

**Yang Ming Marine Transport Corporation
and Subsidiaries**

**Consolidated Financial Statements for the
Three Months Ended March 31, 2024 and 2023 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 and its subsidiaries (collectively, the "Group") as of March 31, 2024 and 2023, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended March 31, 2024 and 2023, and the related notes to the consolidated financial statements, including material accounting policy information (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 Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the 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 consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of March 31, 2024 and 2023, combined total assets of these non-significant subsidiaries were NT\$39,118,509 thousand and NT\$62,198,160 thousand, respectively, representing 9.70% and 12.35%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT\$10,370,215 thousand and NT\$10,808,718 thousand, respectively, representing 9.22% and 6.88%, respectively, of the consolidated total liabilities; for the three months ended March 31, 2024 and 2023, the amounts of combined comprehensive income of these subsidiaries were NT\$(543,576) thousand and NT\$82,960 thousand, respectively, representing (4.15%) and 2.87%, respectively, of the consolidated total comprehensive income. Also as disclosed in Note 14, the carrying amounts of the associates and joint ventures accounted for by the equity-method were NT\$6,144,325 thousand and NT\$5,922,331 thousand as of March 31, 2024 and 2023, respectively. The amounts of comprehensive income recognized on investments accounted for by the equity-method were NT\$93,441 thousand and NT\$57,310 thousand for the three months ended March 31, 2024 and 2023, respectively. Related information on the investments held by subsidiaries, associates and joint ventures disclosed in Note 36 to the consolidated financial statements that were not reviewed either.

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, the associates and joint ventures accounted for by 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, 2024 and 2023 and its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Chin-Tsung Cheng and Chen-Hsiu Yang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 10, 2024

Notice to Readers

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

For the convenience of readers, the independent auditors’ 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, 2024		December 31, 2023		March 31, 2023	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 6 and 32)	\$ 72,325,170	18	\$ 69,921,565	18	\$ 113,387,531	23
Financial assets at fair value through profit or loss (FVTPL) - current (Note 7)	1,275,593	—	94,795	—	5,076,347	1
Financial assets at amortized cost - current (Notes 9, 31, 32 and 33)	117,596,474	29	115,208,702	29	172,041,548	34
Financial assets for hedging - current (Notes 6, 31 and 32)	17,995,200	5	17,269,769	5	30,450,000	6
Contract assets, net (Notes 25 and 32)	2,018,958	1	1,560,716	—	1,367,771	—
Notes receivable, net (Note 10)	11,451	—	10,666	—	19,022	—
Trade receivables, net (Notes 10 and 25)	9,619,906	2	6,150,777	2	8,092,690	2
Trade receivables from related parties (Notes 10, 25 and 32)	296,264	—	214,168	—	233,370	—
Finance lease receivables, net (Note 11)	20,816	—	20,747	—	455,788	—
Current tax assets (Note 4)	620,001	—	1,578,957	1	400,583	—
Shipping fuel (Note 12)	4,684,522	1	4,535,017	1	4,579,317	1
Prepayments (Note 32)	472,754	—	447,866	—	805,758	—
Prepayments to shipping agents (Note 32)	182,488	—	231,639	—	246,356	—
Other current assets (Note 32)	1,567,608	1	1,456,059	—	1,666,201	—
Total current assets	<u>228,687,205</u>	<u>57</u>	<u>218,701,443</u>	<u>56</u>	<u>338,822,282</u>	<u>67</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss (FVTPL) - non-current (Note 7)	295,647	—	355,828	—	349,174	—
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Note 8)	495,712	—	491,901	—	499,586	—
Financial assets at amortized cost - non-current (Notes 9, 31, 32 and 33)	8,290,509	2	4,742,457	1	2,520,148	1
Investments accounted for using equity method (Note 14)	8,935,182	2	8,797,221	2	8,606,770	2
Property, plant and equipment (Notes 15, 33 and 34)	86,419,980	21	83,481,541	21	74,203,624	15
Right-of-use assets (Notes 16 and 32)	50,272,930	13	56,044,654	15	70,186,579	14
Investment properties (Note 17)	7,220,316	2	7,220,132	2	7,146,807	1
Other intangible assets	134,616	—	142,842	—	141,302	—
Deferred tax assets (Note 4)	872,267	—	899,525	—	884,170	—
Prepayments for equipment (Notes 32 and 34)	11,295,175	3	11,343,872	3	100,179	—
Refundable deposits	282,813	—	257,720	—	221,045	—
Finance lease receivables - non-current (Note 11)	80,565	—	85,795	—	101,381	—
Other financial assets - non-current	25,371	—	26,058	—	23,279	—
Other non-current assets (Note 32)	28,894	—	19,564	—	15,801	—
Total non-current assets	<u>174,649,977</u>	<u>43</u>	<u>173,909,110</u>	<u>44</u>	<u>164,999,845</u>	<u>33</u>
TOTAL	<u>\$ 403,337,182</u>	<u>100</u>	<u>\$ 392,610,553</u>	<u>100</u>	<u>\$ 503,822,127</u>	<u>100</u>

(Continued)

LIABILITIES AND EQUITY	March 31, 2024		December 31, 2023		March 31, 2023	
	Amount	%	Amount	%	Amount	%
CURRENT LIABILITIES						
Short-term borrowings (Notes 18 and 32)	\$ 1,805,000	1	\$ 1,955,000	—	\$ 2,180,000	—
Short-term bills payable (Notes 18 and 32)	1,047,884	—	1,098,357	—	1,099,216	—
Financial liabilities for hedging - current (Notes 16 and 31)	7,677,621	2	10,380,140	3	8,427,058	2
Contract liabilities - current (Note 25)	296,849	—	304,854	—	471,493	—
Notes payable (Note 32)	28,119	—	33,821	—	20,823	—
Trade payables (Note 20)	14,031,765	4	14,101,232	4	14,118,661	3
Trade payables to related parties (Notes 20 and 32)	759,854	—	676,812	—	274,933	—
Other payables (Notes 21 and 32)	5,216,498	1	5,950,080	2	7,139,273	1
Current tax liabilities (Note 4)	9,339,352	2	9,783,057	2	31,092,647	6
Provisions - current (Note 22)	42,969	—	36,018	—	2,562	—
Lease liabilities - current (Notes 16 and 32)	4,716,388	1	4,666,192	1	5,027,540	1
Other advance account	202,591	—	89,129	—	73,851	—
Current portion of long-term liabilities (Notes 18, 19, 32 and 33)	2,642,089	1	2,579,706	1	2,567,036	1
Other current liabilities	1,078,733	—	992,962	—	957,378	—
Total current liabilities	48,885,712	12	52,647,360	13	73,452,471	14
NON-CURRENT LIABILITIES						
Financial liabilities for hedging - non-current (Notes 16 and 31)	20,398,331	5	21,401,129	6	34,350,466	7
Bonds payable (Notes 19 and 32)	5,890,962	2	5,878,396	2	8,370,336	2
Long-term borrowings (Notes 18, 32 and 33)	292,333	—	288,477	—	265,021	—
Provisions - non-current (Note 22)	5,089	—	4,955	—	5,101	—
Deferred tax liabilities (Note 4)	9,689,770	2	7,235,954	2	10,058,850	2
Lease liabilities - non-current (Notes 16 and 32)	24,351,230	6	24,445,367	6	27,514,143	6
Other advance account - non-current	141,144	—	30,706	—	71,782	—
Net defined benefit liabilities - non-current (Notes 4 and 23)	1,707,292	1	1,762,453	—	1,807,092	—
Other non-current liabilities	1,171,749	—	1,214,547	—	1,314,448	—
Total non-current liabilities	63,647,900	16	62,261,984	16	83,757,239	17
Total liabilities	112,533,612	28	114,909,344	29	157,209,710	31
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Share capital - ordinary shares	34,921,043	9	34,921,043	9	34,921,043	7
Capital surplus	27,975,030	7	27,975,030	7	27,975,030	6
Retained earnings						
Legal reserve	34,991,933	8	34,991,933	9	16,907,064	3
Special reserve	3,988,772	1	3,988,772	1	3,713,230	1
Unappropriated earnings	185,389,955	46	176,009,020	45	262,858,379	52
Total retained earnings	224,370,660	55	214,989,725	55	283,478,673	56
Other equity	2,743,842	1	(907,886)	—	(578,992)	—
Total equity attributable to owners of the Company	290,010,575	72	276,977,912	71	345,795,754	69
NON-CONTROLLING INTERESTS	792,995	—	723,297	—	816,663	—
Total equity	290,803,570	72	277,701,209	71	346,612,417	69
TOTAL	\$ 403,337,182	100	\$ 392,610,553	100	\$ 503,822,127	100

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' review report dated May 10, 2024)

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 16, 25 and 32)	\$ 43,801,429	100	\$ 36,953,438	100
OPERATING COSTS (Notes 12, 16, 26, and 32)	<u>33,700,926</u>	<u>77</u>	<u>33,536,911</u>	<u>91</u>
GROSS PROFIT	<u>10,100,503</u>	<u>23</u>	<u>3,416,527</u>	<u>9</u>
OPERATING EXPENSES (Notes 9, 10, 16, 25, 26, 31 and 32)				
Selling and marketing expenses	1,955,165	4	1,619,103	4
General and administrative expenses	329,080	1	345,137	1
Expected credit loss (gain)	19,136	—	(8,594)	—
Total operating expenses	<u>2,303,381</u>	<u>5</u>	<u>1,955,646</u>	<u>5</u>
OTHER OPERATING INCOME AND EXPENSES (Notes 16, 26 and 32)	91,419	—	8,933	—
PROFIT FROM OPERATIONS	<u>7,888,541</u>	<u>18</u>	<u>1,469,814</u>	<u>4</u>
NON-OPERATING INCOME AND EXPENSES (Notes 16, 26 and 32)				
Interest income	2,698,686	6	3,137,257	9
Other income	20,565	—	20,641	—
Other gains and losses	1,378,693	3	137,087	—
Finance costs	(470,699)	(1)	(629,803)	(2)
Share of profit or loss of associates and joint ventures	111,035	1	90,526	—
Total non-operating income and expenses	<u>3,738,280</u>	<u>9</u>	<u>2,755,708</u>	<u>7</u>
PROFIT BEFORE INCOME TAX	11,626,821	27	4,225,522	11

(Continued)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
INCOME TAX EXPENSE (Notes 4 and 27)	\$ (2,172,558)	(5)	\$ (763,822)	(2)
NET PROFIT FOR THE PERIOD	<u>9,454,263</u>	<u>22</u>	<u>3,461,700</u>	<u>9</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 6, 16, 24 and 27)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at FVTOCI	3,811	—	(7,261)	—
Share of the other comprehensive (loss) income of associates and joint ventures accounted for using the equity method	(34,909)	—	23,411	—
	<u>(31,098)</u>	<u>—</u>	<u>16,150</u>	<u>—</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	5,018,373	11	(840,063)	(2)
Gain (loss) on hedging instruments	(469,349)	(1)	119,234	—
Income tax related to items that may be reclassified subsequently to profit or loss	(866,236)	(2)	134,716	1
	<u>3,682,788</u>	<u>8</u>	<u>(586,113)</u>	<u>(1)</u>
Other comprehensive income (loss) for the period, net of income tax	<u>3,651,690</u>	<u>8</u>	<u>(569,963)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 13,105,953</u>	<u>30</u>	<u>\$ 2,891,737</u>	<u>8</u>

(Continued)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
NET PROFIT ATTRIBUTABLE TO :				
Owners of the Company	\$ 9,379,497	22	\$ 3,401,431	9
Non-controlling interests	74,766	—	60,269	—
	\$ 9,454,263	22	\$ 3,461,700	9
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO :				
Owners of the Company	\$ 13,032,663	30	\$ 2,836,016	8
Non-controlling interests	73,290	—	55,721	—
	\$ 13,105,953	30	\$ 2,891,737	8
EARNINGS PER SHARE (Note 28)				
Basic	\$ 2.69		\$ 0.97	
Diluted	\$ 2.68		\$ 0.97	

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

(With Deloitte & Touche auditors' review report dated May 10, 2024)

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company											
	Equity Attributable to Owners of the Company						Other Equity			Total	Non-controlling Interests	Total Equity
	Share Capital (Note 24)		Capital Surplus	Retained Earnings (Note 24)			Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Valuation Gain/(Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedging Instruments			
Shares (In Thousands)	Amount	(Note 24)	Legal Reserve	Special Reserve	Unappropriated Earnings	(Note 24)	(Note 24)	(Note 24)		(Note 24)		
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>
BALANCE AT JANUARY 1, 2024	3,492,104	\$ 34,921,043	\$ 27,975,030	\$ 34,991,933	\$ 3,988,772	\$176,009,020	\$ (346,936)	\$ (748,123)	\$ 187,173	\$276,977,912	\$ 723,297	\$277,701,209
Net profit for the three months ended March 31, 2024	—	—	—	—	—	9,379,497	—	—	—	9,379,497	74,766	9,454,263
Other comprehensive income (loss) for the three months ended March 31, 2024, net of income tax	—	—	—	—	—	—	4,059,743	(31,098)	(375,479)	3,653,166	(1,476)	3,651,690
Total comprehensive income (loss) for the three months ended March 31, 2024	—	—	—	—	—	9,379,497	4,059,743	(31,098)	(375,479)	13,032,663	73,290	13,105,953
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (loss) by associates	—	—	—	—	—	1,438	—	(1,438)	—	—	—	—
Decrease in non-controlling interests	—	—	—	—	—	—	—	—	—	—	(3,592)	(3,592)
BALANCE AT MARCH 31, 2024	<u>3,492,104</u>	<u>\$ 34,921,043</u>	<u>\$ 27,975,030</u>	<u>\$ 34,991,933</u>	<u>\$ 3,988,772</u>	<u>\$185,389,955</u>	<u>\$ 3,712,807</u>	<u>\$ (780,659)</u>	<u>\$ (188,306)</u>	<u>\$290,010,575</u>	<u>\$ 792,995</u>	<u>\$290,803,570</u>

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

(With Deloitte & Touche auditors' review report dated May 10, 2024)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 11,626,821	\$ 4,225,522
Adjustments for :		
Depreciation expenses	4,993,451	5,157,186
Amortization expenses	21,160	17,022
Expected credit loss (gain) recognized	19,136	(8,594)
Net gain on fair value change of financial assets/ liabilities at FVTPL	(14,509)	(11,515)
Finance costs	470,699	629,803
Interest income	(2,698,686)	(3,137,257)
Share of profit of associates and joint ventures	(111,035)	(90,526)
Gain on disposal of property, plant and equipment	(52,276)	(4,949)
Loss on disposal of intangible assets	273	—
Write-downs of (reversal of) shipping fuel	(122,746)	150,014
Net (gain) loss on foreign currency exchange	(1,653,813)	239,051
Gain on changes in fair value of investment properties	(184)	—
Gain on lease modification	(26)	—
Recognized of provisions	6,986	3,996
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at FVTPL	(1,106,108)	(757,896)
Contract assets	(461,535)	491,845
Notes receivable	(785)	(14,760)
Trade receivables	(3,229,430)	2,283,262
Trade receivables from related parties	(78,722)	105,849
Shipping fuel	(32,015)	(225,359)
Prepayments	(23,782)	(59,490)
Prepayments to shipping agents	49,151	296,050
Other current assets	(85,842)	95,673
Current liabilities	(8,005)	(60,766)
Notes payable	(5,702)	(14,494)
Trade payables	(258,909)	(1,354,974)
Trade payables to related parties	83,948	(72,172)
Other payables	(238,713)	(1,559,978)
Other advance account	223,900	(89,166)
Other current liabilities	(4,107)	(298,169)
Net defined benefit liabilities	(52,431)	(163,975)
Cash generated from operations	<u>7,256,164</u>	<u>5,771,233</u>

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YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2024	2023
Interest received	\$ 2,706,854	\$ 2,852,686
Dividends received	—	182,179
Interest paid	(440,070)	(582,586)
Income tax paid	(47,556)	(426,859)
Net cash generated from operating activities	9,475,392	7,796,653
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(41,003,980)	(109,589,713)
Proceeds from sale of financial assets at amortized cost	40,253,312	69,979,048
Acquisition of associates and joint ventures	—	(465)
Payments for property, plant and equipment	(1,839,389)	(139,992)
Proceeds from disposal of property, plant and equipment	139,290	41,836
Increase in refundable deposits	(25,093)	(1,646)
Payments for intangible assets	(12,944)	(24,901)
Decrease in financial lease receivables	5,161	309,061
Decrease in other financial assets	687	465
(Increase) decrease in other non-current assets	(9,388)	33,141
Increase in prepayments for equipment	(109,700)	(6,201)
Net cash used in investing activities	(2,602,044)	(39,399,367)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	(150,000)	(250,000)
Repayments of short-term bills payable	(50,000)	—
Proceeds from long-term borrowings	326,889	260,578
Repayments of long-term borrowings	(267,200)	(300,112)
Repayments of the principal portion of lease liabilities	(6,112,441)	(3,366,002)
Decrease in other non-current liabilities	(42,798)	(2,276)
Net change in non-controlling interests	(3,592)	(65,283)
Net cash used in financing activities	(6,299,142)	(3,723,095)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	1,829,399	(714,619)

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YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2024	2023
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 2,403,605	\$ (36,040,428)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>69,921,565</u>	<u>149,427,959</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 72,325,170</u>	<u>\$ 113,387,531</u>

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

(With Deloitte & Touche auditors' review report dated May 10, 2024)

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

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

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

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

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by YMTC’s board of directors on May 10, 2024.

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

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

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

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

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

of the reporting period, the liability is classified as non-current regardless of whether the Group will exercise that right.

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

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

- b. The IFRS Accounting Standards 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
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
IFRS 18 "Presentation and Disclosures in Financial Statements"	January 1, 2027
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

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

Note 2 : An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

IFRS 18 "Presentation and Disclosures in Financial Statements"

IFRS 18 will supersede IAS 1 "Presentation of Financial Statements". The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discounted operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as ‘other’ only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

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 of the application of the standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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 material accounting policy information for these interim consolidated financial statements are the same as those applied for the consolidated financial statements for the year ended December 31, 2023.

1) Classification of current and non-current assets and liabilities

Current assets include:

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

Current liabilities include:

- a) Liabilities held primarily for the purpose of trading;
- b) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- c) Liabilities Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

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

2) Retirement benefits

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

3) 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 expect 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, 2023.

6. CASH AND CASH EQUIVALENTS

	March 31, 2024	December 31, 2023	March 31, 2023
Cash on hand	\$ 8,614	\$ 8,929	\$ 11,135
Checking accounts and demand deposits	15,605,451	13,410,811	12,620,556
Cash equivalents (investments with original maturities of 3 months or less)			
Time deposits	55,983,892	56,328,600	100,578,599
Repurchase agreements	550,000	—	—
Call deposits	177,213	173,225	177,241
	<u>\$ 72,325,170</u>	<u>\$ 69,921,565</u>	<u>\$ 113,387,531</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, 2024	December 31, 2023	March 31, 2023
Time deposits	0.50%-46.00%	0.50%-41.00%	0.05%-21.00%
Repurchase agreements	1.53%	—	—
Call deposits	1.75%	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, 2024	2024/04/03~2024/11/29	Financial assets for hedging	\$ 17,995,200
December 31, 2023	2024/01/03~2024/11/29	Financial assets for hedging	\$ 17,269,769
March 31, 2023	2023/06/29	Financial assets for hedging	\$ 30,450,000

Impact on comprehensive income (loss):

	Recognized in Other Comprehensive Income
For the three months ended March 31, 2024	\$ 725,431
For the three months ended March 31, 2023	\$ (260,000)

7. FINANCIAL INSTRUMENTS AT FVTPL

	March 31, 2024	December 31, 2023	March 31, 2023
<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	173,533	94,795	68,851

	March 31, 2024	December 31, 2023	March 31, 2023
- Mutual funds	1,102,060	—	5,006,790
	<u>\$ 1,275,593</u>	<u>\$ 94,795</u>	<u>\$ 5,076,347</u>

Financial assets at FVTPL -
non-current

Financial assets mandatorily
classified as at FVTPL

Non-derivative financial
assets

- Domestic listed shares	\$ 267,200	\$ 272,000	\$ 268,800
- Mutual funds	—	54,717	51,021
- Domestic limited partnership	28,447	29,111	29,353
	<u>\$ 295,647</u>	<u>\$ 355,828</u>	<u>\$ 349,174</u>

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

The Group did not have outstanding oil derivatives contracts at March 31, 2024 and December 31, 2023. Outstanding oil derivatives at March 31, 2023 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, 2024	December 31, 2023	March 31, 2023
<u>Domestic investments in equity instruments</u>			
Unlisted shares			
Ordinary shares - Taipei Port Container Terminal Co., Ltd.	\$ 475,008	\$ 472,113	\$ 479,930
Ordinary shares - United Stevedoring Corp.	4,830	4,684	5,142

	March 31, 2024	December 31, 2023	March 31, 2023
Ordinary shares - United Raw Material Solutions Inc.	1,602	1,602	1,626
Ordinary shares - Pro-Ascentek Investment Corporation	14,272	13,502	12,888
	<u>\$ 495,712</u>	<u>\$ 491,901</u>	<u>\$ 499,586</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, 2024	December 31, 2023	March 31, 2023
Time deposits with original maturity of more than 3 months	\$ 117,502,938	\$ 115,114,366	\$ 169,122,921
Restricted bank balance (Note 33)	148,610	121,406	151,109
Repurchase agreements	—	—	2,800,000
Corporate bonds	8,237,398	4,716,563	2,487,666
Less : Allowance for impairment loss	(1,963)	(1,176)	—
	<u>\$ 125,886,983</u>	<u>\$ 119,951,159</u>	<u>\$ 174,561,696</u>
Current	<u>\$ 117,596,474</u>	<u>\$ 115,208,702</u>	<u>\$ 172,041,548</u>
Non-current	<u>\$ 8,290,509</u>	<u>\$ 4,742,457</u>	<u>\$ 2,520,148</u>

Refer to Note 31 for information relating to the credit risk management and impairment of investments in financial assets at amortized cost.

10. NOTES RECEIVABLE AND TRADE RECEIVABLES

	March 31, 2024	December 31, 2023	March 31, 2023
Notes receivable - operating	<u>\$ 11,451</u>	<u>\$ 10,666</u>	<u>\$ 19,022</u>

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Trade receivables</u>			
At amortized cost			
Trade receivables - non-related parties	\$ 9,684,949	\$ 6,203,718	\$ 8,189,696
Trade receivables - related parties	296,264	214,168	233,370
Less : Allowance for impairment loss	(65,043)	(52,941)	(97,006)
	<u>\$ 9,916,170</u>	<u>\$ 6,364,945</u>	<u>\$ 8,326,060</u>

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

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

The Group writes off notes receivable, trade receivables and contract assets when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables, notes receivables and contract 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, 2024

	No Signs of Default By Client					Signs of Default by Client	Total
	Less than 60 Days	61 to 90 days	91 to 180 days	181 to 365 days	Over 365 days		
Expected credit loss rate	0.00%-0.65%	0.50%-1.65%	0.50%-5.15%	0.50%-10.15%	0.50%-20.15%	100.00%	
Gross carrying amount	\$ 9,777,260	\$ 131,398	\$ 58,479	\$ 4,483	\$ 20,981	\$ 63	\$ 9,992,664
Loss allowance (Lifetime ECLs)	(60,019)	(632)	(1,245)	(204)	(2,880)	(63)	(65,043)
Amortized cost	<u>\$ 9,717,241</u>	<u>\$ 130,766</u>	<u>\$ 57,234</u>	<u>\$ 4,279</u>	<u>\$ 18,101</u>	<u>\$ —</u>	<u>\$ 9,927,621</u>

December 31, 2023

	No Signs of Default By Client					Signs of Default by Client	Total
	Less than 60 Days	61 to 90 days	91 to 180 days	181 to 365 days	Over 365 days		
Expected credit loss rate	0.00%-0.65%	0.50%-1.65%	0.50%-5.15%	0.50%-10.15%	0.50%-20.15%	100.00%	
Gross carrying amount	\$ 6,118,569	\$ 150,896	\$ 126,012	\$ 17,590	\$ 15,140	\$ 345	\$ 6,428,552
Loss allowance (Lifetime ECLs)	(47,525)	(528)	(1,548)	(787)	(2,208)	(345)	(52,941)
Amortized cost	<u>\$ 6,071,044</u>	<u>\$ 150,368</u>	<u>\$ 124,464</u>	<u>\$ 16,803</u>	<u>\$ 12,932</u>	<u>\$ —</u>	<u>\$ 6,375,611</u>

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>

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

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	\$ 52,941	\$ 102,773
Add : Net remeasurement (reverse) of loss allowance	15,513	(2,624)
Less : Amounts written off	(90)	(370)
Less : Reclassified to allowance of overdue receivables	(4,171)	(2,435)
Foreign exchange gains and losses	850	(338)
Balance at March 31	<u>\$ 65,043</u>	<u>\$ 97,006</u>

11. FINANCE LEASE RECEIVABLES

The composition of finance lease receivables was as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Undiscounted lease payments			
Year 1	\$ 22,011	\$ 22,011	\$ 458,315
Year 2	22,011	22,011	22,011
Year 3	22,011	22,011	22,011
Year 4	22,010	22,010	22,011
Year 5	16,507	22,010	22,011
Year 6 onwards	—	—	16,507
	<u>104,550</u>	<u>110,053</u>	<u>562,866</u>
Less : Unearned finance income	<u>(3,169)</u>	<u>(3,511)</u>	<u>(5,697)</u>
Net investment in leases presented as finance lease receivables	<u>\$ 101,381</u>	<u>\$ 106,542</u>	<u>\$ 557,169</u>
Current	<u>\$ 20,816</u>	<u>\$ 20,747</u>	<u>\$ 455,788</u>
Non-current	<u>\$ 80,565</u>	<u>\$ 85,795</u>	<u>\$ 101,381</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 also 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%, 1.33% and 1.33%-1.80% per annum as of March 31, 2024, December 31, 2023 and March 31, 2023, 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, 2024	December 31, 2023	March 31, 2023
Shipping fuel	<u>\$ 4,684,522</u>	<u>\$ 4,535,017</u>	<u>\$ 4,579,317</u>

The cost of shipping fuel recognized as operating cost for the three months ended March 31, 2024 and 2023 was \$5,798,985 thousand and \$4,980,991 thousand.

The cost of shipping fuel recognized as operating cost for the three months ended March 31, 2024 and 2023 included reversal of shipping fuel write-downs of \$122,746 thousand and shipping fuel write-downs \$150,014 thousand, respectively. Previous write-downs were reversed as a result of increased profit from marine operations.

13. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership Interests (%)			Note
			March 31, 2024	December 31, 2023	March 31, 2023	
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)	Sea and air freight forwarding agency and warehouse operation	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	
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	Note b
"	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	

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership Interests (%)			Note
			March 31, 2024	December 31, 2023	March 31, 2023	
"	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	Note c
"	Yang Ming (Spain), S.L.	Shipping agency	60.00	60.00	60.00	
"	Yang Ming (MEDITERRANEAN) Marine Services Single-Member Limited Liability Company	Shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	
Yang Ming (Netherlands) B.V.	Yang Ming (Belgium) N.V.	Shipping agency	10.08	10.08	10.08	
Yang Ming-Italy	Yang Ming (Naples) S.r.l.	Forwarding agency	60.00	60.00	60.00	
Yangming-UK	Corstor Ltd.	Warehouse management and container haulage services	100.00	100.00	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	
"	Yang Ming Line (Hong Kong) Ltd. (YML-HK)	Forwarding agency and shipping agency	1.44	1.44	1.44	
"	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 d
"	Yang Ming (France) S.A.S.	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	

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership Interests (%)			Note
			March 31, 2024	December 31, 2023	March 31, 2023	
Yangming (Japan)	Manwa & Company, Ltd.	Forwarding agency and shipping agency	100.00	100.00	100.00	
YMS-BVI	Karlman Properties Limited	Property agency	100.00	100.00	100.00	
"	YML-HK	Forwarding agency and shipping agency	98.56	98.56	98.56	
Kuang Ming	Kuang Ming (Liberia) Corp.	Forwarding agency	100.00	100.00	100.00	
YES Logistics Corp.	Yes Logistics Corporation USA (Yes-USA)	Sea and air freight forwarding agency	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 June 2023 to process the cash capital increase of YML-Singapore with a limit amount of US\$800,000 thousand. As of December 2023, there was a cash capital increase of US\$800,000 thousand.

Note b: The Group's board of directors resolved in August 2021 to liquidate Yang Ming Line N.V. The liquidation was completed in April 2023.

Note c: The Group's board of directors resolved in August 2023 to liquidate Yang Ming (Russia) LLC.

Note d: 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 Yangming-UK, YM-Singapore and YML-Singapore for the three months ended March 31, 2024 and except for the accompanying consolidated financial statements of YML-BVI, AOT, Yangming-UK and YM-Singapore for the three months ended March 31, 2023, the financial statements of other non-significant subsidiaries were not reviewed.

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	March 31, 2024	December 31, 2023	March 31, 2023
Investment in associates	\$ 8,539,305	\$ 8,414,332	\$ 8,204,744
Investment in joint ventures	395,877	382,889	402,026
	<u>\$ 8,935,182</u>	<u>\$ 8,797,221</u>	<u>\$ 8,606,770</u>

a. Investment in associates

	March 31, 2024	December 31, 2023	March 31, 2023
Associates that are not individually material			
Kao Ming Container Terminal Corp.	\$ 3,622,539	\$ 3,594,068	\$ 3,607,712
Taiwan Navigation Co., Ltd.	2,790,857	2,700,252	2,684,439
West Basin Container Terminal LLC	1,237,677	1,194,303	1,086,961
United Terminal Leasing LLC	352,039	321,989	314,248
Sino Trans PFS Cold Chain Logistics Co., Ltd.	46,561	47,758	62,443
Yunn Wang Investment Co., Ltd.	225,211	218,400	204,352
Taiwan Foundation International Pte. Ltd.	120,435	115,371	113,265
Shanghai United Cold Chain logistics Co., Ltd.	27,887	29,366	35,853
Yang Ming Shipping (Egypt) S.A.E	23,113	70,902	27,791
Yang Ming (U.A.E.) LLC	49,077	60,210	11,492
Yang Ming (Australia) Pty. Ltd.	36,210	54,806	50,238
PT. Formosa Sejati Logistics	7,699	6,907	5,950
	<u>\$ 8,539,305</u>	<u>\$ 8,414,332</u>	<u>\$ 8,204,744</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, 2024	December 31, 2023	March 31, 2023
Joint ventures that are not individually material			
Chang Ming Logistics Company Limited	\$ 279,788	\$ 276,459	\$ 283,377
YES LIBERAL Logistics Corp.	76,966	76,454	80,379
LogiTrans Technology Private Limited	23,802	13,522	17,039
Jambatan Merah Formosa Depot Sdn Bhd.	1,972	3,032	5,655
Yes And HQL Logistics Company	13,349	13,164	14,015
Yes Easyway Logistics (Thailand) Co., Ltd. (Note)	—	258	1,561
	<u>\$ 395,877</u>	<u>\$ 382,889</u>	<u>\$ 402,026</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, 2024	December 31, 2023	March 31, 2023
Assets used by the Group	\$ 80,463,243	\$ 77,544,112	\$ 68,045,080
Assets leased under operating leases	5,956,737	5,937,429	6,158,544
	<u>\$ 86,419,980</u>	<u>\$ 83,481,541</u>	<u>\$ 74,203,624</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, 2024	\$ 751,794	\$ 1,569,164	\$ 35,868,608	\$ 112,549,109	\$ 357,836	\$ 3,656,201	\$ 154,752,712
Additions	—	—	801,583	465,942	571	38,830	1,306,926
Disposals	—	—	(159,730)	(217,650)	(194)	(12,551)	(390,125)
Reclassification (Note 16 (c))	—	—	—	4,486,790	—	1,544	4,488,334
Effects of foreign currency exchange differences	32	21,008	47	453,123	3,173	8,229	485,612
Balance at March 31, 2024	<u>\$ 751,826</u>	<u>\$ 1,590,172</u>	<u>\$ 36,510,508</u>	<u>\$ 117,737,314</u>	<u>\$ 361,386</u>	<u>\$ 3,692,253</u>	<u>\$ 160,643,459</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2024	\$ —	\$ 680,085	\$ 18,782,886	\$ 54,969,163	\$ 296,426	\$ 2,480,040	\$ 77,208,600
Disposals	—	—	(141,718)	(217,650)	(194)	(12,520)	(372,082)
Depreciation expenses	—	8,395	495,422	1,395,447	4,731	52,975	1,956,970
Reclassification (Note 16 (c))	—	—	—	1,356,327	—	—	1,356,327
Effects of foreign currency exchange differences	—	10,051	—	12,093	1,844	6,413	30,401
Balance at March 31, 2024	<u>\$ —</u>	<u>\$ 698,531</u>	<u>\$ 19,136,590</u>	<u>\$ 57,515,380</u>	<u>\$ 302,807</u>	<u>\$ 2,526,908</u>	<u>\$ 80,180,216</u>
Balance at March 31, 2024, net value	<u>\$ 751,826</u>	<u>\$ 891,641</u>	<u>\$ 17,373,918</u>	<u>\$ 60,221,934</u>	<u>\$ 58,579</u>	<u>\$ 1,165,345</u>	<u>\$ 80,463,243</u>
Balance at December 31, 2023 and January 1, 2024, net value	<u>\$ 751,794</u>	<u>\$ 889,079</u>	<u>\$ 17,085,722</u>	<u>\$ 57,579,946</u>	<u>\$ 61,410</u>	<u>\$ 1,176,161</u>	<u>\$ 77,544,112</u>
<u>Cost</u>							
Balance at January 1, 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>

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, 2024	\$ 10,199,828
Additions	152
Effects of foreign currency exchange differences	278,812
Balance at March 31, 2024	<u>\$ 10,478,792</u>
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2024	\$ 4,262,399
Depreciation expenses	114,026
Effects of foreign currency exchange differences	145,630
Balance at March 31, 2024	<u>\$ 4,522,055</u>
Balance at March 31, 2024, net value	<u>\$ 5,956,737</u>
Balance at December 31, 2023 and January 1, 2024, net value	<u>\$ 5,937,429</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>

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

	March 31, 2024	December 31, 2023	March 31, 2023
Year 1	\$ 796,251	\$ 879,515	\$ 983,533
Year 2	7,252	9,568	—
	<u>\$ 803,503</u>	<u>\$ 889,083</u>	<u>\$ 983,533</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 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% as of December 31, 2023 and March 31, 2023, respectively. As of March 31, 2024, there is no lease contract with payment terms linking with said index.

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

Ships	20-25 years
Dry dock	2.5-5 years

The dry dock is a significant component of ships.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2024	December 31, 2023	March 31, 2023
Carrying amounts			
Land	\$ 24,044	\$ 25,388	\$ 32,118
Buildings	1,572,887	1,657,439	1,840,683
Container and chassis	4,259,185	4,481,720	5,149,399
Ships	44,353,343	49,813,507	63,084,736
Miscellaneous equipment	63,471	66,600	79,643
	<u>\$ 50,272,930</u>	<u>\$ 56,044,654</u>	<u>\$ 70,186,579</u>

	For the Three Months Ended March 31	
	2024	2023
Additions to right-of-use assets	\$ 42,003	\$ 168,102
Depreciation expenses for right-of-use assets		
Land	\$ 2,263	\$ 2,243
Buildings	130,848	126,563
Container and chassis	222,535	222,565
Ships	2,555,562	2,964,195
Miscellaneous equipment	11,247	9,904
	\$ 2,922,455	\$ 3,325,470
Income from the subleasing of right-of-use assets (presented in operating revenue and other income)	\$ 71,036	\$ 134,449

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, 2024 and 2023.

b. Lease liabilities

	March 31, 2024	December 31, 2023	March 31, 2023
Carrying amounts			
Current	\$ 4,716,388	\$ 4,666,192	\$ 5,027,540
Non-current	\$ 24,351,230	\$ 24,445,367	\$ 27,514,143
Lease liabilities designated as hedging (presented in financial liabilities for hedging)			
Current	\$ 7,677,621	\$ 10,380,140	\$ 8,427,058
Non-current	\$ 20,398,331	\$ 21,401,129	\$ 34,350,466

Financial liabilities designated as hedging

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

	Maturity Period	Account	Carrying Amount
March 31, 2024	2026/02/28-2031/01/31	Financial liabilities for hedging	\$ 28,075,952
December 31, 2023	2024/01/09-2031/01/31	Financial liabilities for hedging	\$ 31,781,269
March 31, 2023	2026/02/28-2031/01/31	Financial liabilities for hedging	\$ 42,777,524

Impact on comprehensive income (loss):

	Recognized in Other Comprehensive Income	Amount Reclassified to Profit or Loss
For the three months ended March 31, 2024	\$ (1,159,940)	\$ (34,840)
For the three months ended March 31, 2023	\$ 383,676	\$ (4,442)

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

	March 31, 2024	December 31, 2023	March 31, 2023
Land	1.12%-1.49%	1.12%-1.49%	1.12%-1.49%
Buildings	0.89%-10.00%	0.89%-10.00%	0.89%-10.00%
Container and chassis	0.66%-2.16%	0.43%-2.16%	0.18%-2.16%
Ships	0.45%-7.49%	0.45%-7.65%	0.09%-7.24%
Miscellaneous equipment	0.84%-8.64%	0.84%-8.64%	0.84%-8.64%

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 and purchase options.

Containership Department	Lease Liabilities Recognized (Discounted)	Potential Future Lease Payments and Purchase Option Not Included in Lease Liabilities (Discounted)	Historical Ratio for Exercising Extension and Purchase Options
<u>March 31, 2024</u>			
Ships	<u>\$ 32,079,844</u>	<u>\$ 10,784,625</u>	30.99%
<u>December 31, 2023</u>			
Ships	<u>\$ 32,094,109</u>	<u>\$ 10,283,805</u>	31.07%
<u>March 31, 2023</u>			
Ships	<u>\$ 44,365,575</u>	<u>\$ 18,750,154</u>	31.43%

The Group's board of directors resolved in June 2023 to buy back 3 chartered-in ships with extension and purchase options to replace current lease contracts. The ship purchase contracts had been signed in July 2023 with a total price of US\$302,000 thousand, which had been fully delivered and settled. And the ships had been transferred to property, plant and equipment. The Group's board of directors resolved in November 2023 to buy back 2 chartered-in ships again with extension and purchase options to replace current lease contracts. The ship purchase contracts had been signed in November 2023 with a total price of US\$199,000 thousand, which had been fully delivered and settled in December 2023 and January 2024, respectively. And the ships had been transferred to property, plant and equipment.

The Group's board of directors resolved in May 2024 to authorize the buy-back of 3 chartered-in ships again with total price US\$297,000 thousand and the termination of current lease contracts. The ship purchase contracts will be signed in May 2024.

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 tons, 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 104%, 95%-111%, and 95%-111% as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.

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

	March 31, 2024	December 31, 2023	March 31, 2023
Year 1	\$ 379,260	\$ 142,744	\$ 292,818
Year 2	257,751	130,907	399
	<u>\$ 637,011</u>	<u>\$ 273,651</u>	<u>\$ 293,217</u>

e. Other lease information

	For the Three Months Ended March 31	
	2024	2023
Expenses relating to short-term leases	<u>\$ 152,822</u>	<u>\$ 19,889</u>
Expenses relating to low-value asset leases	<u>\$ 635,674</u>	<u>\$ 750,394</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 144,657</u>	<u>\$ 15,147</u>
Expenses relating to service cost payments not included in the measurement of lease liabilities	<u>\$ 928,656</u>	<u>\$ 1,100,661</u>
Total cash outflow for leases	<u>\$ (8,323,665)</u>	<u>\$ (5,911,044)</u>

The Group has elected to apply the recognition exemption of short-term leases and low-value asset leases and thus, did not recognize right-of-use assets and lease liabilities for these leases.

The amounts of lease commitments for short-term leases and low-value asset lease for which the recognition exemption is applied were \$6,471,091 thousand, \$6,736,427 thousand and \$3,417,231 thousand as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.

The amounts of lease commitments for future service cost which was recognized as non-lease components of contracts were \$17,060,652 thousand, \$17,276,754 thousand and \$23,362,625 thousand as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.

17. INVESTMENT PROPERTIES

	March 31, 2024	December 31, 2023	March 31, 2023
Completed Investment Property	\$ 7,220,316	\$ 7,220,132	\$ 7,146,807

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, 2024 and 2023.

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

	March 31, 2024	December 31, 2023	March 31, 2023
Independent valuation	\$ 7,220,316	\$ 7,220,132	\$ 7,146,807

The maturity analysis of lease payments receivable under operating lease of investment properties as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively was as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Year 1	\$ 80,710	\$ 65,482	\$ 76,140
Year 2	52,222	49,322	54,005
Year 3	29,250	29,687	39,533
Year 4	4,786	8,037	17,731
Year 5	1,186	3,852	1,529
Year 6 onwards	1,143	1,371	2,057
	<u>\$ 169,297</u>	<u>\$ 157,751</u>	<u>\$ 190,995</u>

18. BORROWINGS

a. Short-term borrowings

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Unsecured borrowings</u>			
Line of credit borrowings	\$ 1,405,000	\$ 1,405,000	\$ 1,700,000
Loans from related parties (Note 32)	400,000	550,000	480,000
	<u>\$ 1,805,000</u>	<u>\$ 1,955,000</u>	<u>\$ 2,180,000</u>

- 1) The range of weighted average effective interest rate on credit borrowings was 2.00%-2.14%, 2.01%-2.05% and 1.92%-2.10% per annum as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.

- 2) Loans from related parties of the Group were the amounts repayable to government-related entities. Interest rates were 1.99%, 1.98%-1.99% and 1.82%-2.12% per annum as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.

b. Short-term bills payable

	March 31, 2024	December 31, 2023	March 31, 2023
Commercial paper	\$ 550,000	\$ 600,000	\$ 600,000
Less : Unamortized discount on bills payable	1,403	638	595
	<u>548,597</u>	<u>599,362</u>	<u>599,405</u>
Loans from related parties (Note 32)	500,000	500,000	500,000
Less : Unamortized discount on bills payable	713	1,005	189
	<u>499,287</u>	<u>498,995</u>	<u>499,811</u>
	<u>\$ 1,047,884</u>	<u>\$ 1,098,357</u>	<u>\$ 1,099,216</u>

Interest rates of the outstanding short-term bills payable were 1.99%-2.00%, 2.04%-2.05% and 1.99%-2.09% per annum as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.

Interest rates of the outstanding related parties' short-term bills payable were 2.00%, 2.04% and 1.97% per annum as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.

c. Long-term borrowings

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Secured borrowings</u> (Note 33)			
Secured bank loans	\$ —	\$ —	\$ 6,487
Loans from related parties (Note 32)	74,000	92,200	148,000
	<u>74,000</u>	<u>92,200</u>	<u>154,487</u>
<u>Unsecured borrowings</u>			
Line of credit borrowings	69,000	180,000	196,051
Loans from related parties (Note 32)	308,889	120,000	—
	<u>377,889</u>	<u>300,000</u>	<u>196,051</u>
Total	451,889	392,200	350,538
Less : Current portion	159,556	103,723	85,517
Long-term borrowings	<u>\$ 292,333</u>	<u>\$ 288,477</u>	<u>\$ 265,021</u>

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

	March 31, 2024	December 31, 2023	March 31, 2023
<u>NT\$</u>			
Amount	\$ 451,889	\$ 392,200	\$ 328,000
Interest rate	1.98%-2.04%	1.98%-2.04%	1.85%-1.98%
Contract term	2020/02/27-2027/01/23	2020/02/27-2026/06/07	2020/02/27-2025/2/27
<u>US\$</u>			
Foreign currency amount	—	—	525
New Taiwan dollar amount	\$ —	\$ —	\$ 16,051
Interest rate	—	—	7.57 %
Contract term	—	—	2019/11/21-2024/11/21
<u>MYR</u>			
Foreign currency amount	—	—	940
New Taiwan dollar amount	\$ —	\$ —	\$ 6,487
Interest rate	—	—	4.25 %
Contract term	—	—	2019/08/26-2034/04/01

Secured borrowings

1) Secured bank loans

The secured bank loans of the Group will be repaid in MYR. The loans are repayable in advance on October 25, 2023. Interest rates was 4.25% on March 31, 2023. The Group's buildings are pledged as collaterals for the secured loans.

2) Loans from related parties

The Group's loans from related parties are borrowings repaid in New Taiwan dollars from government-related entities. The loans are repayable in installment at varying amounts before February 27, 2025. Interest rates were 1.98%, 1.98% and 1.85% on March 31, 2024, December 31, 2023 and March 31, 2023, respectively. The Group's ships are pledged as collaterals for the secured loans.

Unsecured borrowings

1) Line of credit borrowings

The Group's unsecured bank loans will be repaid in New Taiwan dollars and U.S. dollars in installments at very amounts or repaid in one-lump sum payment at maturity as the borrowing terms. The loans are expected to be fully repaid before October 24, 2025. Interest rates were

2.02%, 2.03% and 1.98%-7.57% on March 31, 2024, December 31, 2023 and March 31, 2023, respectively.

2) Loans from related parties

The Group's unsecured loans from related parties are borrowings repaid in New Taiwan dollars from government-related entities, and will be repaid in installments as the borrowing terms. The loans are expected to be fully repaid before January 23, 2027. Interest rates were 1.98%-2.04% and 2.04% on March 31, 2024 and December 31, 2023, respectively.

19. BONDS PAYABLE

	March 31, 2024	December 31, 2023	March 31, 2023
Secured domestic bonds	\$ 8,373,495	\$ 8,354,379	\$ 10,851,855
Less : Current portion	2,482,533	2,475,983	2,481,519
	<u>\$ 5,890,962</u>	<u>\$ 5,878,396</u>	<u>\$ 8,370,336</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, 2024	December 31, 2023	March 31, 2023
<u>Trade payables - operating</u>			
Trade payables - non-related parties	\$ 14,031,765	\$ 14,101,232	\$ 14,118,661
Trade payables - related parties	759,854	676,812	274,933
	<u>\$ 14,791,619</u>	<u>\$ 14,778,044</u>	<u>\$ 14,393,594</u>
Payable for cost of voyage in sailing	\$ 10,267,745	\$ 9,861,791	\$ 10,330,985
Payable for fuel	2,145,801	2,171,958	2,118,405
Payable for space hire	1,911,925	2,482,442	1,501,762
Payable for freight expenses	315,141	181,440	284,750
Payable for stevedoring expenses	145,999	75,607	152,842
Payable for management expenses	5,008	4,806	4,850
	<u>\$ 14,791,619</u>	<u>\$ 14,778,044</u>	<u>\$ 14,393,594</u>

21. OTHER PAYABLES

	March 31, 2024	December 31, 2023	March 31, 2023
Payable for container lease	\$ 433,310	\$ 436,639	\$ 482,962
Payable for salary and bonus	2,038,347	2,525,469	3,475,517
Payable for interest expenses	32,828	22,486	139,642
Payable for equipment M&R expenses	100,806	201,782	47,088
Payable for annual leave	134,787	135,258	145,150
Payable for vessel charter hire	189,347	118,665	122,183
Payable for equipment	271,314	803,625	110,453
Others	2,015,759	1,706,156	2,616,278
	<u>\$ 5,216,498</u>	<u>\$ 5,950,080</u>	<u>\$ 7,139,273</u>

22. PROVISIONS

	March 31, 2024	December 31, 2023	March 31, 2023
Restoration cost for leased assets (a)	\$ 5,089	\$ 4,955	\$ 5,101
Levies (b)	6,951	—	—

	March 31, 2024	December 31, 2023	March 31, 2023
Others (c)	36,018	36,018	2,562
	<u>\$ 48,058</u>	<u>\$ 40,973</u>	<u>\$ 7,663</u>
Current	\$ 42,969	\$ 36,018	\$ 2,562
Non-current	5,089	4,955	5,101
	<u>\$ 48,058</u>	<u>\$ 40,973</u>	<u>\$ 7,663</u>

- a. When returning right-of-use assets, lessees have legal or construction obligation to restore right-of-use assets to original status. Lessees need to accrue restoration costs provision over the lease term on a straight-line basis.
- b. As the shipping industry was included in the European Union Emission Trading Scheme (EU-ETS) starting from January 1st, 2024, a provision of levies was set up based on fuel consumption of related ships and carbon conversion factors.
- c. Other provisions have been evaluated conservatively, under relevant regulations possible violation decision with a total of \$36,018 thousand were based on the advice of lawyers.

23. RETIREMENT BENEFIT PLANS

For the three months ended March 31, 2024 and 2023, 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, 2023 and 2022, the amounts are \$19,420 thousand and \$22,059 thousand, respectively.

24. EQUITY

- a. Share capital

	March 31, 2024	December 31, 2023	March 31, 2023
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.

b. Capital surplus

	March 31, 2024	December 31, 2023	March 31, 2023
<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

Under the dividend policy as set forth in the Company’s Articles of Incorporation (the “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. 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 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.

The appropriation of earnings for 2023 proposed by the Company’s board of directors on April 12, 2024 and the appropriation of earnings for 2022 approved in the shareholders’ meeting on May 26, 2023, were as follows:

	For the year ended December 31, 2023	For the year ended December 31, 2022
Legal reserve	\$ 475,457	\$ 18,084,869
Special reserve	\$ 947,930	\$ 275,542
Cash dividends	\$ 6,984,208	\$ 69,842,086
Cash dividends per share (NT\$)	\$ 2	\$ 20

The appropriation of earnings for 2023 will be resolved by the shareholders in their meeting to be held on May 24, 2024.

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	
	2024	2023
Balance at January 1	\$ (346,936)	\$ 86,183
Recognized for the period		
Exchange differences on translation of the financial statements of foreign operations	5,019,665	(835,515)
Related income tax	(959,922)	158,563
Other comprehensive income (loss) recognized for the period	4,059,743	(676,952)
Balance at March 31	\$ 3,712,807	\$ (590,769)

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

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	\$ (748,123)	\$ (685,376)
Recognized for the period		
Unrealized gain (loss)		
Equity instruments	3,811	(7,261)
Share from associates and joint ventures accounted for using the equity method	(34,909)	23,411
Other comprehensive (loss) income recognized for the period	(31,098)	16,150
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal by associates	(1,438)	—
Balance at March 31	\$ (780,659)	\$ (669,226)

3) Gain (loss) on hedging instruments

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	\$ 187,173	\$ 585,616
Recognized for the period		
Gain (loss) on changes in the fair value of hedging instruments		
Foreign currency risk-lease liabilities	(1,159,940)	383,676
Foreign currency risk-demand and time deposits	725,431	(260,000)
Related income tax	93,870	(23,847)
Reclassification adjustments		
Hedged items affects profit or loss		
Foreign currency risk-operating revenue	(34,840)	(4,442)
Other comprehensive income (loss) recognized for the period	(375,479)	95,387
Balance at March 31	\$ (188,306)	\$ 681,003

f. Non-controlling interests

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	\$ 723,297	\$ 826,225
Share of profit for the period	74,766	60,269
Other comprehensive income (loss) during the period		
Exchange difference on translating the financial statements of foreign entities	(1,292)	(4,548)
Related income tax	(184)	—
Cash dividends distributed by subsidiaries	(3,592)	(65,283)
Balance at March 31	<u>\$ 792,995</u>	<u>\$ 816,663</u>

25. REVENUE

	For the Three Months Ended March 31	
	2024	2023
Revenue from contracts with customers		
Cargo revenue	\$ 39,775,652	\$ 31,041,695
Slottage revenue	1,154,914	1,062,297
Rental income		
Rental revenue on vessel	452,133	595,119
Other operating revenue	2,418,730	4,254,327
	<u>\$ 43,801,429</u>	<u>\$ 36,953,438</u>

a. Contract balances

	March 31, 2024	December 31, 2023	March 31, 2023	January 1, 2023
Trade receivables (Note 10)	<u>\$ 9,916,170</u>	<u>\$ 6,364,945</u>	<u>\$ 8,326,060</u>	<u>\$ 10,638,133</u>
Contract assets				
Cargo revenue	\$ 2,032,402	\$ 1,570,867	\$ 1,384,994	\$ 1,876,839
Less : Allowance for impairment loss	(13,444)	(10,151)	(17,223)	(23,376)
Contract assets	<u>\$ 2,018,958</u>	<u>\$ 1,560,716</u>	<u>\$ 1,367,771</u>	<u>\$ 1,853,463</u>
Contract liabilities - current				
Advance on contract	<u>\$ 296,849</u>	<u>\$ 304,854</u>	<u>\$ 471,493</u>	<u>\$ 532,259</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	
	2024	2023
Balance at January 1	\$ 10,151	\$ 23,376
Add : Net remeasurement of loss allowance	2,870	(5,970)
Foreign exchange gains and losses	423	(183)
Balance at March 31	<u>\$ 13,444</u>	<u>\$ 17,223</u>

The changes in the balance of contract assets and contract liabilities primarily result from the timing difference between the Group's performance and the respective customer's payment.

b. Disaggregation of revenue

Revenue from contracts with customers mainly comes from the containership department. Refer to Note 37 for information about disaggregation of revenue.

26. NET PROFIT

a. Other operating income and expenses

	For the Three Months Ended March 31	
	2024	2023
Gain on disposal and retirement of property, plant and equipment	\$ 52,276	\$ 4,949
Reimbursement income	39,281	3,984
Reimbursement loss	(138)	—
	<u>\$ 91,419</u>	<u>\$ 8,933</u>

b. Interest income

	For the Three Months Ended March 31	
	2024	2023
Bank deposits (including USD-denominated demand and time deposits as hedging instruments)	\$ 2,605,850	\$ 3,083,501

	For the Three Months Ended March 31	
	2024	2023
Net investments in leases	342	2,815
Short-term bills	715	20,462
Corporate bonds	91,658	30,332
Others	121	147
	<u>\$ 2,698,686</u>	<u>\$3,137,257</u>

c. Other income

	For the Three Months Ended March 31	
	2024	2023
Rental income - operating leases	<u>\$ 20,565</u>	<u>\$ 20,641</u>

d. Other gains and losses

	For the Three Months Ended March 31	
	2024	2023
Net foreign exchange gains	\$ 1,358,314	\$ 78,168
Fair value changes of financial assets and financial liabilities		
Financial assets mandatorily classified as at FVTPL	14,509	11,515
(Loss) gain arising from lease modifications	26	—
Loss on disposal of intangible assets	(273)	—
Gain (loss) arising from the change in fair value of investment properties	184	—
Others	5,933	47,404
	<u>\$ 1,378,693</u>	<u>\$ 137,087</u>

e. Finance costs

	For the Three Months Ended March 31	
	2024	2023
Interest on bank loans	\$ 17,497	\$ 19,292
Interest on lease liabilities (including USD-denominated lease contracts designated as hedging instruments)	422,264	563,777

	For the Three Months Ended March 31	
	2024	2023
Other interest expenses	30,938	46,734
	<u>\$ 470,699</u>	<u>\$ 629,803</u>

f. Depreciation and amortization

	For the Three Months Ended March 31	
	2024	2023
Right-of-use assets	\$ 2,922,455	\$ 3,325,470
Property, plant and equipment	2,070,996	1,831,716
Intangible assets	21,160	17,022
	<u>\$ 5,014,611</u>	<u>\$ 5,174,208</u>

An analysis of depreciation by function

Operating costs	\$ 4,878,230	\$ 5,051,144
Operating expenses	115,221	106,042
	<u>\$ 4,993,451</u>	<u>\$ 5,157,186</u>

An analysis of amortization by function

Operating costs	\$ 1,768	\$ 1,485
Operating expenses	19,392	15,537
	<u>\$ 21,160</u>	<u>\$ 17,022</u>

g. Employee benefits expense

	For the Three Months Ended March 31	
	2024	2023
Post-employment benefits		
Defined contribution plans	\$ 83,650	\$ 76,756
Defined benefit plans (Note 23)	19,420	22,059
Termination benefits	6,444	15,559
Other employee benefits	2,743,906	2,325,508
Total employee benefits expense	<u>\$ 2,853,420</u>	<u>\$ 2,439,882</u>
An analysis of employee benefits by function		
Operating costs	\$ 1,016,161	\$ 922,579
Operating expenses	1,837,259	1,517,303
	<u>\$2,853,420</u>	<u>\$2,439,882</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, 2024 and 2023 are as follows:

Accrual rate

	For the Three Months Ended March 31	
	2024	2023
Compensation of employees	1%	1%
Remuneration of directors	—	—

Amount

	For the Three Months Ended March 31	
	2024	2023
Compensation of employees	\$ 115,182	\$ 41,023
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, 2023 and 2022, which were approved by the Company's board of directors on March 7, 2024 and March 9, 2023 are as follows:

Amount

	For the Year Ended December 31	
	2023	2022
	Cash	Cash
Compensation of employees	\$ 103,483	\$ 2,328,973
Remuneration of directors	\$ 12,000	\$ 80,000

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, 2023 and 2022.

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

27. INCOME TAXES

a. Income tax expense recognized in profit or loss

Major components of income tax expense are as follow:

	For the Three Months Ended March 31	
	2024	2023
Current tax		
In respect of the current period	\$ 789,300	\$ 1,664,974
Adjustments for prior years	(228,116)	(207,283)
	<u>561,184</u>	<u>1,457,691</u>
Deferred tax		
In respect of the current period	1,611,374	(693,869)
Income tax expense recognized in profit or loss	<u>\$ 2,172,558</u>	<u>\$ 763,822</u>

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

	For the Three Months Ended March 31	
	2024	2023
<u>Deferred tax</u>		
In respect of the current period		
- Translation of foreign operations	\$ 960,106	\$ (158,563)
- Cash flow hedges	(93,870)	23,847
Income tax recognized in other comprehensive income (loss)	<u>\$ 866,236</u>	<u>\$ (134,716)</u>

c. Income tax assessments

Company	Year
Yang Ming Marine Transport Corporation	2022
Kuang Ming Shipping Corp.	2022
Hong Ming Terminal & Stevedoring Corp.	2022
Jing Ming Transportation Co., Ltd.	2022
YES Logistics Corp.	2021

28. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended March 31	
	2024	2023
Basic earnings per share	\$ 2.69	\$ 0.97
Diluted earnings per share	\$ 2.68	\$ 0.97

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	
	2024	2023
Earnings used in the computation of earnings per share	\$ 9,379,497	\$ 3,401,431

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

	For the Three Months Ended March 31	
	2024	2023
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	4,158	26,789
Weighted average number of ordinary shares used in the computation of diluted earnings per share	3,496,262	3,518,893

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

29. CASH FLOW INFORMATION

Changes in Liabilities Arising from Financing Activities

For the three months ended March 31, 2024

	January 1, 2024	Cash Flows	Non-Cash Changes		March 31, 2024
			New Leases	Others (Note)	
Short-term borrowings	\$ 1,955,000	\$ (150,000)	\$ —	\$ —	\$ 1,805,000
Short-term bills payable	1,098,357	(50,000)	—	(473)	1,047,884
Long-term borrowings	392,200	59,689	—	—	451,889
Bonds payable	8,354,379	—	—	19,116	8,373,495
Lease liabilities	60,892,828	(6,112,441)	42,003	2,321,180	57,143,570
Other non-current liabilities	1,214,547	(42,798)	—	—	1,171,749
	<u>\$ 73,907,311</u>	<u>\$ (6,295,550)</u>	<u>\$ 42,003</u>	<u>\$ 2,339,823</u>	<u>\$ 69,993,587</u>

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>

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

- Fair value of financial instruments not measured at fair value

March 31, 2024

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial assets</u>					
Finance lease receivables	\$ 101,381	\$ —	\$ 99,266	\$ —	\$ 99,266
Financial assets measured at amortized cost					
- Foreign corporate bonds	8,235,435	—	8,240,861	—	8,240,861
Total	<u>\$ 8,336,816</u>	<u>\$ —</u>	<u>\$ 8,340,127</u>	<u>\$ —</u>	<u>\$ 8,340,127</u>
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
- Secured domestic bonds	<u>\$ 8,373,495</u>	<u>\$ —</u>	<u>\$ 8,354,243</u>	<u>\$ —</u>	<u>\$ 8,354,243</u>

December 31, 2023

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial assets</u>					
Finance lease receivables	\$ 106,542	\$ —	\$ 104,540	\$ —	\$ 104,540
Financial assets measured at amortized cost					
- Foreign corporate bonds	4,715,387	—	4,779,165	—	4,779,165
Total	<u>\$ 4,821,929</u>	<u>\$ —</u>	<u>\$ 4,883,705</u>	<u>\$ —</u>	<u>\$ 4,883,705</u>
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
- Secured domestic bonds	<u>\$ 8,354,379</u>	<u>\$ —</u>	<u>\$ 8,332,157</u>	<u>\$ —</u>	<u>\$ 8,332,157</u>

March 31, 2023

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<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>

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, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Domestic listed shares	\$ 440,733	\$ —	\$ —	\$ 440,733
Mutual funds	1,102,060	—	—	1,102,060
Domestic limited partnership	—	—	28,447	28,447
Total	<u>\$ 1,542,793</u>	<u>\$ —</u>	<u>\$ 28,447</u>	<u>\$ 1,571,240</u>

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI
Domestic Unlisted shares

\$ —	\$ —	\$ 495,712	\$ 495,712
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December 31, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Domestic listed shares	\$ 366,795	\$ —	\$ —	\$ 366,795
Mutual funds	54,717	—	—	54,717
Domestic limited partnership	—	—	29,111	29,111
Total	<u>\$ 421,512</u>	<u>\$ —</u>	<u>\$ 29,111</u>	<u>\$ 450,623</u>

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI
Domestic Unlisted shares

\$ —	\$ —	\$ 491,901	\$ 491,901
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March 31, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Derivative financial assets				
- Oil 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	<u>\$ 5,395,462</u>	<u>\$ —</u>	<u>\$ 30,059</u>	<u>\$ 5,425,521</u>

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments at FVTOCI				
Domestic Unlisted shares	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 499,586</u>	<u>\$ 499,586</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, 2024

Financial assets at FVTPL

	<u>Other Instruments</u> <u>Domestic Limited Partnership</u>
Balance at January 1, 2024	\$ 29,111
Recognized in profit or loss (included in other gains and losses)	(664)
Purchases	—
Sales/settlements	—
Transfers out of Level 3	—
Balance at March 31, 2024	<u>\$ 28,447</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>\$ (664)</u>

Financial assets at FVTOCI

	<u>Equity Instruments</u>
Balance at January 1, 2024	\$ 491,901
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	3,811
Balance at March 31, 2024	<u>\$ 495,712</u>

For the three months ended March 31, 2023

Financial assets at FVTPL

	Other Instruments	Derivatives	Total
	Domestic Limited Partnership	Oil derivatives	
Balance at January 1, 2023	\$ 29,589	\$ —	\$ 29,589
Recognized in profit or loss (included in other gains and losses)	(236)	(70)	(306)
Purchase	—	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

	Equity Instruments
Balance at January 1, 2023	\$ 506,847
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	(7,261)
Balance at March 31, 2023	<u>\$ 499,586</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, 2024	December 31, 2023	March 31, 2023
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ 1,571,240	\$ 450,623	\$ 5,425,521

	March 31, 2024	December 31, 2023	March 31, 2023
Financial assets at amortized cost (1)	209,036,711	197,175,014	297,452,731
Financial assets for hedging	17,995,200	17,269,769	30,450,000
Financial assets at FVTOCI			
Equity instruments	495,712	491,901	499,586
<u>Financial liabilities</u>			
Financial liabilities for hedging	28,075,952	31,781,269	42,777,524
Amortized cost (2)	29,535,883	29,899,277	32,412,755

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

d. Financial risk management objectives and policies

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

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

1) Market risk

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

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

a) Foreign currency risk

The Group's operations involve foreign currency transactions so the Group is exposed to foreign currency risk. The Group's transaction involve contain various currencies due to

its industrial feature, operating revenue and operating costs are mainly denominated in U.S. dollars. Exchange rate exposures were managed within approved policy parameters utilizing net cash flows offset of the influence on net assets and liabilities, instruments of swap and options.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities are set out in Note 35.

Sensitivity analysis

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

The following table details the Group's sensitivity to a 1% increase and decrease in New Taiwan dollars (the functional currency) against the U.S. dollars, GBP, CNY, EUR, HKD and AUD. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an increase in profit and other equity associated with New Taiwan dollars strengthening 1% against U.S. dollars, GBP, CNY, EUR, HKD and AUD. For a 1% weakening of New Taiwan dollars against the U.S. dollars, GBP, CNY, EUR, HKD and AUD, 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	
	2024	2023
Profit (loss) (i)		
U.S. dollars	\$ 109,299	\$ 478,335
GBP	30,706	24,089
CNY	2,684	5,320
EUR	119,416	69,829
HKD	1,166	6,866
AUD	17,569	12,886
Equity(ii)		
U.S. dollars	(100,808)	(123,275)

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

Hedge accounting

The Group's hedging strategy is to enter into USD-denominated demand deposits and time deposits to avoid exchange rate exposure of highly possible USD-denominated prepayments for ship 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.

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

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

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

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

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

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, 2024	December 31, 2023	March 31, 2023
Fair value interest rate risk			
- Financial assets	\$ 200,407,604	\$ 193,436,601	\$ 305,430,030
- Financial liabilities	68,369,949	72,300,564	89,450,278

	March 31, 2024	December 31, 2023	March 31, 2023
Cash flow interest rate risk			
- Financial assets	14,893,097	12,892,542	12,324,584
- Financial liabilities	451,889	392,200	350,538

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, 2024 would have increased/decreased by \$3,610 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, 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.

The Group's sensitivity to interest rate increased during the current year mainly due to the increase 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, 2024 would have increased/decreased by \$22,037 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, 2024 would have increased/

decreased by \$24,786 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, 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 limited partnership and mutual funds had been 5% higher/lower, pre-tax profit (loss) for the three months period ended March 31, 2024 would have increased/decreased by \$56,525 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, 2023 would have increased/decreased by \$254,358 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 decreased during the current period mainly due to the decrease in other instruments 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.

Financial credit risk

The objective of the Group's investment policy is to achieve a return that will allow the Group to preserve principal and support liquidity requirements. The Group mitigates its financial credit risk by selecting counterparties with investment grade credit ratings, by limiting the exposure to any individual counterparty, regularly reviewing the market conditions and monitoring risks.

The Group assesses whether there has been a significant increase in credit risk in the invested securities since initial recognition by reviewing changes in external credit ratings, financial market conditions and material information of the issuers. The Group assesses the 12-month expected credit loss and lifetime expected credit loss based on the probability of default and loss given default provided by external credit rating agencies. The current credit risk assessment policies are as follows:

Category	Description	Basis for Recognizing Expected Credit Loss	Expected Credit Loss Ratio
Performing	Credit rating is investment grade on valuation date	12 months expected credit loss	0%~0.0330%
Doubtful	Credit rating is non-investment grade on valuation date	Lifetime expected credit loss-not credit impaired	—
In default	Credit rating is CC or below on valuation date	Lifetime expected credit loss-credit impaired	—
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery	Amount is written off	—

For the three months period ended March 31, 2024, the expected credit loss were \$787 thousand. The changes were mainly due to increased investment amount and adjusted investment portfolio.

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of March 31, 2024, December 31, 2023 and March 31, 2023, the Group had available unutilized bank loans facilities of \$9,139,078 thousand, \$7,319,557 thousand and \$11,480,763 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, 2024

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years
Non-interest bearing	\$ 20,036,236	\$ 920,673	\$ —	\$ —
Lease liabilities	13,880,113	37,396,533	9,884,197	8,305
Variable interest rate liabilities	168,502	295,872	—	—
Fixed interest rate liabilities	5,402,905	5,929,290	—	—
Short-term and low value lease commitment	2,018,345	3,379,549	1,073,197	—
Lease commitment for future service costs	3,679,983	10,154,436	3,226,233	—
	<u>\$ 45,186,084</u>	<u>\$58,076,353</u>	<u>\$14,183,627</u>	<u>\$ 8,305</u>

December 31, 2023

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years
Non-interest bearing	\$ 20,761,945	\$ 921,706	\$ —	\$ —
Lease liabilities	16,587,288	38,017,671	10,576,403	9,135
Variable interest rate liabilities	111,330	290,186	—	—
Fixed interest rate liabilities	5,611,234	5,935,974	—	—
Short-term and low value lease commitment	2,119,152	3,464,784	1,152,491	—
Lease commitment for future service costs	3,575,623	10,289,071	3,412,060	—
	<u>\$ 48,766,572</u>	<u>\$58,919,392</u>	<u>\$15,140,954</u>	<u>\$ 9,135</u>

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

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years
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>

b) Derivative instruments

The Group did not have outstanding derivative instruments contracts as of March 31, 2024 and December 31, 2023. The maturity date of all the derivative instruments contracts held by the Group as of March 31, 2023 is within one year.

32. TRANSACTIONS WITH RELATED PARTIES

The Ministry of Transportation and Communications R.O.C. (MOTC), National Development Fund, and Taiwan International Ports Corporation, Ltd. held 31.16% of the ordinary shares of YMTC as of March 31, 2024, December 31, 2023 and March 31, 2023, 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) and concession rights of the Port of Kaohsiung, Taiwan International Ports Corporation Kaohsiung logistics center (see Note 16).

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
Taiwan Foundation International Pte. 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

(Continued)

Related Party Name	Relationship with the Group
Taiwan International Ports Corporation, Ltd.	Government - related party
Taiwan International Ports Logistics Corporation	Government - related party
Chunghwa Post Co., Ltd.	Government - related party
Agricultural Bank of Taiwan	Government - related party
Taipei Exchange	Government - related party
First Commercial Bank	Government - related party
Mega International Commercial Bank Co., Ltd.	Government - related party
Chung Kuo Insurance Group, Limited	Government - related party
Mega Securities	Government - related party
Bank of Taiwan	Government - related party
Land Bank of Taiwan	Government - related party
Taiwan Cooperative Bank Co., Ltd.	Government - related party
Taiwan Cooperative Bills Finance Co., Ltd.	Government - related party
Taiwan Business Bank Co., Ltd.	Government - related party
Chang Hwa Bank Ltd.	Government - related party
Taiwan Power 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
Ministry of Interior	Government – related party
National Kaohsiung University of Science and Technology	Government – related party
National Museum of Marine Science & Technology	Government – related party
National Chengchi University	Government – related party
China Airlines Co., Ltd.	Government – related party
Ministry of Environment	Government – related party
Maritime Port Bureau	Government – related party
Taiwan Centers for Disease Control	Government – related party
Kaohsiung Customs, Customs Administration, Ministry of Finance	Government – related party
Keelung Customs, Customs Administration, Ministry of Finance	Government – related party
China Steel Aluminium Corporation	Government – related party
Bureau of Standards, Metrology and Inspection	Government – related party
China Steel Express Corporation	Government – related party
Leader Container Transportation Co., Ltd.	Investor that has significant influence over the subsidiaries

(Continued)

Related Party Name	Relationship with the Group
Marine Container Services India Private Limited	Investor that has significant influence over the subsidiaries
Unicorn Enterprises	Investor that has significant influence over the subsidiaries
Bay Container Terminal Private Limited	Investor that has significant influence over the subsidiaries
Marine Container Services (South) Private Limited	Investor that has significant influence over the subsidiaries
Omega Intermodal Container Services Private Limited	Investor that has significant influence over the subsidiaries
Sebang Co Ltd.	Investor that has significant influence over the subsidiaries
Arkas Lojistik A.S	Investor that has significant influence over the subsidiaries
Limar Liman ve Gemi İşletmeleri A.S	Investor that has significant influence over the subsidiaries
Arkas Denizcilik ve Nakliyat A.S.	Investor that has significant influence over the subsidiaries
Marport Liman İşletmeleri.	Investor that has significant influence over the subsidiaries
Hapag-Lloyd Denizaşırı Nakliyat A.S.	Investor that has significant influence over the subsidiaries
Schenker Arkas Nakliyat ve Tic. A.S.	Investor that has significant influence over the subsidiaries
Ekopons Madencilik San. ve Dış Tic. A.S.	Investor that has significant influence over the subsidiaries
Kairong Logistics Co., Ltd.	Investor that has significant influence over the subsidiaries
Naxco Group.	Investor that has significant influence over the subsidiaries
Finsea S.p.A.	Investor that has significant influence over the subsidiaries
Marinter Shipping Agency Srl.	Investor that has significant influence over the subsidiaries
Catalana del Mar, S.A..	Investor that has significant influence over the subsidiaries
Arkas Holding A.S.	Investor that has significant influence over the subsidiaries
Arkas Turizm Seyahat Acentası A.S.	Investor that has significant influence over the subsidiaries
Arkas Otomotiv Servis ve Ticaret A.S.	Investor that has significant influence over the subsidiaries
Arkpet Petrol Ticaret ve Nakliyat A.S.	Investor that has significant influence over the subsidiaries
Arpaş Ambarlı Romorkaj Pilotaj A.S.	Investor that has significant influence over the subsidiaries
Yang Ming Cultural Foundation	Other related party

(Concluded)

b. Operating transaction

Line Item	Related Party Category/ Name	For the Three Months Ended March 31	
		2024	2023
Operating revenue	Associates	\$ 45,593	\$ 49,763
	Joint ventures	345	532
	Government – related parties	338,195	509,805
		<u>\$ 384,133</u>	<u>\$ 560,100</u>
Operating cost	Associates	\$ 929,978	\$ 445,477
	Joint ventures	25,681	19,370
	Government – related parties	51,280	22,383
	Investors that have significant influence over the subsidiaries	66,539	68,747
		<u>\$ 1,073,478</u>	<u>\$ 555,977</u>
Operating expenses	Associates	\$ —	\$ 24
	Joint ventures	18,162	13,975
	Government – related parties	11,582	8,680
	Investors that have significant influence over the subsidiaries	2,027	3
	Other related parties	6,764	8,313
		<u>\$ 38,535</u>	<u>\$ 30,995</u>

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

c. Bank deposits

Bank deposits on reporting period (including time deposits with original maturities of more than 3 months and restricted bank balance under financial assets at amortized cost and financial assets for hedging) were as follows:

Related Party Category/ Name	March 31, 2024	December 31, 2023	March 31, 2023
Government – related parties			
Land Bank of Taiwan	\$ 8,016,919	\$ 14,203,161	\$ 39,842,468
Taiwan Cooperative Bank Co., Ltd.	33,164,195	34,677,189	27,801,305
Others	23,327,454	19,413,315	36,035,654
	<u>\$ 64,508,568</u>	<u>\$ 68,293,665</u>	<u>\$ 103,679,427</u>

d. Contract assets

Line Item	Related Party Category/Name	March 31, 2024	December 31, 2023	March 31, 2023
Contract assets	Associates	\$ 96,549	\$ 129,443	\$ 144,674

For the three months ended March 31, 2024 and 2023, 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, 2024	December 31, 2023	March 31, 2023
Trade receivables	Associates	\$ 237,643	\$ 151,810	\$ 232,845
	Joint ventures	894	640	525
	Government – related parties	24,897	39,860	—
	Investors that have significant influence over the subsidiaries	32,830	21,858	—
		<u>\$ 296,264</u>	<u>\$ 214,168</u>	<u>\$ 233,370</u>
Other receivables (included in other current assets)	Associates	\$ 46,549	\$ 17,420	\$ 36,978
	Joint ventures	1,142	—	—
	Government – related parties	137,444	178,781	221,334
	Other related parties	—	4,398	—
	<u>\$ 185,135</u>	<u>\$ 200,599</u>	<u>\$ 258,312</u>	
Long-term receivables-related parties (included in other non-current assets)	Joint ventures Yes Easyway Logistics (Thailand) Co., Ltd.	\$ 979	\$ 940	\$ —
Notes payable	Associates	\$ —	\$ 292	\$ —
Trade payables	Associates	\$ 632,925	\$ 553,455	\$ 192,809
	Joint ventures	24,277	13,448	10,625
	Government – related parties	13,882	12,823	—
	Investors that have significant influence over the subsidiaries	88,770	97,086	71,499
		<u>\$ 759,854</u>	<u>\$ 676,812</u>	<u>\$ 274,933</u>

Line Item	Related Party Category/Name	March 31, 2024	December 31, 2023	March 31, 2023
Other payables	Associates	\$ —	\$ 2,314	\$ 29,146
	Joint ventures	—	—	2,852
	Government – related parties	41,226	27,755	43,157
	Investors that have significant influence over the subsidiaries	1,958	1,007	—
	Other related parties	—	607	—
		<u>\$ 43,184</u>	<u>\$ 31,683</u>	<u>\$ 75,155</u>

For the three months ended March 31, 2024 and 2023, no impairment losses were recognized for trade receivables and other receivables from related parties.

f. Prepayments

Line Item	Related Party Category/Name	March 31, 2024	December 31, 2023	March 31, 2023
Prepayments to shipping agents	Associates			
	Yang Ming Shipping (Egypt) S.A.E.	<u>\$ 20,336</u>	<u>\$ 96,827</u>	<u>\$ 132,664</u>
Prepayments	Associates	\$ 818	\$ —	\$ 775
	Government – related parties	198	170	—
		<u>\$ 1,016</u>	<u>\$ 170</u>	<u>\$ 775</u>
Prepayments for equipment	Government – related parties	<u>\$ 351</u>	<u>\$ 253</u>	<u>\$ —</u>

g. Lease arrangements

Related Party Category/Name	For the Three Months Ended March 31	
	2024	2023
<u>Acquisition of right-of-use assets</u>		
Government – related parties	\$ 1,230	\$ —
Investors that have significant influence over the subsidiaries	6,225	405
	<u>\$ 7,455</u>	<u>\$ 405</u>

Line Item	Related Party Category/Name	March 31, 2024	December 31, 2023	March 31, 2023
Lease liabilities	Associates	\$ 952	\$ 952	\$ 1,891
	Government – related parties	605,757	655,321	761,289
	Investors that have significant influence over the subsidiaries	28,583	26,566	3,049
		<u>\$ 635,292</u>	<u>\$ 682,839</u>	<u>\$ 766,229</u>

Line Item	Related Party Category/Name	For the Three Months Ended March 31	
		2024	2023
Interest expense	Government – related parties	\$ 2,466	\$ 3,015
	Investors that have significant influence over the subsidiaries	354	72
		<u>\$ 2,820</u>	<u>\$ 3,087</u>

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

h. Bonds payable

Related Party Category/Name	March 31, 2024	December 31, 2023	March 31, 2023
Government – related parties			
Taiwan Cooperative Bank Co., Ltd.	\$ 1,100,000	\$ 1,100,000	\$ 1,800,000
Hua Nan Commercial Bank, Ltd.	950,000	950,000	1,200,000
Others	650,000	650,000	900,000
	<u>\$ 2,700,000</u>	<u>\$ 2,700,000</u>	<u>\$ 3,900,000</u>

Note: Original investment amount of domestic bonds.

i. Loans from related parties

Line Item	Related Party Category/Name	March 31, 2024	December 31, 2023	March 31, 2023
Short-term borrowings	Government – related parties			
	Mega International Commercial Bank Co., Ltd.	\$ 200,000	\$ 200,000	\$ 150,000
	Taiwan Cooperative Bank Co., Ltd.	200,000	200,000	100,000

Line Item	Related Party Category/Name	March 31, 2024	December 31, 2023	March 31, 2023
	Others	—	150,000	230,000
		<u>\$ 400,000</u>	<u>\$ 550,000</u>	<u>\$ 480,000</u>
Short-term bills payable	Government – related parties Mega Bills Finance Co., Ltd.	\$ 499,287	\$ 498,995	\$ 499,811
Long-term borrowings				
Secured borrowings	Government – related parties Chang Hwa Bank Ltd.	\$ 74,000	\$ 92,200	\$ 148,000
Unsecured borrowings	Government – related parties Hua Nan Commercial Bank, Ltd. Chang Hwa Bank Ltd.	\$ 120,000 188,889	\$ 120,000 —	\$ — —
		<u>\$ 308,889</u>	<u>\$ 120,000</u>	<u>\$ —</u>

j. Others

Line Item	Related Party Category/Name	For the Three Months Ended March 31	
		2024	2023
Rental income	Associates	\$ 34	\$ 34
	Other related parties	476	476
		<u>\$ 510</u>	<u>\$ 510</u>
Interest income	Joint ventures	\$ 13	\$ —
	Government – related parties		
	Land Bank of Taiwan Co. Ltd.	111,617	433,437
	Taiwan Cooperative Bank Co., Ltd.	436,602	267,026
	Bank of Taiwan	305,680	38,274
	Others	117,358	368,649
		<u>971,257</u>	<u>1,107,386</u>
		<u>\$ 971,270</u>	<u>\$ 1,107,386</u>
Finance cost	Government – related parties	\$ 30,666	\$ 42,450
Other gains & losses	Associates	\$ 2,488	\$ 12,804

Line Item	Related Party Category/ Name	For the Three Months Ended March 31	
		2024	2023
	Joint ventures	988	965
	Government – related parties	(1,173)	(1,172)
		<u>\$ 2,303</u>	<u>\$ 12,597</u>

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

k. Remuneration of key management personnel

	For the Three Months Ended March 31	
	2024	2023
Short-term employee benefits	\$ 22,449	\$ 18,301
Post-employment benefits	1,439	872
	<u>\$ 23,888</u>	<u>\$ 19,173</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, 2024	December 31, 2023	March 31, 2023
Restricted bank balance (included in financial assets at amortized cost)	\$ 148,610	\$ 121,406	\$ 151,109
Property, plant and equipment, net	581,855	597,618	668,768
	<u>\$ 730,465</u>	<u>\$ 719,024</u>	<u>\$ 819,877</u>

34. COMMITMENTS AND CONTINGENT LIABILITY

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

- The Group's shipping and port business were secured by the letter of guarantee issued by banks for \$503,628 thousand, \$456,977 thousand and \$429,345 thousand as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.
- The Group signed container building contracts with other companies. As of December 31, 2023 and March 31, 2023, unpaid amounts for these contracts were US\$28,592 thousand and US\$21,633 thousand, respectively. As of March 31, 2024, there was no outstanding container building contract.
- The Group signed shipbuilding contracts with other companies. As of March 31, 2024 and December 31, 2023, prepayments for equipment for these contracts amounted to US\$374,900

thousand and unpaid amounts for these contracts were US\$562,350 thousand. As of March 31, 2023, there was no outstanding shipbuilding contract.

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The entities in the Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the Group and the related exchange rates between foreign currencies and respective functional currencies were as follows:

March 31, 2024				
	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 1,842,237	32.0000	(USD : NTD)	\$ 58,951,581
GBP	1	1.2623	(GBP : USD)	25
CNY	80,493	4.4303	(CNY : NTD)	356,609
USD	11,368	32.3705	(USD : TRY)	363,765
EUR	351,779	34.4768	(EUR : NTD)	12,128,219
GBP	76,593	40.3920	(GBP : NTD)	3,093,733
HKD	48,234	4.0890	(HKD : NTD)	197,227
JPY	9,846,193	0.2114	(JPY : NTD)	2,081,647
USD	19,157	7.2230	(USD : CNY)	613,038
CAD	1,312	23.6093	(CAD : NTD)	30,983
AUD	85,034	20.8336	(AUD : NTD)	1,771,562
 <u>Non-monetary items</u>				
<u>Investments</u>				
accounted for using the equity method				
USD	53,442	32.0000	(USD : NTD)	1,710,151
AUD	1,738	20.8336	(AUD : NTD)	36,210
AED	5,632	8.7140	(AED : NTD)	49,077
INR	62,001	0.3839	(INR : NTD)	23,802
CNY	79,958	4.4303	(CNY : NTD)	354,236
IDR	3,849,500	0.0020	(IDR : NTD)	7,699
VND	10,268,462	0.0013	(VND : NTD)	13,349
EGP	34,277	0.6743	(EGP : NTD)	23,113
MYR	291	6.7739	(MYR : NTD)	1,972
 <u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	1,832,505	32.0000	(USD : NTD)	58,640,175
CNY	19,902	4.4303	(CNY : NTD)	88,174

(Continued)

March 31, 2024

	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount
EUR	5,413	34.4768	(EUR : NTD)	186,622
USD	1,366	32.3705	(USD : TRY)	43,705
JPY	1,034,448	0.2114	(JPY : NTD)	218,699
GBP	573	40.3920	(GBP : NTD)	23,149
USD	12,357	7.2230	(USD : CNY)	395,409
HKD	19,715	4.0890	(HKD : NTD)	80,614
CAD	242	23.6093	(CAD : NTD)	5,721
AUD	704	20.8336	(AUD : NTD)	14,668

(Concluded)

December 31, 2023

	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 1,787,831	30.7100	(USD : NTD)	\$ 54,904,275
GBP	1	1.2752	(GBP : USD)	24
CNY	67,867	4.3306	(CNY : NTD)	293,907
USD	10,325	29.5495	(USD : TRY)	317,088
EUR	319,098	34.0144	(EUR : NTD)	10,853,911
GBP	72,745	39.1629	(GBP : NTD)	2,848,918
HKD	329,729	3.9313	(HKD : NTD)	1,296,274
JPY	8,999,010	0.2171	(JPY : NTD)	1,954,038
USD	19,351	7.0914	(USD : CNY)	594,281
CAD	2,798	23.1957	(CAD : NTD)	64,901
AUD	84,647	20.9765	(AUD : NTD)	1,775,604
<u>Non-monetary items</u>				
Investments accounted for using the equity method				
USD	53,131	30.7100	(USD : NTD)	1,631,663
AUD	2,613	20.9765	(AUD : NTD)	54,806
AED	7,201	8.3618	(AED : NTD)	60,210
INR	36,615	0.3693	(INR : NTD)	13,522
CNY	81,648	4.3306	(CNY : NTD)	353,583
IDR	3,453,500	0.0020	(IDR : NTD)	6,907
VND	10,126,154	0.0013	(VND : NTD)	13,164
EGP	71,395	0.9931	(EGP : NTD)	70,902
MYR	452	6.7089	(MYR : NTD)	3,032

(Continued)

December 31, 2023

	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount
THB	287	0.8984	(THB : NTD)	258
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	2,365,900	30.7100	(USD : NTD)	72,656,785
CNY	55,693	4.3306	(CNY : NTD)	241,184
EUR	16,045	34.0144	(EUR : NTD)	545,769
USD	1,592	29.5495	(USD : TRY)	48,901
JPY	2,013,682	0.2171	(JPY : NTD)	437,249
GBP	894	39.1629	(GBP : NTD)	35,009
USD	9,794	7.0914	(USD : CNY)	300,779
HKD	29	3.9313	(HKD : NTD)	115
CAD	3,275	23.1957	(CAD : NTD)	75,976
AUD	1,627	20.9765	(AUD : NTD)	34,119
				(Concluded)

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
<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
				(Continued)

March 31, 2023

	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount
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)

For the three months ended March 31, 2024 and 2023, realized and unrealized net foreign exchange gains (losses) were \$1,358,314 thousand and \$78,168 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group.

36. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions

- 1) Financing provided to others: See Table A attached;
- 2) Endorsement/guarantee provided: See Table B attached;
- 3) Marketable securities held: See Table C attached;
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: See Table D attached;
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None;

- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None;
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None;
 - 8) Receivable from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: See Table E attached;
 - 9) Trading in derivative instruments: None;
 - 10) Intercompany relationships and significant intercompany transactions: See Table F attached;
- b. Information on investees: See Table G attached;
- c. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: See Table H attached;
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: See Table F attached;
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: See Table I attached.

37. SEGMENT INFORMATION

The Group considered the following factors and has decided to aggregate the operating segments into a single operating segment for the preparation of these consolidated financial statements:

- 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, 2024				
	Containership Segment	Bulk Shipping Segment	Other Segments	Adjustment and Eliminations	Combined
Operating revenue					
Sales to customers	\$ 41,217,400	\$ 786,781	\$ 1,797,248	\$ —	\$ 43,801,429
Intercompany sales	889,237	—	349,326	(1,238,563)	—
Total revenue	<u>\$ 42,106,637</u>	<u>\$ 786,781</u>	<u>\$ 2,146,574</u>	<u>\$ (1,238,563)</u>	<u>\$ 43,801,429</u>
Segment operating income (loss)	<u>\$ 7,871,930</u>	<u>\$ 72,135</u>	<u>\$ 30,703</u>	<u>\$ 20,856</u>	\$ 7,995,624
Administration cost					(198,502)
Other operating income and expenses					91,419
Interest income					2,698,686
Other income					20,565
Other gains and losses					1,378,693
Financial costs					(470,699)
Share of profit of associates and joint ventures					111,035
Profit before income tax					<u>\$ 11,626,821</u>

	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>

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, 2024

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 (Note C)	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	\$ 1,995,506	\$ 1,959,467	\$ 1,959,467	1.3000%~6.6500%	1	\$ 3,088,376	—	\$ —	—	\$ —	\$ 7,421,877	\$ 145,005,287
1	Yang Ming Line (Singapore) Pte Ltd	All Oceans Transportation Inc.	Other receivables	Y	322,240	322,240	322,240	6.7400%	2	—	Obtain working capital	—	—	—	33,872,127	33,872,127
		Yang Ming Line (Thailand) Co., Ltd.	Other receivables	Y	4,399 (THB 5,000 thousand)	4,399 (THB 5,000 thousand)	4,399 (THB 5,000 thousand)	3.5213%	2	—	Obtain working capital	—	—	—	6,774,425	20,323,276
		Yang Ming Line (Hong Kong) Ltd.	Other receivables	Y	64,000 (USD 2,000 thousand)	64,000 (USD 2,000 thousand)	64,000 (USD 2,000 thousand)	1.5000%	2	—	Obtain working capital	—	—	—	33,872,127	33,872,127
2	YES Logistics Corp.	Yes Logistics Europe GmbH	Other receivables	Y	33,868 (EUR 982 thousand)	33,868 (EUR 982 thousand)	33,868 (EUR 982 thousand)	1.1100%~4.8900%	1	29,729	—	—	—	—	69,527	886,579
		Yes Logistics Europe GmbH	Other receivables	Y	67,230 (EUR 1,950 thousand)	33,615 (EUR 975 thousand)	33,615 (EUR 975 thousand)	4.8900%	2	—	Obtain working capital	—	—	—	88,658	177,316
		Yes Logistics (Shanghai) Corp.	Other receivables	Y	114,113 (USD 2,500 thousand and CNY 7,700 thousand)	114,113 (USD 2,500 thousand and CNY 7,700 thousand)	114,113 (USD 2,500 thousand and CNY 7,700 thousand)	3.8500%~5.2703%	1	74,824	—	—	—	—	265,974	886,579
		YES MLC GmbH	Other receivables	Y	55,163 (EUR 1,600 thousand)	27,581 (EUR 800 thousand)	27,581 (EUR 800 thousand)	4.8900%	2	—	Obtain working capital	—	—	—	88,658	177,316
		Yes Easyway Logistics (Thailand) Co., Ltd.	Other receivables	Y	979 (USD 31 thousand)	979 (USD 31 thousand)	979 (USD 31 thousand)	5.1600%	2	—	Obtain working capital	—	—	—	88,658	177,316
3	YES Logistics Corporation (USA)	Yes Easyway Logistics (Thailand) Co., Ltd.	Other receivables	Y	2,938 (USD 92 thousand)	2,938 (USD 92 thousand)	1,142 (USD 36 thousand)	5.4680%	2	—	Obtain working capital	—	—	—	51,849	103,698

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 two years. For borrowers with short-term financing need, the maximum is 30% of the net assets of the lender. For the borrower needing short-term financing, maximum financing is 10% of the net assets of the lender. For the borrower needing short-term financing with direct or indirect holding of 100% voting right on corporation not established in the ROC, maximum financing is 50% of the net total assets.
3. 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. Yes Logistics Corporation(USA): The maximum financing amount is the 60% of the net assets of the lender. For borrowers with transactions with the lender, maximum financing is 20% of the net assets of the lender. For the borrower with transactions with the lender, maximum financing is the lower of 10% 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 40% of the net assets of the lender. For the borrower needing short-term financing, maximum financing is 20% of the net assets of the lender.
- C. United States dollars, Thai Baht, Euros and Chinese Yuan translated into New Taiwan dollars at the exchange rates of US\$1=NT\$32.0000, THB1=NT\$0.8798, EUR1=NT\$34.4768 and CNY1=NT\$4.4303 as of March 31, 2024.
- D. Except for Yang Ming (UK) Ltd., Yang Ming (Singapore) Pte. Ltd. and Yang Ming Line (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, 2024

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	Yang Ming (America) Corp.	Subsidiary	464,016,920	\$ 96,000 (USD 3,000 thousand)	\$ 96,000 (USD 3,000 thousand)	\$ —	\$ —	0.03%	\$ 870,031,724	Y	N	N
		Kuang Ming Shipping Corp.	Subsidiary	464,016,920	370,000	370,000	74,000	—	0.13%	870,031,724	Y	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.
- B. United States dollars translated into New Taiwan dollars at the exchange rates of US\$1=\$32.0000 as of March 31, 2024.
- C. Except for Yang Ming (UK) Ltd., Yang Ming (Singapore) Pte. Ltd. and Yang Ming Line (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, 2024

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, 2024				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	\$ 475,008	9.81	\$ 475,008	
	United Stevedoring Corp.	—	Financial assets at FVTOCI - non-current	500,000	4,830	10.00	4,830	
	Pro-Ascentek Investment Corporation	—	Financial assets at FVTOCI - non-current	2,000,000	14,272	1.67	14,272	
	<u>Domestic listed shares</u>							
	Fubon Financial Holding Co., Ltd. Preferred Shares C	—	Financial assets at FVTPL - current	1,165,000	63,842	—	63,842	
	Taishin Financial Holding Co., Ltd. Class Z	—	Financial assets at FVTPL - non-current	16,000,000	267,200	—	267,200	
	Chunghwa Telecom Co., Ltd.	Government – related party	Financial assets at FVTPL - current	66,000	8,316	—	8,316	
	MEGA FHC	Government – related party	Financial assets at FVTPL - current	2,500,000	101,375	—	101,375	
	<u>Mutual funds</u>							
	Jih Sun Money Market Fund	—	Financial assets at FVTPL - current	65,384,523	1,000,697	—	1,000,697	
	SinoPac TWD Money Market Fund	—	Financial assets at FVTPL - current	6,988,633	100,272	—	100,272	
	Yuanta Taiwan High Dividend LowVolatility ETF.	—	Financial assets at FVTPL - current	20,000	1,091	—	1,091	
	<u>Domestic limited partnership</u>							
	Taiwania Capital Buffalo Fund V, LP.	—	Financial assets at FVTPL - non-current	—	28,447	3.19	28,447	
<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	—	60,613	—	60,324		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2024				Note
				Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Apple Inc.	—	Financial assets at amortized cost - non-current	—	\$ 149,461	—	\$ 148,451	
	BANK OF AMERICA CORP.	—	Financial assets at amortized cost - non-current	—	191,733	—	190,366	
	Citigroup Global Markets Holdings	—	Financial assets at amortized cost - non-current	—	799,736	—	782,656	
	Commonwealth Bank of Australia	—	Financial assets at amortized cost - non-current	—	59,811	—	59,955	
	FOXCONN (FAR EAST) LTD.	—	Financial assets at amortized cost - non-current	—	214,913	—	210,894	
	Intel Corporation	—	Financial assets at amortized cost - non-current	—	153,491	—	154,786	
	International Business Machines Corporation	—	Financial assets at amortized cost - non-current	—	93,980	—	94,028	
	JPMORGAN CHASE & CO.	—	Financial assets at amortized cost - non-current	—	126,957	—	125,820	
	Mitsubishi UFJ Financial Group, Inc.	—	Financial assets at amortized cost - non-current	—	151,905	—	152,272	
	MIZUHO FINANCIAL GROUP	—	Financial assets at amortized cost - non-current	—	147,616	—	148,421	
	QNB FINANCE LTD.	—	Financial assets at amortized cost - non-current	—	61,923	—	59,827	
	The Walt Disney Company	—	Financial assets at amortized cost - non-current	—	92,710	—	93,627	
	TSMC GLOBAL LTD.	—	Financial assets at amortized cost - non-current	—	369,634	—	364,633	
YES Logistics Corp.	<u>Domestic unlisted shares</u> United Raw Material Solutions Inc./URMS	—	Financial assets at FVTOCI - non-current	319,751	1,602	2.76	1,602	
Yang Ming Line (Singapore) Pte Ltd	<u>Corporate bonds</u> Amazon.com, Inc.	—	Financial assets at amortized cost - non-current	—	111,592	—	112,457	
	Apple Inc.	—	Financial assets at amortized cost - non-current	—	55,261	—	56,283	
	BANK OF AMERICA CORP.	—	Financial assets at amortized cost - non-current	—	398,402	—	404,251	
	BMW US Capital LLC	—	Financial assets at amortized cost - non-current	—	184,354	—	183,777	
	Citigroup Global Markets Holdings	—	Financial assets at amortized cost - non-current	—	60,066	—	60,222	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2024				Note
				Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Costco Wholesale	—	Financial assets at amortized cost - non-current	—	\$ 133,140	—	\$ 134,814	
	DaimlerChrysler North America Holding Corporation	—	Financial assets at amortized cost - non-current	—	285,040	—	284,241	
	FOXCONN (FAR EAST) LTD.	—	Financial assets at amortized cost - non-current	—	78,826	—	80,736	
	Intercontinental Exchange Inc.	—	Financial assets at amortized cost - non-current	—	163,407	—	163,054	
	International Business Machines Corporation	—	Financial assets at amortized cost - non-current	—	181,974	—	180,768	
	Johnson & Johnson	—	Financial assets at amortized cost - non-current	—	165,315	—	166,406	
	JPMORGAN CHASE & CO.	—	Financial assets at amortized cost - non-current	—	629,444	—	635,670	
	Kimberly-Clark Corp.	—	Financial assets at amortized cost - non-current	—	231,328	—	234,744	
	Microsoft Corporation	—	Financial assets at amortized cost - non-current	—	115,029	—	114,902	
	Mitsubishi UFJ Financial Group, Inc.	—	Financial assets at amortized cost - non-current	—	315,853	—	319,625	
	MIZUHO FINANCIAL GROUP	—	Financial assets at amortized cost - non-current	—	387,252	—	392,211	
	Nestle Holdings, Inc.	—	Financial assets at amortized cost - non-current	—	319,348	—	320,541	
	PepsiCo, Inc.	—	Financial assets at amortized cost - non-current	—	215,761	—	215,217	
	Procter & Gamble Co.	—	Financial assets at amortized cost - non-current	—	56,243	—	58,982	
	S&P Global Inc.	—	Financial assets at amortized cost - non-current	—	103,026	—	103,444	
	Saudi Arabian Oil Company	—	Financial assets at amortized cost - non-current	—	340,851	—	337,889	
	Sumitomo Mitsui Banking Corporation	—	Financial assets at amortized cost - non-current	—	128,214	—	132,275	
	Target Corporation	—	Financial assets at amortized cost - non-current	—	145,076	—	143,452	
	The Walt Disney Company	—	Financial assets at amortized cost - non-current	—	121,327	—	119,778	
	TSMC Arizona Corporation	—	Financial assets at amortized cost - non-current	—	93,539	—	93,403	
	TSMC GLOBAL LTD.	—	Financial assets at amortized cost - non-current	—	430,189	—	433,774	
	Visa Inc.	—	Financial assets at amortized cost - non-current	—	56,238	—	55,306	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2024				Note
				Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Walmart, Inc.	—	Financial assets at amortized cost - non-current	—	\$ 54,857	—	\$ 56,579	

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES
MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEASE NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2024

TABLE D

Unit : In Thousands of New Taiwan Dollars

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares	Amount (Note A)	Shares	Amount	Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Shares	Amount (Note A)
Yang Ming Marine Transport Corporation	<u>Mutual funds</u>													
	Jih Sun Money Market Fund	Financial assets at FVTPL - current	—	—	—	\$ —	65,384,523	\$ 1,000,000	—	\$ —	\$ —	\$ —	65,384,523	\$ 1,000,000
	FSITC Taiwan Money Market Fund	Financial assets at FVTPL - current	—	—	—	—	50,736,801	800,000	50,736,801	800,539	800,000	539	—	—
	SinoPac TWD Money Market Fund	Financial assets at FVTPL - current	—	—	—	—	27,908,989	400,000	20,920,356	300,000	299,833	167	6,988,633	100,167
Yang Ming Line (Singapore) Pte Ltd	<u>Foreign bonds</u>													
	JPMORGAN CHASE & CO.	Financial assets at amortized cost - non-current	—	—	—	243,241	—	378,183	—	—	—	—	—	621,424
	Saudi Arabian Oil Company	Financial assets at amortized cost - non-current	—	—	—	—	—	333,109	—	—	—	—	—	333,109

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 NTS100 MILLION OR 20 OF THE PAID-IN CAPITAL
MARCH 31, 2024

TABLE E

Unit : In Thousands of New Taiwan Dollars

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Yang Ming Marine Transport Corporation	All Oceans Transportation Inc.	Subsidiary	\$ 1,959,467 (Note A)	—	\$ —	-	\$ —	—
	Yang Ming (Singapore) Pte. Ltd.	Subsidiary	2,245,682	—	—	-	2,245,682	—
	YES Logistics Corp.	Subsidiary	506,784 (Note B)	—	—	-	12,600	—
Yang Ming (Singapore) Pte. Ltd.	Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	The same parent company	827,622	—	—	-	827,622	—
	Yang Ming (America) Corp.	The same parent company	113,182	—	—	-	113,182	—
	Yang Ming Shipping Europe GmbH	The same parent company	118,298	—	—	-	118,298	—
	Yang Ming (Italy) S.P.A.	The same parent company	211,918	—	—	-	211,918	—
	Yang Ming Marine Transport Corporation	Parent company	1,628,084	—	—	-	1,628,084	—
	Yang Ming (Spain), S.L.	The same parent company	126,736	—	—	-	126,736	—
Yang Ming Line (Singapore) Pte Ltd	All Oceans Transportation Inc.	The same parent company	327,730 (Note A)	—	—	-	—	—
Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	Yes Logistics (Shanghai) Corp.	The same parent company	226,954	—	—	-	23,554	—
YES Logistics Corp.	Yes Logistics (Shanghai) Corp.	Subsidiary	120,441 (Note C)	—	—	-	3,442	—
All Oceans Transportation Inc.	Yang Ming Marine Transport Corporation	Parent company	4,102,142 (Note B)	—	—	-	36,244	—
Hong Ming Terminal & Stevedoring Corp.	Yang Ming Marine Transport Corporation	Parent company	106,988	—	—	-	79,592	—
Yang Ming Line (Hong Kong) Ltd.	Yang Ming Marine Transport Corporation	Parent company	102,079	—	—	-	102,079	—
Yang Ming Anatolia Shipping Agency S.A.	Yang Ming Marine Transport Corporation	Parent company	185,623	—	—	-	185,623	—
Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	Yang Ming Marine Transport Corporation	Parent company	392,966	—	—	-	392,966	—
Yang Ming (America) Corp.	Yang Ming Marine Transport Corporation	Parent company	380,107	—	—	-	380,107	—

Notes:

- A. Interest receivable and 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, 2024

TABLE F

Unit : In Thousands of New Taiwan Dollars

Number (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details			
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Total Sales or Assets
0	Yang Ming Marine Transport Corporation	All Oceans Transportation Inc.	1	Right-of-use assets	\$ 17,418,162	Conducted as agreed terms	0.04
				Long-term notes receivable and trade receivables	1,959,467	Conducted as agreed terms	—
				Lease liabilities	4,102,142	Conducted as agreed terms	0.01
				Operating cost	1,097,280	Conducted as agreed terms	0.03
		Hong Ming Terminal & Stevedoring Corp. Yang Ming (Singapore) Pte. Ltd.	1	Trade payables	106,898	Conducted as agreed terms	—
				Other receivables	2,167,734	Conducted as agreed terms	0.01
		Yang Ming Line (Hong Kong) Ltd.	1	Trade payables	489,969	Conducted as agreed terms	—
				Other payables	1,106,126	Conducted as agreed terms	—
		Yang Ming Anatolia Shipping Agency S.A.	1	Operating revenue	8,379,134	Conducted as agreed terms	0.19
				Payables to shipping agents	102,079	Conducted as agreed terms	—
		Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	1	Payables to shipping agents	185,623	Conducted as agreed terms	—
				Payables to shipping agents	390,660	Conducted as agreed terms	—
		Yang Ming (America) Corp. Kuang Ming Shipping Corp.	1	Payables to shipping agents	380,107	Conducted as agreed terms	—
				Financial assets at amortized cost	600,000	Conducted as agreed terms	—
		YES Logistics Corp.	1	Finance lease receivables - non-current	411,030	Conducted as agreed terms	—
				Operating revenue	121,809	Conducted as agreed terms	—
		Yes Logistics (Shanghai) Corp.	1	Operating revenue	732,580	Conducted as agreed terms	0.02
Other payables	327,730			Conducted as agreed terms	—		
1 2	All Oceans Transportation Inc. Yang Ming (Singapore) Pte. Ltd.	Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	2	Contract assets	1,248,175	Conducted as agreed terms	—
				Trade receivables	827,622	Conducted as agreed terms	—
		Yang Ming (America) Corp.	2	Operating cost	214,434	Conducted as agreed terms	—
				Contract assets	149,273	Conducted as agreed terms	—
		Yang Ming Shipping Europe GmbH	2	Trade receivables	113,182	Conducted as agreed terms	—
				Operating cost	310,837	Conducted as agreed terms	0.01
		Yang Ming (Spain), S.L.	2	Trade receivables	118,298	Conducted as agreed terms	—
				Trade receivables	126,736	Conducted as agreed terms	—
		Yang Ming (Italy) S.P.A.	2	Trade receivables	211,918	Conducted as agreed terms	—
				Operating cost	196,355	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
3	Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	Yes Logistics (Shanghai) Corp.	2	Trade receivables	\$ 226,954	Conducted as agreed terms	—
4	YES Logistics Corp.	Yes Logistics (Shanghai) Corp.	2	Long-term notes receivable and trade receivables	114,113	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, 2024

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, 2024			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2024	December 31, 2023	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	\$ 3,622,539	\$ 59,939	\$ 28,471	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	15,460,545	96,726	79,422	Subsidiary
	Yang Ming Line B.V.	Netherlands	Investment, shipping agency, forwarding agency and shipping managers	—	—	2,500	100.00	2,451,402	83,026	83,026	Subsidiary
	Kuang Ming Shipping Corp.	Taiwan	Shipping service, shipping agency and forwarding agency	8,927,857 (Note O)	8,927,857 (Note O)	98,882,111 (Note O)	98.88	3,000,340	54,375	53,620	Subsidiary
	Yang Ming Line (Singapore) Pte Ltd	Singapore	Investment, shipping service, sale and purchase of ships, chartering and forwarding agency	59,505,796	59,505,796	2,603,793,000	100.00	67,744,686	1,043,490	1,043,930	Subsidiary
	Yang Ming Line Holding Co.	U.S.A.	Investment, shipping agency, forwarding agency and shipping managers	143,860	143,860	13,500	100.00	4,465,473	52,123	52,123	Subsidiary
	All Oceans Transportation Inc.	Republic of Liberia	Shipping agency, forwarding agency and shipping managers	1,500,181	1,500,181	1,000	100.00	1,618,288	(572)	6,406	Subsidiary
	YES Logistics Corp.	Taiwan	Sea and air freight forwarding agency and warehouse operation	1,141,691	1,141,691	115,630,977	96.36	1,544,982	30,867	29,469	Subsidiary
	Hong Ming Terminal & Stevedoring Corp.	Taiwan	Terminal operation and stevedoring	104,261	104,261	10,000,000	100.00	185,766	6,442	6,527	Subsidiary
	Jing Ming Transportation Co., Ltd.	Taiwan	Container transportation	35,844	35,844	8,615,923	50.98	137,087	988	500	Subsidiary
	Yunn Wang Investment Co., Ltd.	Taiwan	Investment	179,810	179,810	5,211,474	49.75	225,211	(1,065)	(530)	Investments in associates
	Taiwan Foundation International Pte. Ltd.	Singapore	Investment and subsidiaries management	103,802	103,802	3,400,000	34.00	120,435	1,999	680	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	2,790,857	337,088	57,170	Investments in associates
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	36,546,994	7,143,158	7,143,158	Subsidiary
	Yang Ming (America) Corp.	U.S.A.	Shipping agency, forwarding agency and shipping managers	17,305	17,305	5,000	100.00	367,029	19,156	—	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Business and Products	Original Investment Amount (Note A)		As of March 31, 2024			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note	
				March 31, 2024	December 31, 2023	Shares	Percentage of Ownership	Carrying Amount				
Yang Ming Line (B.V.I.) Holding Co., Ltd.	Transcont Intermodal Logistics, Inc.	U.S.A.	Inland forwarding agency	\$ 326	\$ 326	200	100.00	\$ 222	\$ (2)	\$ —	Subsidiary	
	Yang Ming Shipping (Canada) Ltd.	Canada	Shipping agency, forwarding agency and shipping managers	2,981	2,981	1,000	100.00	26,858	(69)	—	Subsidiary	
	West Basin Container Terminal LLC	U.S.A.	Terminal operation and stevedoring	132,050	132,050	(Note C)	40.00	1,237,677	(16,683)	—	Investments in associates	
	United Terminal Leasing LLC	U.S.A.	Terminal operation and machine lease	34,750	34,750	(Note D)	40.00	352,039	40,576	—	Investments in associates	
	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	3,765,379	(71,175)	—	Subsidiary	
	Yang Ming Line B.V.	Yang Ming (Belgium) N.V.	Belgium	Shipping agency	8,614	8,614	553	89.92	44,851	(887)	—	Subsidiary
		Yang Ming (Netherlands) B.V.	Netherlands	Shipping agency	15,285	15,285	400,000	100.00	59,932	16,089	—	Subsidiary
		Yang Ming (Italy) S.P.A.	Italy	Shipping agency	4,319	4,319	125,000	50.00	37,321	4,566	—	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	83,128	(71,175)	—	Subsidiary
		Yang Ming Shipping Europe GmbH	Germany	Shipping agency, forwarding agency and shipping managers	29,697	29,697	(Note E)	100.00	214,919	2,140	—	Subsidiary
Yang Ming (Netherlands) B.V.	Yang Ming (Russia) LLC	Russia	Shipping agency	3,017	3,017	(Note F)	60.00	3,969	(1,382)	—	Subsidiary	
	Yang Ming (Spain), S.L.	Spain	Shipping agency	2,213	2,213	60,000	60.00	269,806	33,329	—	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	44,613	260	—	Subsidiary	
	Yang Ming Shipping (Egypt) S.A.E	Egypt	Shipping agency, forwarding agency and shipping managers	15,757	15,757	24,500	49.00	23,113	33,252	—	Investments in associates	
	Yang Ming (Belgium) N.V.	Belgium	Shipping agency	1,900	1,900	62	10.08	5,028	(887)	—	Subsidiary	
	Yang Ming (UK) Ltd	Corstor Ltd.	U.K.	Warehouse management and container haulage services	7,411	7,411	1,000	100.00	23,650	567	—	Subsidiary
	Yang Ming (Italy) S.P.A.	Yang Ming (Naples) S.r.l.	Italy	Forwarding agency	1,695	1,695	(Note G)	60.00	4,811	(521)	—	Subsidiary
	Yang Ming Line (Singapore) Pte Ltd	Yang Ming Shipping (B.V.I.) Inc.	British Virgin Islands	Forwarding agency and shipping agency	(Note Q) 247,772	(Note Q) 247,772	1,000	100.00	101,228	2,716	—	Subsidiary
		Yang Ming Line (Hong Kong) Ltd.	Hong Kong	Forwarding agency and shipping agency	2,138	2,138	1,000,000	1.44	(481)	2,266	—	Subsidiary
		Yang Ming Line (India) Pvt. Ltd.	India	Shipping agency, forwarding agency and shipping managers	2,228	2,228	300,000	60.00	27,863	(29)	—	Subsidiary
Yang Ming Line (Singapore) Pte Ltd	Yang Ming (Korea) Co., Ltd	Korea	Shipping agency, forwarding agency and shipping managers	10,107	10,107	60,000	60.00	40,377	5,347	—	Subsidiary	
	Young-Carrier Company Ltd.	Hong Kong	Investment, shipping agency, forwarding agency and shipping managers	14,926	14,926	1,000,000	100.00	20,380	(56)	—	Subsidiary	

(Continued)

Investor Company	Investee Company	Location	Main Business and Products	Original Investment Amount (Note A)		As of March 31, 2024			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2024	December 31, 2023	Shares	Percentage of Ownership	Carrying Amount			
	Yangming (Japan) Co., Ltd.	Japan	Shipping services, sale and purchase of ships, chartering and forwarding agency	\$ 36,235	\$ 36,235	3,000	100.00	\$ 53,202	\$ 7,672	\$ —	Subsidiary
	Yang Ming Line (M) Sdn. Bhd.	Malaysia	Shipping agency, forwarding agency and shipping managers	10,727	10,727	1,000,000	100.00	63,658	514	—	Subsidiary
	Yang Ming Anatolia Shipping Agency S.A.	Turkiye	Shipping agency, forwarding agency and shipping managers	1,077	1,077	50,000	50.00	192,480	105,748	—	Subsidiary
	Formosa International Development Corporation	Vietnam	Invest industry district and real estate	246,818	246,818	(Note H)	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 I)	49.00	49,077	13,302	—	Investments in associates
	Yang Ming Shipping (Vietnam) Co., Ltd	Vietnam	Forwarding agency and shipping managers	9,881	9,881	(Note J)	100.00	38,929	1,626	—	Subsidiary
	Yang Ming (Australia) Pty. Ltd.	Australia	Shipping agency, forwarding agency and shipping managers	4,597	4,597	150,000	50.00	36,210	4,189	—	Investments in associates
	LogiTrans Technology Private Limited	India	Information system service	10,211	10,211	2,040,000	51.00	23,802	5,463	—	Investments in joint ventures
	Yang Ming Shipping Philippines, Inc.	Philippines	Forwarding agency and shipping managers	6,435	6,435	99,995	100.00	(170)	793	—	Subsidiary
	Yang Ming (Latin America) Corp.	Panama	Shipping agency, forwarding agency and shipping managers	6,020	6,020	200	100.00	9,316	172	—	Subsidiary
	Yang Ming Line (Thailand) Co., Ltd.	Thailand	Shipping agency, forwarding agency and shipping managers	3,589	3,589	3,920	49.00	26,369	1,386	—	Subsidiary
	Yang Ming Line shipping (Thailand) Co., Ltd.	Thailand	Shipping agency	2,282	2,282	2,450	49.00	16,389	942	—	Subsidiary
	Yang Ming Insurance Co., Ltd.	Bermuda	Insurance	7,740	7,740	250,000	100.00	140,034	6,920	—	Subsidiary
	PT Yang Ming Shipping Indonesia	Indonesia	Shipping agency, forwarding agency and shipping managers	40,946	40,946	18,865	49.00	55,801	5,219	—	Subsidiary
	PT. Formosa Sejati Logistics	Indonesia	Storage and stevedoring	5,701	5,701	1,875	15.00	7,699	2,150	—	Investments in associates
	Yang Ming (France) S.A.S.	France	Shipping agency, forwarding agency and shipping managers	3,025	3,025	90,000	60.00	33,330	2,016	—	Subsidiary
	Jambatan Merah Formosa Depot Sdn Bhd.	Malaysia	Storage and stevedoring	1,743	1,743	250,000	25.00	1,972	(2,688)	—	Investments in joint ventures
Yang Ming Shipping (B.V.I.) Inc.	Yang Ming Line (Hong Kong) Ltd.	Hong Kong	Forwarding agency and shipping agency	249,953	249,953	68,556,347	98.56	(32,982)	2,266	—	Subsidiary
	Karlman Properties Limited	Hong Kong	Property agency	4	4	24,000,000	100.00	92,623	458	—	Subsidiary
Yang Ming Line (Thailand) Co., Ltd.	Yang Ming Line shipping (Thailand) Co., Ltd.	Thailand	Shipping agency	2,328	2,328	2,500	50.00	16,724	942	—	Subsidiary
Yang Ming Line shipping (Thailand) Co., Ltd.	Yang Ming Line (Thailand) Co., Ltd.	Thailand	Shipping agency, forwarding agency and shipping managers	3,678	3,678	3,920	49.00	26,369	1,386	—	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Business and Products	Original Investment Amount (Note A)		As of March 31, 2024			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2024	December 31, 2023	Shares	Percentage of Ownership	Carrying Amount			
Yangming (Japan) Co., Ltd.	Manwa & Company, Ltd.	Japan	Forwarding agency and shipping agency	\$ 2,666	\$ 2,666	200	100.00	\$ 2,236	\$ 48	\$ —	Subsidiary
Kuang Ming Shipping Corp.	Kuang Ming (Liberia) Corp.	Republic of Liberia	Forwarding agency	6,032,544 (Note P)	6,032,544 (Note P)	5	100.00	3,631,004	16,226	—	Subsidiary
YES Logistics Corp.	Yes Logistics Corporation (USA)	U.S.A.	Sea and air freight forwarding agency	179,763	179,763	2,173,411	100.00	259,245	(2,096)	—	Subsidiary
	Yes Yangming Logistics (Singapore) Pte. Ltd.	Singapore	Investment and subsidiaries management	40,305	40,305	1,750,784	100.00	48,356	(1,633)	—	Subsidiary
	PT. YES Logistics Indonesia	Indonesia	Forwarding agency	15,315	15,315	510,000	51.00	11,391	(1,829)	—	Subsidiary
	YES LIBERAL Logistics Corp.	Taiwan	Warehouse operation	75,000	75,000	7,500,000	50.00	76,966	1,051	—	Investments in joint ventures
Yes Yangming Logistics (Singapore) Pte. Ltd.	Yes Logistics Benelux B.V.	Netherlands	Forwarding agency	10,179	10,179	12,600	70.00	17,783	283	—	Subsidiary
	Yes Logistics Company Ltd.	Hong Kong	Forwarding agency	32,351	32,351	7,882,278	100.00	16,812	(1,506)	—	Subsidiary
	Yes And HQL Logistics Company	Vietnam	Forwarding agency	3,128	3,128	(Note N)	51.00	13,349	(128)	—	Investments in joint ventures
Yes Logistics Corporation (USA)	Yes Easyway Logistics (Thailand) Co., Ltd.	Thailand	Forwarding agency	2,530	2,530	29,400	49.00	—	(552)	—	Investments in joint ventures
	Golden Logistics USA Corporation	U.S.A.	Container transportation	328	328	100	100.00	6,171	335	—	Subsidiary
	Yes Logistics Europe GmbH	Germany	Forwarding agency	40,090	40,090	(Note K)	100.00	(61,425) (Note B)	(2,048)	—	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 L)	100.00	(14,296) (Note B)	817	—	Subsidiary
YES MLC GmbH	Merlin Logistics GmbH	Austria	Warehouse operation and logistics	1,380	1,380	(Note M)	100.00	405	—	—	Subsidiary
Merlin Logistics GmbH	YES Logistics Bulgaria Ltd.	Bulgaria	Cargo consolidation service and forwarding agency	740	740	500	100.00	(98) (Note B)	—	—	Subsidiary

Notes:

- A. This is translated into New Taiwan dollars at the exchange rate prevailing at the time of investment acquisition.
- B. Investees had negative net assets. Thus, the negative carrying values of the investments were presented as liability.
- C. This is equivalent to US\$3,800 thousand, and no shares were issued.
- D. This is equivalent to US\$1,000 thousand, and no shares were issued.
- E. This equivalent to EUR818 thousand and no shares were issued.
- F. This equivalent to US\$92 thousand and no shares were issued.
- G. This is equivalent to EUR6 thousand, and no shares were issued.
- H. This is equivalent to US\$7,700 thousand, and no shares were issued.
- I. This is equivalent to AED245 thousand, and no shares were issued.

- J. This equivalent to US\$300 thousand and no shares were issued.
- K. This is equivalent to EUR1,025 thousand, and no shares were issued.
- L. This is equivalent to EUR290 thousand, and no shares were issued.
- M. This is equivalent to EUR35 thousand, and no shares were issued.
- N. This equivalent to US\$102 thousand and no shares were issued.
- O. 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.
- P. The original investment amount did not deduct the amount of offsetting the deficit of \$2,139,659 thousand in June 2017.
- Q. The original investment amount did not deduct the amount of offsetting the deficit of \$1,457 thousand in May 2020.
- R. 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, 2024

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, 2024 (Note J)	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2024 (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, 2024 (Note E)	Accumulated Repatriation of Investment Income as of March 31, 2024
						Outflow	Inflow						
Yang Ming Marine Transport Corporation	Huan Ming (Shanghai) International Shipping Agency Co., Ltd. (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	\$ —	\$ —	\$ —	\$ —	\$ 25,693	100.00% (Note I)	\$ 25,693	\$ (142,133)	\$ —
	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	23,077 (CNY 5,209 thousand)	—	—	23,077 (CNY 5,209 thousand)	(5,742)	6.67%	(383)	15,477	—
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	256,000 (US\$ 8,000 thousand)	—	—	256,000 (US\$ 8,000 thousand)	2,942	96.36%	2,835	469,881	—
	Chang Ming Logistics Company Limited (Note B)	Terminal operation and stevedoring, storage, and shipping agency	CNY 144,800 thousand	Investee's direct investment in Mainland China	297,632 (US\$ 9,301 thousand)	—	—	297,632 (US\$ 9,301 thousand)	(6,115)	47.22%	(2,888)	279,788	—
	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	197,248 (US\$ 6,164 thousand)	—	—	197,248 (US\$ 6,164 thousand)	(5,742)	12.85%	(738)	31,084	—
	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	44,303 (CNY 10,000 thousand)	—	—	44,303 (CNY 10,000 thousand)	(10,634)	19.27%	(2,049)	27,887	—

Company Name	Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2024 (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)	\$23,077 (CNY 5,209 thousand)	\$248,261 (US\$ 7,037 thousand) (CNY 5,209 thousand)	\$174,482,142
YES Logistics Corp. (Note C)	\$775,147 (US\$ 17,301 thousand) (CNY 50,000 thousand)	\$775,147 (US\$ 17,301 thousand) (CNY 50,000 thousand)	1,075,034

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\$32.0000 and CNY1=NT\$4.4303 as of March 31, 2024.

YANG MINT MARINE TRANSPORT CORPORATION AND SUBSIDIARIES
INFORMATION OF MAJOR SHAREHOLDERS
MARCH 31, 2024

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.