	283,215 (US\$ 9,301 thousand)	3,536	47.22%	1,670	283,377	—
	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	187,694 (US\$ 6,164 thousand)	—	—	187,694 (US\$ 6,164 thousand)	3,194	12.85%	410	41,670	—
	Shanghai United Cold Chain Logistics Co., Ltd. (Note F)	Storage facilities construction and operation as well as providing supporting services related	CNY 50,000 thousand	Investee's direct investment in Mainland China	44,310 (CNY 10,000 thousand)	—	—	44,310 (CNY 10,000 thousand)	(32,248)	19.27%	(6,214)	35,853	—

Company Name	Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2023 (Note J)	Investment Amounts Authorized by Investment Commission, MOEA (Note J)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Yang Ming Marine Transport Corporation (Note D)	\$23,081 (CNY 5,209 thousand)	\$237,358 (US\$ 7,037 thousand) (CNY 5,209 thousand)	\$207,967,450
YES Logistics Corp. (Note C)	\$748,365 (US\$ 17,301 thousand) (CNY 50,000 thousand)	\$748,365 (US\$ 17,301 thousand) (CNY 50,000 thousand)	1,124,069

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. (the subsidiary of the Company) was authorized to invest in mainland China by the Investment Commission, Ministry of Economic Affairs on May 12, 2017.
- G. The Company was authorized to invest in mainland China by Investment Commission, Ministry of Economic Affairs on December 25, 2019
- H. Investing by the unappropriated earnings of Yang Ming Line (Singapore) Pte Ltd.
- I. The Group contributed 51% of capital in terms of cash input, but de facto holds 100% of the equity based on terms stipulated in the joint venture agreement.
- J. United States dollars and Chinese Yuan translated into New Taiwan dollars at the exchange rates of US\$1=NT\$30.45 and CNY1=NT\$4.431 as of March 31, 2023.

YANG MINT MARINE TRANSPORT CORPORATION AND SUBSIDIARIES
INFORMATION OF MAJOR SHAREHOLDERS
MARCH 31, 2023

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

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.