Yang Ming Marine Transport Corporation

Financial Statements for the
Years Ended December 31, 2022 and 2021 and
Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Yang Ming Marine Transport Corporation

Opinion

We have audited the accompanying financial statements of Yang Ming Marine Transport Corporation (the "Company"), which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the financial statements of the Company for the year ended December 31, 2022 are as follows:

<u>Audit of the Percentage-of-completion</u>

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

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

The judgment of cargo revenue recognition included critical accounting judgments and key sources of estimation uncertainty disclosed in Notes 5 and 24 to the accompanying financial statements.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2022, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 9, 2023

Notice to Readers

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

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

YANG MING MARINE TRANSPORT CORPORATION

BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022		2021	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4, 6 and 32)	$ 85,538,805	18	$ 42,056,525	11
Financial assets at fair value through profit or loss (FVTPL) - current (Notes 4 and 7)	4,302,945	1	76,048	-
Financial assets at amortized cost - current (Notes 4, 9, 32 and 33)	101,812,282	21	128,721,269	35
Financial assets for hedging - current (Notes 4, 6, 31 and 32)	30,710,000	6	-	-
Contract assets, net (Notes 4, 24 and 32)	485,005	-	9,472,165	3
Trade receivables, net (Notes 4, 10 and 24)	2,002,235	-	6,421,159	2
Trade receivables from related parties (Notes 4, 10, 24 and 32)	1,301,281	-	3,247,361	1
Financial lease receivables (Notes 4, 11 and 32)	68,308	-	65,773	-
Other receivables from related parties (Notes 4 and 32)	2,937,022	1	5,585,733	1
Shipping fuel (Notes 4 and 12)	1,763,179	-	2,296,967	1
Prepayments (Notes 4 and 32)	348,248	-	294,280	-
Prepayments to shipping agents (Note 32)	609,703	-	507,308	-
Other current assets (Notes 4 and 26)	658,374	-	200,983	-
Total current assets	232,537,387	47	198,945,571	54
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss (FVTPL) - non-current (Notes 4 and 7)	353,165	-	13,871	-
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 4 and 8)	505,221	-	495,650	-
Financial assets at amortized cost - non-current (Notes 4, 9, 32 and 33)	2,706,949	1	600,636	-
Investments accounted for using equity method (Notes 4 and 13)	106,683,195	22	33,346,360	9
Property, plant and equipment (Notes 4, 14, 33 and 34)	47,335,513	10	43,378,620	12
Right-of-use assets (Notes 4, 15 and 32)	88,612,040	18	78,716,820	22
Investment properties (Notes 4 and 16)	7,680,322	2	7,599,348	2
Other intangible assets (Note 4)	99,731	-	51,479	-
Deferred tax assets (Notes 4 and 26)	713,747	-	1,212,947	-
Prepayments for equipment	222,346	-	290,455	-
Refundable deposits	80,236	-	91,778	-
Financial lease receivable - non-current (Notes 4, 11 and 32)	584,153	-	652,709	-
Long-term receivables from related parties (Note 32)	2,290,000	-	3,051,264	1
Other non-current assets	6,930	-	19,710	-
Total non-current assets	257,873,548	53	169,521,647	46
TOTAL	$ 490,410,935	100	$ 368,467,218	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Financial liabilities for hedging - current (Notes 4, 15 and 31)	$ 8,371,948	2	$ 7,585,691	2
Contract liabilities - current (Notes 4 and 24)	314,304	-	694,873	-
Trade payables (Note 19)	5,314,665	1	11,706,455	3
Trade payables to related parties (Notes 19 and 32)	3,444,260	1	2,735,483	1
Other payables (Note 20)	5,834,811	1	5,211,389	2
Other payables to related parties (Notes 20 and 32)	278,570	-	754,678	-
Current tax liabilities (Notes 4 and 26)	29,508,092	6	29,208,420	8
Provision - current (Notes 4 and 21)	-	-	56,307	-
Lease liabilities - current (Notes 4, 15 and 32)	3,895,055	1	1,833,506	1
Other advance account	59,458	-	80,157	-
Current portion of long-term liabilities (Notes 4, 17, 18, 32 and 33)	2,474,968	-	617,298	-
Other current liabilities	588,569	-	486,381	-
Total current liabilities	60,084,700	12	60,970,638	17
NON-CURRENT LIABILITIES				
Lease liabilities for hedging - non-current (Notes 4, 15 and 31)	36,816,306	8	33,835,186	9
Bonds payable (Notes 4, 18, 32 and 33)	8,351,220	2	10,822,014	3
Long-term borrowings (Notes 17, 32 and 33)	198,750	-	3,384,670	1
Deferred tax liabilities (Notes 4 and 26)	10,662,276	2	5,963,582	2
Lease liabilities - non-current (Notes 4, 15 and 32)	29,219,630	6	16,942,727	4
Other advance account - non-current	56,287	-	84,431	-
Net defined benefit liabilities - non-current (Notes 4 and 22)	1,822,653	-	2,666,511	1
Other non-current liabilities	239,375	-	106,185	-
Total non-current liabilities	87,366,497	18	73,805,306	20
Total liabilities	147,451,197	30	134,775,944	37
EQUITY				
Share capital - ordinary shares	34,921,043	7	34,921,043	9
Capital surplus	27,975,030	6	27,975,030	8
Retained earnings				
Legal reserve	16,907,064	3	166,092	-
Special reserve	3,713,230	1	1,494,827	-
Unappropriated earnings	259,456,948	53	167,409,719	46
Total retained earnings	280,077,242	57	169,070,638	46
Other equity	(13,577)	-	1,724,563	-
Total equity	342,959,738	70	233,691,274	63
TOTAL	$ 490,410,935	100	$ 368,467,218	100

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

YANG MING MARINE TRANSPORT CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4, 5, 15, 24 and 32)	$ 261,012,906	100	$ 244,723,602	100
OPERATING COSTS (Notes 4, 12, 25 and 32)	89,950,003	35	91,191,696	38
GROSS PROFIT	171,062,903	65	153,531,906	62
OPERATING EXPENSES (Notes 4, 10, 24, 25 and 32)				
Selling and marketing expenses	4,338,921	2	3,806,475	2
General and administrative expenses	1,389,545	-	1,042,317	-
Expected credit loss (gain)	(85,498)	-	81,000	-
Total operating expenses	5,642,968	2	4,929,792	2
OTHER OPERATING INCOME AND EXPENSES (Notes 4 and 25)	586,566	-	277,922	-
PROFIT FROM OPERATIONS	166,006,501	63	148,880,036	60
NON-OPERATING INCOME AND EXPENSES (Notes 4, 15, 25 and 32)				
Interest income	3,316,354	1	295,667	-
Other income	93,865	-	100,114	-
Other gains and losses	10,269,245	4	(636,774)	-
Finance costs	(2,111,129)	(1)	(2,203,934)	(1)
Share of profits of subsidiaries and associates	52,913,463	21	53,469,737	22
Total non-operating income and expenses	64,481,798	25	51,024,810	21
PROFIT BEFORE INCOME TAX	230,488,299	88	199,904,846	81
INCOME TAX EXPENSE (Notes 4 and 26)	(49,896,357)	(19)	(34,636,218)	(14)
NET PROFIT FOR THE YEAR	180,591,942	69	165,268,628	67

(Continued)

YANG MING MARINE TRANSPORT CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 22, 23 and 26)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	$ 316,260	-	$ (55,087)	-
Unrealized gain on investments in equity instruments at FVTOCI	9,571	-	2,844,748	1
Share of the other comprehensive loss of subsidiaries and associates accounted for using the equity method	(391,715)	-	(173,350)	-
Income tax related to items that will not be reclassified subsequently to profit or loss	(63,252)	-	11,017	-
	(129,136)	-	2,627,328	1
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	1,555,149	1	(903,467)	-
(Loss) gain on hedging instruments	(3,365,547)	(1)	641,742	-
Income tax related to items that may be reclassified subsequently to profit or loss	458,141	-	(456,534)	-
	(1,352,257)	-	(718,259)	-
Other comprehensive income (loss) for the year, net of income tax	(1,481,393)	-	1,909,069	1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 179,110,549	69	$ 167,177,697	68
EARNINGS PER SHARE (Note 27)				
Basic	$51.71		$48.73	
Diluted	$51.15		$48.28	

The accompanying notes are an integral part of the financial statements. (Concluded)

YANG MING MARINE TRANSPORT CORPORATION

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	Share Capital (Notes 4, 18 and 23)		Capital Surplus	Retained Earnings (Note 23)			Other Equity			
	Shares (In Thousands)	Amount	(Notes 4, 18, 23 and 28)	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations (Notes 4 and 23)	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income (Notes 4 and 23)	Gain (Loss) on Hedging Instruments (Notes 4 and 23)	Total Equity
BALANCE AT JANUARY 1, 2021	3,167,662	$ 31,676,622	$ 384,106	$ -	$ -	$ 1,660,919	$ (713,510)	$ (785,730)	$ 3,455,825	$ 35,678,232
Appropriation of 2020 earnings										
Legal reserve	-	-	-	166,092	-	(166,092)	-	-	-	-
Special reserve	-	-	-	-	1,494,827	(1,494,827)	-	-	-	-
Net income for the year ended December 31, 2021	-	-	-	-	-	165,268,628	-	-	-	165,268,628
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	(47,336)	(540,488)	2,674,664	(177,771)	1,909,069
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	165,221,292	(540,488)	2,674,664	(177,771)	167,177,697
Issuance of ordinary shares for cash	160,000	1,600,000	27,520,000	-	-	-	-	-	-	29,120,000
Convertible bonds converted to ordinary shares	164,442	1,644,421	19,551	-	-	-	-	-	-	1,663,972
Share-based payments (Note 28)	-	-	51,373	-	-	-	-	-	-	51,373
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (loss) by the Company, associates and joint ventures	-	-	-	-	-	2,188,427	-	(2,188,427)	-	-
BALANCE AT DECEMBER 31, 2021	3,492,104	34,921,043	27,975,030	166,092	1,494,827	167,409,719	(1,253,998)	(299,493)	3,278,054	233,691,274
Appropriation of 2021 earnings										
Legal reserve	-	-	-	16,740,972	-	(16,740,972)	-	-	-	-
Special reserve	-	-	-	-	2,218,403	(2,218,403)	-	-	-	-
Cash dividends to shareholders	-	-	-	-	-	(69,842,085)	-	-	-	(69,842,085)
Net profit for the year ended December 31, 2022	-	-	-	-	-	180,591,942	-	-	-	180,591,942
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	264,487	1,340,181	(393,623)	(2,692,438)	(1,481,393)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	180,856,429	1,340,181	(393,623)	(2,692,438)	179,110,549
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (loss) by associates	-	-	-	-	-	(7,740)	-	7,740	-	-
BALANCE AT DECEMBER 31, 2022	3,492,104	$ 34,921,043	$ 27,975,030	$ 16,907,064	$ 3,713,230	$ 259,456,948	$ 86,183	$ (685,376)	$ 585,616	$ 342,959,738

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

YANG MING MARINE TRANSPORT CORPORATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FORM OPERATING ACTIVITIES		
Income before income tax	$ 230,488,299	$ 199,904,846
Adjustments for:		
Depreciation expenses	17,291,561	14,741,890
Amortization expenses	58,727	41,542
Expected credit loss (reversal gain) recognized	(85,498)	81,000
Net loss (gain) on fair value change of financial assets/liabilities at FVTPL	18,502	(12,704)
Finance costs	2,111,129	2,203,934
Interest income	(3,316,354)	(295,667)
Dividend income	(2,109)	(4,969)
Compensation cost of employee share options	-	51,373
Share of profit of subsidiaries and associates	(52,913,463)	(53,469,737)
Gain on disposal of property, plant and equipment	(17,671)	(139,102)
Impairment loss recognized on associates	1,924,980	602,008
Reversal of write-down of shipping fuel	-	(75,437)
Net gain on foreign currency exchange	(2,307,307)	(438,206)
Gain on change in fair value of investment properties	(170,632)	(395,312)
Loss on lease modification	285	82,887
Recognition of (reversal of) provisions	-	56,307
Others	(329,828)	-
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at FVTPL	(4,582,507)	1,655,002
Contract assets	9,034,697	(4,431,812)
Trade receivables	4,938,570	(4,205,128)
Trade receivables from related parties	1,946,080	(1,561,379)
Other receivables from related parties	(2,881,682)	629,978
Shipping fuel	533,788	(651,701)
Prepayments	(46,950)	(73,125)
Prepayments to shipping agents	(102,395)	(369,683)
Other current assets	98,303	54,258
Financial liabilities held for trading	(2,186)	-
Contract liabilities	(380,569)	638,555
Trade payables	(7,985,373)	1,188,136
Trade payables to related parties	708,777	515,968
Other payables	1,104,345	2,084,536
Other payables to related parties	(97,635)	525,041
Liability provision	(56,307)	-
Other advances account	(48,843)	(126,939)
Other current liabilities	112,619	383,706
Net defined benefit liabilities	(527,598)	(232,030)
Cash generated from operations	194,515,755	158,958,036
Interest received	3,041,932	228,445
Dividend received	19,273,497	33,827,847

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YANG MING MARINE TRANSPORT CORPORATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021
Interest paid	$ (2,118,950)	$ (2,162,210)
Income tax paid	(43,996,604)	(511,266)
Net cash generated from operating activities	170,715,630	190,340,852
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at FVTOCI	-	(20,000)
Proceeds from sale of financial assets at FVTOCI	-	282
Purchase of financial assets at amortized cost	(279,887,742)	(130,005,647)
Proceeds from sale of financial assets at amortized cost	308,020,639	2,859,916
Acquisition of financial assets for hedging	(33,217,784)	-
Proceeds from sale of financial assets for hedging	3,608,784	-
Acquisition of associates	(330)	(891)
Payments for property, plant and equipment	(8,091,263)	(6,814,910)
Proceeds from disposal of property, plant and equipment	15,766	125,406
(Increase) decrease in refundable deposits	11,542	(6,706)
(Increase) decrease in long-term receivables from related parties	61,668	(400,000)
Payments for intangible assets	(106,979)	(30,987)
Payments for investment properties	(434,368)	(3,074)
Decrease in financial lease receivables	65,735	72,347
(Increase) decrease in other non-current assets	13,817	(19,710)
Increase in prepayments for equipment	(184,129)	(247,003)
Net cash used in investing activities	(10,124,644)	(134,490,977)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term bills payable	-	(11,740,000)
Proceeds from issuance of bonds payable	-	5,900,000
Proceeds from long-term borrowings	-	2,633,500
Repayments of long-term borrowings	(3,803,574)	(46,376,845)
Repayments of the principal portion of lease liabilities	(10,686,462)	(8,045,163)
Increase (decrease) in other non-current liabilities	118,190	(15,207)
Cash dividend	(69,842,085)	-
Proceeds from issuance of ordinary shares	-	29,120,000
Acquisition of additional interests in subsidiaries	(34,919,976)	(1,496,954)
Received from subsidiaries capital reductions	-	2,439,836
Net cash used in financing activities	(119,133,907)	(27,580,833)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	2,025,201	(282,523)

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YANG MING MARINE TRANSPORT CORPORATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021
NET INCREASE IN CASH AND CASH EQUIVALENTS	$ 43,482,280	$ 27,986,519
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	42,056,525	14,070,006
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 85,538,805	$ 42,056,525

The accompanying notes are an integral part of the financial statements. (Concluded)

YANG MING MARINE TRANSPORT CORPORATION

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

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

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

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

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

The financial statements of the Company are presented in YMTC's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by YMTC's board of directors on March 9, 2023.

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

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

   The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Company's accounting policies.

b. The IFRSs endorsed by the FSC for application starting from 2023

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 3)

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

Note 2: The amendments will be applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that were recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments were applied prospectively to transactions that occur on or after January 1, 2022.

1) Amendments to IAS 1 "Disclosure of Accounting Policies"

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

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

- The Company may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and

- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

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

a) The Company changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;

b) The Company chose the accounting policy from options permitted by the standards;

c) The accounting policy was developed in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" in the absence of an IFRS that specifically applies;

d) The accounting policy relates to an area for which the Company is required to make significant judgements or assumptions in applying an accounting policy, and the Company discloses those judgements or assumptions; or

e) The accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

2) Amendments to IAS 8 "Definition of Accounting Estimates"

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

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

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

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

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

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

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

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

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

2) Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

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

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

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

When preparing these parent company only financial statements, the Company used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries and associates, the share of other comprehensive income of subsidiaries and associates and the related equity items, as appropriate, in these parent company only financial statements.

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

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue; and

3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

d. Business combinations under common control

Business combinations under common control are accounted for applying the book-value method. Comparative information of the prior period in the financial statements is restated as if the combination had already occurred.

e. Foreign currencies

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

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

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

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

For the purposes of presenting financial statements, the assets and liabilities of the Company's foreign operations (including subsidiaries and associates in other countries that use currencies which are different from the currency of the Company) are translated into the New Taiwan dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

f. Shipping fuel

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

g. Investment in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of equity of subsidiaries attributable to the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are accounted for as equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of loss of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further loss, if any.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Company directly disposed of the related assets or liabilities.

Profit or loss resulting from upstream transactions and transactions between subsidiaries is recognized only in the parent company only financial statements and only to the extent of interests in the subsidiaries that are not related to the Company.

h. Investment in associates

An associate is an entity over which the Company has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Company uses the equity method to account for its investments in associates.

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

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

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

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

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

i. Property, plant and equipment

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

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

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

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

j. Investment properties

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

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

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

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

k. Intangible assets

1) Intangible assets acquired separately

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

2) Derecognition of intangible assets

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

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

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

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

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

m. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at FVTPL

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

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

ii. Financial assets at amortized cost

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

i) The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

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

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets and contract assets

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

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

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

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

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

c) Derecognition of financial assets

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

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

2) Equity instruments

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

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

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

3) Financial liabilities

a) Subsequent measurement

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

i. Financial liabilities at FVTPL

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

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

ii. Financial guarantee contracts

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

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

ii) Amortized cost.

b) Derecognition of financial liabilities

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

4) Convertible bonds

The component parts of compound instruments (i.e., mandatory convertible bonds and convertible bonds) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument's maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in equity will be transferred to capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premiums.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component, and amortize by using the effective method in subsequent periods.

5) Derivative financial instruments

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

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

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

n. Hedge accounting

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

Cash flow hedges

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

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

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

o. Provisions

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

p. Revenue recognition

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

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

1) Revenue from container shipping service

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

2) Other operating revenue

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

q. Leasing

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

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

1) The Company as lessor

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

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

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

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

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

2) The Company as lessee

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

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

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

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

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

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

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

For sale and leaseback transactions, if the transfer of an asset satisfies the requirements of IFRS 15 to be accounted for as a sale, the Company recognizes only the amount of any gain or loss which relates to the rights transferred to the buyer-lessor, and adjusts the off-market terms to measure the sale proceeds at fair value. If the transfer does not satisfy the requirements of IFRS 15 to be accounted for as a sale, it is accounted for as a financing transaction.

r. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

s. Government grants

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

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

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

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

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

t. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Company’s defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Other long-term employee benefits

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

4) Termination benefits

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

u. Employee share options

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Company's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. The expense is recognized in full at the grant date if the grants are vested immediately. The grant date of issued ordinary shares for cash which are reserved for employees is the date on which the board of directors approves the transaction.

v. Taxation

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

1) Current tax

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. If investment properties measured using the fair value model are non-depreciable assets, or are held under a business model whose objective is not to consume substantially all of the economic benefits embodied in the assets over time, the carrying amounts of such assets are presumed to be recovered entirely through sale.

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Company considers the possible impact of the recent development of the COVID-19 and its economic environment implications, when making its critical accounting estimates on cash flows, growth rates, discount rates, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Key Sources of Estimation Uncertainty

Revenue recognition

Revenue from delivery service is recognized under the percentage-of-completion method. The Company evaluates the percentage-of-completion and estimates the revenue and related costs as of the financial reporting date.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2022	**2021**
Cash on hand	$ 1,270	$ 2,613
Checking accounts and demand deposits	22,186,468	36,430,122
Cash equivalents (investments with original maturities of 3 months or less)		
Time deposits	57,751,067	5,346,990
Repurchase agreements	5,600,000	276,800
	$ 85,538,805	$ 42,056,525

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

	December 31	
	2022	**2021**
Time deposits	1.39%-5.35%	0.31%-2.68%
Repurchase agreements	1.57%	0.30%-0.42%

Financial assets designated as hedging

The Company designated certain USD-denominated demand deposits and time deposits as hedging instruments to hedge future volatility of USD-denominated payments for ship and container purchases, and the accounting treatment is applied to cash flow hedges. The information on the transactions is summarized as follows:

	Maturity Period	Account	Carrying Amount
December 31, 2022	2023/03/29	Financial assets for hedging	$ 30,710,000

Impact on comprehensive income (loss):

	Recognized in Other Comprehensive Income	Reclassify to Property, Plant and Equipment
For the year ended December 31, 2022	$ 1,101,000	$ (61,000)

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

7. FINANCIAL INSTRUMENTS AT FVTPL

	December 31	
	2022	2021
Financial assets at FVTPL - current		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic listed shares	$ 64,192	70,016
Mutual funds	4,238,753	6,032
	$ 4,302,945	$ 76,048
Financial assets at FVTPL - non-current		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic listed shares	$ 274,400	$ -
Mutual funds	49,176	-
Domestic limited partnership	29,589	13,871
	$ 353,165	$ 13,871

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

The Company did not have outstanding oil derivatives contracts for the years ended December 31, 2022 and 2021.

8. FINANCIAL ASSETS AT FVTOCI - NON-CURRENT

	December 31	
	2022	2021
Domestic investments in equity instruments		
Listed shares and emerging market shares		
Ordinary shares - Taiwan Navigation Co., Ltd. (Note)	$ -	$ -
Unlisted shares		
Ordinary shares - Taipei Port Container Terminal Co., Ltd.	489,102	477,936
Ordinary shares - United Stevedoring Corp.	4,495	5,315
Ordinary shares - Pro-Ascentek Investment Corporation	11,624	12,399
	$ 505,221	$ 495,650

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

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

Dividends of $1,724 thousand and $2,480 thousand were recognized during 2022 and 2021, respectively.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2022	2021
Time deposits with original maturities of more than 3 months (a)	$ 101,723,736	$ 125,962,776
Restricted bank balance (Note 33)	89,182	52,025
Repurchase agreements (b)	-	2,707,104
Corporate bonds (c)	2,706,313	600,000
	$ 104,519,231	$ 129,321,905
Current	$ 101,812,282	$ 128,721,269
Non-current	$ 2,706,949	$ 600,636

a. The range of interest rates for time deposits with original maturities of more than 3 months were approximately 0.78%-5.55% and 0.07%-0.78% per annum as of December 31, 2022 and 2021, respectively.

b. The range of interest rates for repurchase agreements were approximately 0.35%-0.44% per annum as of December 31, 2021.

c. In December 2020, the Company bought a 5-year corporate bond issued by Kuang Ming Shipping Corp. at a par value of $600,000 thousand with a coupon rate and an effective interest rate of 1.80%. The corporate bond is repaid at the maturity date. In 2022, the Company bought 3-year to 5-year corporate bonds issued at a par value of US$71,000 thousand with a coupon rate and an effective interest rate of 0.45%-5.50% and 1.96%-3.03%, respectively.

10. TRADE RECEIVABLES

	December 31	
	2022	**2021**
Trade receivables		
At amortized cost		
Trade receivable - non-related parties	$ 2,019,390	$ 6,475,238
Trade receivable - related parties	1,301,281	3,247,361
Less: Allowance for impairment loss	(17,155)	(54,079)
	$ 3,303,516	$ 9,668,520

The average credit period of trade receivables from cargo business is 14 to 28 days.

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

The Company writes off trade receivables and contract assets when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables and contract assets that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

For the trade receivables balances that were past due at the end of the reporting period, the Company did not recognize an allowance for impairment loss, because there was not a significant change in credit quality and the amounts were still considered recoverable. The Company acquired bank's guaranteed letter from agencies or received security deposit from clients; for the rest of the receivables, the Company did not hold any collateral or other credit enhancements for these balances.

The following table details the loss allowance of trade receivables based on the Company's provision matrix.

December 31, 2022

	No Sign of Default by Client		
	Less than 30 Days	31 to 60 Days	Total
Expected credit loss rate	0.53%	0.88%-1.88%	
Gross carrying amount	$ 3,097,246	$ 223,425	$ 3,320,671
Loss allowance (Lifetime ECLs)	(14,302)	(2,853)	(17,155)
Amortized cost	$ 3,082,944	$ 220,572	$ 3,303,516

December 31, 2021

	No Sign of Default by Client		
	Less than 30 Days	31 to 60 Days	Total
Expected credit loss rate	0.53%	0.88%-1.88%	
Gross carrying amount	$ 9,528,874	$ 193,725	$ 9,722,599
Loss allowance (Lifetime ECLs)	(51,735)	(2,344)	(54,079)
Amortized cost	$ 9,477,139	$ 191,381	$ 9,668,520

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

	2022	2021
Balance at January 1	$ 54,079	$ 13,247
Add: Net remeasurement of loss allowance	(37,961)	43,427
Less: Amounts written off	-	(7)
Less: Reclassified to allowance of overdue receivables	-	(2,588)
Add: Reclassified from allowance of overdue receivables	1,037	-
Balance at December 31	$ 17,155	$ 54,079

11. FINANCE LEASE RECEIVABLES

The composition of finance lease receivables was as follows:

	December 31	
	2022	2021
Undiscounted lease payments		
Year 1	$ 84,966	$ 85,091
Year 2	84,966	85,091
Year 3	78,688	85,091
Year 4	72,411	78,751

(Continued)

	December 31	
	2022	2021
Year 5	$ 72,411	$ 72,411
Year 6 onwards	340,293	412,704
	733,735	819,139
Less: Unearned finance income	(81,274)	(100,657)
Net investment in leases presented as finance lease receivables	$ 652,461	$ 718,482
Current	$ 68,308	$ 65,773
Non-current	$ 584,153	$ 652,709

(Concluded)

The Company entered into a finance lease arrangement for certain port equipment with a quarterly fixed lease payment of $11,042 thousand. In July 2022 and June 2021, due to unleash old equipment that needs to be retired and the damage to bridge cranes, the Company agreed to reduce the rent to a fixed lease payment of $3,139 thousand and $3,170 thousand per quarter for the remaining lease period, respectively. Because the original lease agreement did not have a relevant rent adjustment mechanism, the abovementioned modification of the lease agreement reduced the adjustment of the finance lease receivable and recognized a loss on the lease modification of $286 thousand and $87,347 thousand, respectively.

The Company has been subleasing its container yard located in Keelung with monthly and quarterly fixed lease payments of $1,834 thousand and $1,796 thousand. Also, the Company has been subleasing its logistics center located in Kaohsiung with quarterly fixed lease payment of $10,804 thousand. As the Company subleases the container yard and the logistics center for all the remaining lease term of the main lease to the sublessees. The sublease contracts are classified as a finance lease.

The interest rates inherent in leases are fixed at the contract dates for the entire term of the lease. The range of interest rates inherent in the finance leases was approximately 0.40%-17.71% per annum as of December 31, 2022, and 2021.

The Company measures the loss allowance for finance lease receivables at an amount equal to lifetime ECLs. As of December 31, 2022, no finance lease receivable was past due. The Company has not recognized a loss allowance for finance lease receivables after taking into consideration the historical default experience and the future prospects of the industries in which the lessees operate, together with the value of collateral held over these finance lease receivables.

12. SHIPPING FUEL

	December 31	
	2022	2021
Shipping fuel	$ 1,763,179	$ 2,296,967

The cost of shipping fuel recognized as operating cost for the years ended December 31, 2022 and 2021 was $12,562,932 thousand and $10,679,281 thousand, respectively.

The cost of shipping fuel recognized as operating cost for the year ended December 31, 2021 included reversals of shipping fuel write-downs of $75,437 thousand. Previous write-downs were reversed as a result of increased profit from marine operations.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2022	2021
Investments in subsidiaries	$ 100,099,504	$ 24,575,842
Investments in associates	6,583,691	8,770,518
	$ 106,683,195	$ 33,346,360

a. Investments in subsidiaries

	December 31	
	2022	2021
Unlisted shares		
Yang Ming Shipping (B.V.I.) Inc.	$ 14,309,460	$ 7,658,079
Yang Ming Line B.V.	2,011,853	1,510,079
Yang Ming Line (Singapore) Pte Ltd	36,802,423	7,674,208
Yang Ming Line Holding Co.	4,006,207	3,048,457
Kuang Ming Shipping Corp.	2,699,242	1,847,847
Yes Logistics Corp.	1,634,648	1,441,453
All Oceans Transportation Inc.	1,210,117	1,099,647
Jing Ming Transportation Co., Ltd.	137,326	134,197
Hong Ming Terminal & Stevedoring Co., Ltd.	180,222	161,875
Yang Ming (Singapore) Pte. Ltd.	37,108,006	-
	$ 100,099,504	$ 24,575,842

	Proportion of Ownership and Voting Rights	
	December 31	
Name of Subsidiaries	2022	2021
Yang Ming Shipping (B.V.I.) Inc.	100.00%	100.00%
Yang Ming Line B.V.	100.00%	100.00%
Yang Ming Line (Singapore) Pte Ltd (Note a)	100.00%	100.00%
Yang Ming Line Holding Co.	100.00%	100.00%
Kuang Ming Shipping Corp. (Note b)	98.88%	98.88%
Yes Logistics Corp.	96.36%	96.36%
All Oceans Transportation Inc. (Note c)	100.00%	100.00%
Jing Ming Transportation Co., Ltd.	50.98%	50.98%
Hong Ming Terminal & Stevedoring Co., Ltd.	100.00%	100.00%
Yang Ming (Singapore) Pte. Ltd. (Note d)	100.00%	-

Note 1: The Company’s board of directors resolved in July 2022 and again in November 2022 the cash capital increase of Yang Ming Line (Singapore) Pte Ltd with a limit amount of US$1,100,000 thousand. As of November 2022, there was a cash capital increase of US$1,070,000 thousand.

Note 2: The Company’s board of directors resolved in March 2021 to apply for a capital reduction of Kuang Ming Shipping Corp. to offset deficit in the amount of $3,000,000 thousand, and the ratio of capital reduction is about 75%.

Note 3: The Company's board of directors resolved in January 2021 the cash capital increase of All Oceans Transportation Inc. with a limit amount of $1,497,000 thousand. As of July 2021, there was a cash capital increase of $1,496,946 thousand.

Note 4: Due to the consideration of operational strategies and management purposes, the Company's board of directors approved an organizational restructuring in January 2022 to acquire 100% shareholding of Yang Ming (Singapore) Pte. Ltd. from Yang Ming Line (Singapore) Pte Ltd for the amount of US$16,061 thousand, and the registration was completed in February 2022.

Refer to Table B for the amounts of investments in subsidiaries which were pledged for the Company's endorsement and guarantee.

b. Investment in associates

	December 31	
	2022	**2021**
Associates that are not individually material		
Kao Ming Container Terminal Corp.	$ 3,598,892	$ 4,928,086
Taiwan Navigation Co., Ltd. (Note)	2,676,199	3,483,454
Yunn Wang Investment Co., Ltd.	179,490	239,695
Taiwan Foundation International Pte. Ltd.	108,555	96,463
Sino Trans PFS Cold Chain Logistics Co., Ltd.	20,555	22,820
	$ 6,583,691	$ 8,770,518

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

The Company held 6.67% of Sino Trans PFS Cold Chain Logistics Co., Ltd., but YES Logistics Corp., a subsidiary of the Company, also held 13.33% of Sino Trans PFS Cold Chain Logistics Co., Ltd., so it was listed as an associate.

All the associates are accounted for using the equity method.

Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2022	**2021**
The Company's share of:		
Net profit for the year	$ 403,811	$ 279,518
Other comprehensive loss	(402,171)	(171,144)
Total comprehensive income for the year	$ 1,640	$ 108,374

As of December 31, 2022, some of the equity investments that are not individually material and accounted for using the equity method, their carrying amounts were significantly higher than their market values based on their closing prices or other signs of impairment exist as of December 31, 2022. The management of the Company carried out the impairment tests individually for each equity investment by comparing its recoverable amounts with its carrying amounts. The recoverable amount of an investment in an associate is assessed individually for each associate. In determining the value in use of the investments, the Company estimated the present value of the estimated future cash flows expected to arise from the operations of the invested companies and from the ultimate disposal by using discount rates ranging from 7.00% to 13.80%. Based on the assessments, the carrying amounts of those associates that are not individually material were higher than their recoverable amounts, and their total recoverable amounts amounted to $6,295,646 thousand (on the basis of value in use).

As of December 31, 2021, some of the equity investments that are not individually material and accounted for using the equity method, their carrying amounts were significantly higher than their market values based on their closing prices or other signs of impairment exist as of December 31, 2021. The management of the Company carried out the impairment tests individually for each equity investment by comparing its recoverable amounts with its carrying amounts. The recoverable amount of an investment in an associate is assessed individually for each associate. In determining the value in use of the investments, the Company estimated the present value of the estimated future cash flows expected to arise from the operations of the invested companies and from the ultimate disposal by using discount rates ranging from 8.70% to 12.70%. Based on the assessments, the carrying amounts of those associates that are not individually material were higher than their recoverable amounts, and their total recoverable amounts amounted to $3,506,274 thousand (on the basis of value in use).

Hence, an impairment loss of $1,924,980 thousand and $602,008 thousand on those associates that are not individually material was recognized in profit or loss for the years ended December 31, 2022 and 2021, respectively.

14. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2022	**2021**
Assets used by the Company	$ 47,335,513	$ 43,362,857
Assets leased under operating leases	-	15,763
	$ 47,335,513	$ 43,378,620

a. Assets used by the Company

	Land	Buildings	Container and Chassis	Ships	Leasehold Improvements	Miscellaneous Equipment	Property under Construction	Total
Cost								
Balance at January 1, 2022	$ 343,210	$ 773,991	$ 26,911,420	$ 42,788,762	$ 146,272	$ 1,225,842	$ -	$ 72,189,497
Additions	-	-	7,052,379	822,948	2,362	187,352	-	8,065,041
Disposals	-	-	(33,429)	(272,106)	-	(85,692)	-	(391,227)
Transfers from assets leased under operating leases	-	-	-	63,003	-	-	-	63,003
Transfers from investment properties	54,924	34,734	-	-	-	-	-	89,658
Reclassification	-	-	(61,000)	249,426	-	2,812	-	191,238
Balance at December 31, 2022	$ 398,134	$ 808,725	$ 33,869,370	$ 43,652,033	$ 148,634	$ 1,330,314	$ -	$ 80,207,210
Accumulated depreciation and impairment								
Balance at January 1, 2022	$ -	$ 337,527	$ 15,309,125	$ 12,003,496	$ 146,272	$ 1,030,220	$ -	$ 28,826,640
Disposals	-	-	(24,903)	(272,106)	-	(85,692)	-	(382,701)
Transfers from assets leased under operating leases	-	-	-	55,929	-	-	-	55,929
Depreciation expenses	-	14,138	1,738,564	2,543,631	534	74,962	-	4,371,829
Balance at December 31, 2022	$ -	$ 351,665	$ 17,022,786	$ 14,330,950	$ 146,806	$ 1,019,490	$ -	$ 32,871,697
Carrying amounts at December 31, 2022	$ 398,134	$ 457,060	$ 16,846,584	$ 29,321,083	$ 1,828	$ 310,824	$ -	$ 47,335,513
Cost								
Balance at January 1, 2021	$ 343,210	$ 773,563	$ 24,848,524	$ 36,692,228	$ 146,272	$ 1,227,481	$ 1,591,930	$ 65,623,208
Additions	-	428	2,455,958	966,946	-	66,636	3,187,564	6,677,532
Disposals	-	-	(393,062)	(170,617)	-	(69,589)	-	(633,268)
Transfers from assets leased under operating leases	-	-	-	503,735	-	-	-	503,735
Transfers to assets leased under operating leases	-	-	-	(63,003)	-	-	-	(63,003)
Reclassification	-	-	-	4,859,473	-	1,314	(4,779,494)	81,293
Balance at December 31, 2021	$ 343,210	$ 773,991	$ 26,911,420	$ 42,788,762	$ 146,272	$ 1,225,842	$ -	$ 72,189,497

(Continued)

	Land	Buildings	Container and Chassis	Ships	Leasehold Improvements	Miscellaneous Equipment	Property under Construction	Total
Accumulated depreciation and impairment								
Balance at January 1, 2021	$ -	$ 323,900	$ 14,084,092	$ 9,746,602	$ 146,272	$ 1,042,226	$ -	$ 25,343,092
Disposals	-	-	(345,368)	(166,919)	-	(69,549)	-	(581,836)
Transfers from assets leased under operating leases	-	-	-	292,225	-	-	-	292,225
Transfers to assets leased under operating leases	-	-	-	(36,073)	-	-	-	(36,073)
Depreciation expenses	-	13,627	1,570,401	2,167,661	-	57,543	-	3,809,232
Balance at December 31, 2021	$ -	$ 337,527	$ 15,309,125	$ 12,003,496	$ 146,272	$ 1,030,220	$ -	$ 28,826,640
Carrying amounts at December 31, 2021	$ 343,210	$ 436,464	$ 11,602,295	$ 30,785,266	$ -	$ 195,622	$ -	$ 43,362,857

(Concluded)

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

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

The dry dock is a significant component of ships.

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

b. Assets leased under operating leases

	Ships
Cost	
Balance at January 1, 2022	$ 63,003
Transfers to assets used by the Company	(63,003)
Balance at December 31, 2022	$ -
Accumulated depreciation	
Balance at January 1, 2022	$ 47,240
Transfers to assets used by the Company	(55,929)
Depreciation expenses	8,689
Balance at December 31, 2022	$ -
Carrying amounts at December 31, 2022	$ -
Cost	
Balance at January 1, 2021	$ 503,735
Transfers from assets used by the Company	63,003
Transfers to assets used by the Company	(503,735)
Balance at December 31, 2021	$ 63,003

(Continued)

	Ships
Accumulated depreciation	
Balance at January 1, 2021	$ 280,502
Transfers from assets used by the Company	36,073
Transfers to assets used by the Company	(292,225)
Depreciation expenses	22,890
Balance at December 31, 2021	$ 47,240
Carrying amounts at December 31, 2021	$ 15,763

(Concluded)

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

At the end of the lease terms of ships under operating leases, the Company 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.

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

Ships	25 years
Dry dock	2.5 years

The dry dock is a significant component of ships.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	Land	Buildings	Container and Chassis	Ships	Miscellaneous Equipment	Total
Cost						
Balance at January 1, 2022	$ 57,054	$ 321,733	$ 2,666,871	$ 104,994,828	$ 30,615	$ 108,071,101
Additions	1,580	5,420	3,569,891	19,221,064	8,358	22,806,313
Disposals	-	(5,622)	(26)	-	-	(5,648)
Balance at December 31, 2022	$ 58,634	$ 321,531	$ 6,236,736	$ 124,215,892	$ 38,973	$ 130,871,766
Accumulated depreciation						
Balance at January 1, 2022	$ 15,345	$ 99,818	$ 66,014	$ 29,166,526	$ 6,578	$ 29,354,281
Additions	8,928	35,065	796,995	12,063,062	6,993	12,911,043
Disposals	-	(5,572)	(26)	-	-	(5,598)
Balance at December 31, 2022	$ 24,273	$ 129,311	$ 862,983	$ 41,229,588	$ 13,571	$ 42,259,726
Carrying amounts at December 31, 2022	$ 34,361	$ 192,220	$ 5,373,753	$ 82,986,304	$ 25,402	$ 88,612,040

(Continued)

	Land	Buildings	Container and Chassis	Ships	Miscellaneous Equipment	Total
Cost						
Balance at January 1, 2021	$ 57,054	$ 321,564	$ 476,376	$ 91,703,125	$ 29,326	$ 92,587,445
Additions	-	2,663	2,661,918	13,596,473	4,244	16,265,298
Disposals	-	(2,494)	(471,423)	(304,770)	(2,955)	(781,642)
Balance at December 31, 2021	$ 57,054	$ 321,733	$ 2,666,871	$ 104,994,828	$ 30,615	$ 108,071,101
Accumulated depreciation						
Balance at January 1, 2021	$ 6,642	$ 65,850	$ 351,634	$ 18,587,492	$ 3,413	$ 19,015,031
Additions	8,703	34,972	185,803	10,674,170	6,120	10,909,768
Disposals	-	(1,004)	(471,423)	(95,136)	(2,955)	(570,518)
Balance at December 31, 2021	$ 15,345	$ 99,818	$ 66,014	$ 29,166,526	$ 6,578	$ 29,354,281
Carrying amounts at December 31, 2021	$ 41,709	$ 221,915	$ 2,600,857	$ 75,828,302	$ 24,037	$ 78,716,820

(Concluded)

	For the Year Ended December 31	
	2022	2021
Income from the sublease of right-of-use assets (presented in operating revenue)	$ 178,015	$ 71,098

b. Lease liabilities

	December 31	
	2022	2021
Land	$ 34,832	$ 42,098
Buildings	392,762	446,523
Container and chassis	5,923,062	2,592,355
Ships	71,925,339	57,092,768
Miscellaneous equipment	26,944	23,366
	$ 78,302,939	$ 60,197,110
Carrying amounts		
Current	$ 3,895,055	$ 1,833,506
Non-current	$ 29,219,630	$ 16,942,727
Lease liabilities designated as hedging (included in financial liabilities for hedging)		
Current	$ 8,371,948	$ 7,585,691
Non-current	$ 36,816,306	$ 33,835,186

Financial liabilities designated as hedging

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

	Maturity Period	Account	Carrying Amount
December 31, 2022	2027/04/30-2031/01/31	Financial liabilities for hedging	$ 45,188,254
December 31, 2021	2025/01/31-2031/01/31	Financial liabilities for hedging	41,420,877

Impact on comprehensive income (loss):

	Recognized in Other Comprehensive Income	Amount Reclassified to Profit or Loss
For the year ended December 31, 2022	$ (4,166,722)	$ (238,825)
For the year ended December 31, 2021	$ 1,312,294	$ (670,552)

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

As of December 31, 2022, the lease term and the range of discount rate for lease liabilities (including USD-denominated lease contracts designated as hedge instruments) were as follows:

	Lease Term	For the Year Ended December 31 2022
Land	2020/01/01-2027/12/31	1.12%-1.49%
Buildings	2000/08/22-2036/09/30	0.89%-1.79%
Container and chassis	2019/03/01-2033/06/15	0.18%-3.00%
Ships	2013/11/25-2040/03/31	1.27%-4.64%
Miscellaneous equipment	2020/11/01-2026/07/31	0.84%-1.32%

As of December 31, 2021, the lease term and the range of discount rate for lease liabilities (including USD-denominated lease contracts designated as hedge instruments) were as follows:

	Lease Term	For the Year Ended December 31 2021
Land	2020/01/01-2027/12/31	1.12%-1.49%
Buildings	2000/08/22-2036/09/30	0.85%-1.79%
Container and chassis	2019/03/01-2032/10/31	0.08%-3.00%
Ships	2013/11/25-2040/03/31	1.27%-3.83%
Miscellaneous equipment	2020/11/01-2026/06/30	0.84%-1.23%

c. Material leasing activities and terms

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

Containership Department	Lease Liabilities Recognized (Discounted)	Potential Future Lease Payments and Purchase Option Not Included in Lease Liabilities (Discounted)	Historical Rate of Exercise of Extension and Purchase Options
December 31, 2022			
Ships	$ 46,347,185	$ 18,762,939	30.89%
December 31, 2021			
Ships	$ 47,809,568	$ 20,756,101	0%

For the purpose of managing the storage, reforming, processing, transfer and distribution of goods, YMTC collaborated with the Port of Kaohsiung, Taiwan International Ports Corporation, Ltd. on the construction and operation of the First and Second Logistics Centers of the Kaohsiung Third Container Center. YMTC is entitled to the use of the First and Second Logistics Centers for 30 years and 28 years and 9 months, respectively, based on the initial investment made by YMTC. The Centers are amortized over the period in use. Furthermore, in accordance with the requirements, YMTC should pay land-use fees and administration fees for every month of the lease term (based on the actual volume of cargo stevedored). Administration fees depend on the lowest guaranteed volumes for each respective logistics center, which are 1 million and 0.85 million tons. If YMTC is unable to reach the lowest guaranteed volumes, it should calculate the payment for the administration fees based on the volumes of 1 million and 0.85 million, respectively, and the administration fees will be adjusted under the annual Wholesale Price Index in Taiwan.

d. Subleases

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

Sublease of right-of-use assets

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

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

	December 31	
	2022	2021
Year 1	$ -	$ 47,560
Year 2 onwards	-	-
	$ -	$ 47,560

e. Other lease information

	For the Year Ended December 31	
	2022	2021
Expenses relating to short-term leases	$ 1,536,467	$ 1,323,506
Expenses relating to low-value asset leases	$ 3,211,261	$ 3,245,401
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ (260,944)	$ (69,137)
Expenses relating to service cost payments not included in the measurement of lease liabilities	$ 6,892,165	$ 5,359,908
Total cash outflow for leases	$ (23,656,741)	$ (20,041,147)

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

The amounts of lease commitments for short-term leases and low-value asset lease for which the recognition exemption is applied were $3,851,974 thousand and $6,331,500 thousand as of December 31, 2022 and 2021, respectively.

The amounts of lease commitments for future service cost which was recognized as non-lease components of contracts were $60,948,550 thousand and $54,953,073 thousand as of December 31, 2022 and 2021, respectively.

16. INVESTMENT PROPERTIES

	Completed Investment Property
Balance at January 1, 2021	$ 6,766,594
Additions	437,442
Gain on change in fair value of investment properties	395,312
Balance at December 31, 2021	7,599,348
Transfers to property, plant and equipment	(89,658)
Gain on change in fair value of investment properties	170,632
Balance at December 31, 2022	$ 7,680,322

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

The investment properties are leased out for 1 to 10 years. All lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase option to acquire the investment properties at the expiry of the lease periods.

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

	December 31	
	2022	**2021**
Year 1	$ 83,139	$ 81,508
Year 2	62,547	61,407
Year 3	45,604	31,687
Year 4	27,542	18,751
Year 5	2,759	9,309
Year 6 onwards	2,286	3,200
	$ 223,877	$ 205,862

To reduce the residual asset risk related to investment properties at the end of the relevant lease, the lease contract includes lessee's use limitation, guarantee deposit, punishment of breaching contracts, and responsibilities of maintenance, and the Company follows its general risk management strategy.

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

	December 31	
	2022	**2021**
Independent valuation	$ 7,680,322	$ 7,599,348

As of December 31, 2022 and 2021, the fair value was based on the valuations carried out on January 13, 2023 and January 14, 2022, respectively by independent qualified professional valuers, Mr. Zhi-Hau Wu, Mr. Wei-Ru Li and Mr. Zhi-Jia Zhang, certified real estate appraisers in the ROC and real estate appraisal firm from China Credit Information Service Limited.

The movements in the fair value of investment properties within Level 3 of the hierarchy were as follows:

	Keelung	Taipei	Kaohsiung	Total
Balance at January 1, 2021	$ 323,056	$ 5,843,229	$ 600,309	$ 6,766,594
Recognized in profit or loss (gain from the change in fair value of investment properties)	56,400	267,393	71,519	395,312
Additions	3,074	434,368	-	437,442
Balance at December 31, 2021	382,530	6,544,990	671,828	7,599,348
Recognized in profit or loss (gain (loss) from the change in fair value of investment properties)	(5,599)	145,791	30,440	170,632
Transfers to property, plant and equipment	(89,658)	-	-	(89,658)
Balance at December 31, 2022	$ 287,273	$ 6,690,781	$ 702,268	$ 7,680,322

The fair value of investment properties, except for undeveloped land, is measured by the income approach. The significant assumptions used were stated below. An increase in estimated future net cash inflows or a decrease in discount rates would result in an increase in the fair value.

	December 31	
	2022	2021
Expected future cash inflows	$ 6,477,350	$ 5,918,838
Expected future cash outflows	(389,594)	(399,418)
Expected future cash inflows, net	$ 6,087,756	$ 5,519,420
Discount rates	2.250%-4.145%	1.995%-3.900%

The market rentals in the area where the investment property is located were between $0.4-$2.5 thousand and $0.4-$2.1 thousand per ping (35.59 square feet) in 2022 and 2021, respectively. The market rentals for comparable properties were between $0.5-$3.0 thousand and $0.5-$2.7 thousand per ping (35.59 square feet) in 2022 and 2021, respectively.

The expected future cash inflows generated by investment property included rental income, interest income on rental deposits and disposal value. The rental income was extrapolated using the Company's current rental rate, taking into account the annual rental growth rate; the income analysis covers a 3-year to 10-year period, the interest income on rental deposits was extrapolated using the average deposit interest rate of the top five banks announced by the Central Bank of the Republic of China for a year; the disposal value was determined using the direct capitalization method under the income approach. The expected future cash outflows incurred by investment property included expenditure such as land value taxes, house taxes, insurance premium, and maintenance costs. The expenditure was extrapolated on the basis of the current level of expenditure, taking into account the future adjustment to the government-announced land value, the tax rate promulgated under the House Tax Act.

The discount rate was determined by reference to the interest rate for two-year time deposits as posted by Chunghwa Post Co., Ltd., plus 0.75%, and any asset-specific risk premiums of 0.03%-2.30%.

The fair value of undeveloped land located in area Keelung, Taipei, and Kaohsiung was measured by land development analysis. The increase in estimated total sale price, the increase in rate of return, or the decrease in overall capital interest rate would result in increase in the fair value. The significant assumptions used were as follows:

	December 31	
	2022	2021
Estimated total sales price	$ 8,260,366	$ 7,879,587
Rate of return	12%-20%	12%-20%
Overall capital interest rate	1.31%-4.58%	1.05%-3.56%

The rate of returns was determined by reference to the annual profit rate and construction period of the similar product constructed by competitors. Overall capitalization rate referred to current average benchmark interest rate and deposit interest rate of the top five banks, and to the proportion of equity funds and borrowed funds. The cost of the equity funds and borrowed funds is determined by the deposit and benchmark interest rate, respectively.

The total sale price is estimated on the basis of the most effective use of land or property available for sale after development is completed, taking into account the related regulations, domestic macroeconomic prospects, local land use, and market rates.

All of the Company's investment property was held under freehold interests.

17. BORROWINGS

a. Long-term borrowings

	December 31	
	2022	2021
Secured borrowings (Note 33)		
Loans from related parties (Note 32)	$ 198,750	$ 2,385,000
Other borrowings	-	317,324
	198,750	2,702,324
Commercial paper		
Line of credit borrowings	-	1,300,000
Less: Unamortized discount on bills payable	-	356
	-	1,299,644
	198,750	4,001,968
Less: Current portion	-	617,298
Long-term borrowings	$ 198,750	$ 3,384,670

Secured borrowings

1) Loans from related parties

The Company's loans from related parties are borrowings repaid in New Taiwan dollars from government - related entities and are repayable in installment at varying amounts as the borrowing terms before March 12, 2031. Interest rates were 1.91% and 1.12%-1.18% per annum as of December 31, 2022 and 2021, respectively. The Company's ships are pledged as collaterals for the secured borrowings.

2) Other borrowings

Other borrowings were secured loans from a finance company. The loans were fully repaid in advance on March 25, 2022. Interest rate was 4.00% per annum, on December 31, 2021. The Company's containers are pledged as collaterals for the secured loans.

Commercial paper

YMTC signed 3 years underwriting contracts for the issuance of commercial paper with a bill finance institution. YMTC can issue the commercial papers in a revolving scheme during the period of the financing contracts. YMTC's commercial papers had been fully repaid before May 24, 2022 and the contracts were terminated. During the issuance period, YMTC's short-term and long-term credit ratings (rated by Taiwan ratings or other rating organization recognized by authority) should be maintained at a certain level specified in the contracts. As of December 31, 2021, YMTC had met the above requirements.

The Company's commercial papers had been fully repaid in New Taiwan dollars before May 24, 2022. Interest rate was 1.43%-1.59% per annum on December 31, 2021.

18. BONDS PAYABLE

	December 31	
	2022	**2021**
Secured domestic bonds	$ 10,826,188	$ 10,822,014
Domestic secured convertible bonds		-
	10,826,188	10,822,014
Less: Current portion	2,474,968	-
	$ 8,351,220	$ 10,822,014

a. Secured domestic bonds

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

The bond features and terms are as follows:

Bonds issued in November 2019:

Type A - aggregate par value: $1,000,000 thousand; repayments: 50% - November 28, 2023 and 50% - November 28, 2024, an annual simple interest rate of 0.74%.

Type B - aggregate par value: $1,500,000 thousand; repayments: 50% - November 28, 2023 and 50% - November 28, 2024, an annual simple interest rate of 0.74%.

Type C - aggregate par value: $1,000,000 thousand; repayments: 50% - November 28, 2023 and 50% - November 28, 2024, an annual simple interest rate of 0.74%.

Type D - aggregate par value: $1,000,000 thousand; repayments: 50% - November 28, 2023 and 50% - November 28, 2024, an annual simple interest rate of 0.74%.

Type E - aggregate par value: $500,000 thousand; repayments: 50% - November 28, 2023 and 50% - November 28, 2024, an annual simple interest rate of 0.74%.

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

The bond features and terms are as follows:

Bonds issued in April 2021:

Type A - aggregate par value: $1,000,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.

Type B - aggregate par value: $1,000,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.

Type C - aggregate par value: $500,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.

Type D - aggregate par value: $500,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.

Type E - aggregate par value: $500,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.

Type F - aggregate par value: $500,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.

Type G - aggregate par value: $500,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.

Type H - aggregate par value: $400,000 thousand; repayments: 50% - April 28, 2027 and 50% - April 28, 2028, an annual simple interest rate of 0.49%.

Type I - aggregate par value: $1,000,000 thousand; repayments: 50% - April 28, 2027 and 50% - April 28, 2028, an annual simple interest rate of 0.49%.

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

b. Domestic secured convertible bonds

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

1) Lump-sum payment to the holders upon maturity at the par value;

2) Conversion by the holders, from August 30, 2018 to May 29, 2023 before the due date, into YMTC's common shares at the prevailing conversion price;

3) Reselling to YMTC by the holders before maturity.

4) Redemption by YMTC, under certain conditions, at par value before bond maturity.

5) Repurchase and write-off by YMTC from securities dealer office.

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

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

19. TRADE PAYABLES

	December 31	
	2022	**2021**
Trade payables - operating		
Trade payables - non-related parties	$ 5,314,665	$ 11,706,455
Trade payables - related parties	3,444,260	2,735,483
	$ 8,758,925	$ 14,441,938
Payables for cost of voyage in sailing	$ 7,482,982	$ 9,044,664
Payables for fuel	667,646	1,294,775
Payables for space hire	608,297	4,102,499
	$ 8,758,925	$ 14,441,938

20. OTHER PAYABLES

	December 31 2022	December 31 2021
Other payables - non-related parties	$ 5,834,811	$ 5,211,389
Other payables - related parties	278,570	754,678
	$ 6,113,381	$ 5,966,067
Payables for container lease	$ 634,911	$ 558,222
Payables for salary and bonus	4,064,147	3,576,846
Payables for interest expenses	29,154	34,130
Payables for equipment M&R expenses	96,101	73,917
Payables for annual leave	114,038	102,103
Payables for vessel charter hire	22,914	10,278
Payables for purchases of equipment	38,428	64,650
Others	1,113,688	1,545,921
	$ 6,113,381	$ 5,966,067

21. PROVISIONS

	December 31 2022	December 31 2021
Other provisions	$ -	$ 56,307

Other provisions are mainly due to the possible fine of $56,307 thousand which the Company may be punished by the Korea Fair Trade Commission for violating the Korea Fair Trading Act. The aforementioned amount has been paid in July 2022. The Company will continue to evaluate the following measures to ensure maximum benefit.

22. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

YMTC pension plans under the Labor Pension Act (the “Act”) for onshore employees and shipping crews are defined contribution schemes. Starting on July 1, 2005, the Company makes monthly contributions to the employees’ individual pension accounts in the Bureau of Labor Insurance at 6% of employees’ salaries every month.

For domestic crews providing service in foreign ships, pension plan is based on hiring contracts, the Company makes monthly contributions to the employees’ account together with salaries.

b. Defined benefit plans

YMTC has adopted three pension plans since it was privatized on February 15, 1996. Before YMTC’s privatization, qualified employees received pension payments for service years before the start of the privatization. The service years of the employees who received pre-privatization pension payments and continued to work in YMTC after privatization will be excluded from the calculation of pension payments after privatization. These plans are as follows:

The pension plan under the Labor Standards Act for onshore employees is a defined benefit plan. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contributed amounts equal to 3% of salaries every month. The pension fund is administered by the pension fund monitoring committee and deposited in the committee's name in the Bank of Taiwan. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is insufficient to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the Bureau); the Company has no right to influence the investment policy and strategy.

Pension plan under the Maritime Labor Law for shipping crews is a defined benefit plan. Before the adoption of the ROC Maritime Labor Law, benefits were based on the amounts stated in the crew's hiring contracts. Under the Law, benefits are based on service years and average basic salary of the six months before retirement.

Pension plan for retired employees of China Merchants Steamship Navigation Company (CMSNC) provides benefits based on service years and level of monthly basic salary at the time of retirement.

Because of spin-off, the service years of the employees transferred to the subsidiary, Kuang Ming Shipping Corp. are continued from the service years in YMTC. Benefits are based on the proportion of service years between YMTC and the subsidiary, Kuang Ming Shipping Corp. and are paid by individual pension accounts.

The Company, All Oceans Transportation Inc. and Yang Ming (UK) Ltd's pension plan under the Maritime Labor Law for shipping crews are defined benefit plans. Before the adoption of the ROC Maritime Labor Law, benefits were based on the amounts stated in the crews hiring contracts. Under the Law, benefits are based on service years and average monthly salary of the six months before retirement.

The amounts included in the balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31	
	2022	**2021**
Present value of defined benefit obligation	$ 3,053,388	$ 3,439,490
Fair value of plan assets	(1,230,735)	(772,979)
Net defined benefit liabilities	$ 1,822,653	$ 2,666,511

Movements in net defined benefit liabilities (asses) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2021	$ 3,534,104	$ (690,650)	$ 2,843,454
Current service cost	75,239	-	75,239
Net interest expense (income)	13,635	(2,468)	11,167
Recognized in profit or loss	88,874	(2,468)	86,406
Remeasurement			
Return on plan assets	-	(10,136)	(10,136)
Actuarial gain - changes in financial assumptions	(140,148)	-	(140,148)
Actuarial loss - changes in demographic assumptions	83,843	-	83,843
Actuarial loss - experience adjustments	121,528	-	121,528
Recognized in other comprehensive loss (income)	65,223	(10,136)	55,087
Contributions from the employer	-	(129,074)	(129,074)
Benefits paid	(248,711)	59,349	(189,362)
Balance at December 31, 2021	3,439,490	(772,979)	2,666,511
Current service cost	68,396	-	68,396
Net interest expense (income)	26,832	(6,346)	20,486
Recognized in profit or loss	95,228	(6,346)	88,882
Remeasurement			
Return on plan assets	-	(60,818)	(60,818)
Actuarial gain - changes in financial assumptions	(176,099)	-	(176,099)
Actuarial gain - experience adjustments	(79,343)	-	(79,343)
Recognized in other comprehensive income	(255,442)	(60,818)	(316,260)
Contributions from the employer	-	(488,531)	(488,531)
Benefits paid	(225,888)	97,939	(127,949)
Balance at December 31, 2022	$ 3,053,388	$ (1,230,735)	$ 1,822,653

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Year Ended December 31	
	2022	2021
Current service cost	$ 68,396	$ 75,239
Net interest expense	20,486	11,167
Less: Other receivables - related	(22,276)	(21,825)
	$ 66,606	$ 64,581
An analysis by function		
Operating costs	$ 29,790	$ 31,135
Selling and marketing expenses	29,062	25,500
General and administrative expenses	7,754	7,946
	$ 66,606	$ 64,581

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations are as follows:

	December 31	
	2022	**2021**
Discount rates	1.40%	0.80%
Expected rates of salary increase	2.50%	2.50%

If possible reasonable change in each of the significant actuarial assumptions occurs and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2022	**2021**
Discount rates		
0.50% increase	$ (132,416)	$ (162,914)
0.50% decrease	$ 148,125	$ 176,641
Expected rates of salary increase		
0.50% increase	$ 145,821	$ 172,765
0.50% decrease	$ (131,684)	$ (161,110)

The above sensitivity analysis presented may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2022	**2021**
The expected contributions to the plan for the next year	$ 175,663	$ 132,301
The average duration of the defined benefit obligation	8.3-10.9 years	8.8-11.4 years

c. In an effort to encourage employee retirement, improve human resource structure and enhance vitality within organization, the Company calculates favorable retirement benefits according to the retirement policies. The Company recognized pension cost of $8,888 thousand and $1,786 thousand for the years ended December 31, 2022 and 2021, respectively.

23. EQUITY

a. Share capital

1) Ordinary shares

	December 31	
	2022	2021
Numbers of shares authorized (in thousands)	4,500,000	4,500,000
Shares authorized	$ 45,000,000	$ 45,000,000
Number of shares issued and fully paid (in thousands)	3,492,104	3,492,104
Shares issued	$ 34,921,043	$ 34,921,043

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

The board of directors resolved on May 19, 2021 to apply a capital increase by cash through the issuance of 160,000 thousand ordinary shares with a par value at $10 by book building. The ordinary shares were issued at premium price of $182 per share, which have been resolved by the board of directors on July 12, 2021 and the share capital was increased to $34,921,043 thousand. The above transaction was approved by the FSC on June 23, 2021. The board of directors had determined the subscription base date to be July 16, 2021 and completed change registration in August 2021. The compensation cost incurred by this cash capital increase in the shares reserved for employees to subscribe, see Note 28 for detailed information.

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

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

2) Preference shares

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

b. Capital surplus

	May Be Used to Offset A Deficit, Distributed as Cash Dividends, or Transferred to Share Capital*	May Not Be Used for Any Purpose	
	Issuance of Ordinary Shares	Share Warrants	Total
Balance at January 1, 2021	$ 314,626	$ 69,480	$ 384,106
Convertible bonds converted to ordinary shares	89,031	(69,480)	19,551
Share-based payment	-	51,373	51,373
Issuance of ordinary shares for cash	27,571,373	(51,373)	27,520,000
Balance at December 31, 2021	$ 27,975,030	$ -	$ 27,975,030
Balance at January 1, 2022 and December 31, 2022	$ 27,975,030	$ -	$ 27,975,030

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

c. Retained earnings and dividends policy

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

Under the dividend policy as set forth in the amended Articles, when Company makes a profit in a fiscal year, at least 25% of the remaining profit should be distributed as dividends after the profit has been utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the expansion of transportation equipment and improvement of financial structure, and distributing dividends for preference shares. The Company's board of directors should consider long-term financial plans, the change in the environment of the industry, capital expenditures, the working capital for operation and the shareholders' interests as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting. At least 20% of the amount declared as dividends for ordinary shares should be in the form of cash as opposed to stock.

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

For the policies on the distribution of compensation of employees and remuneration of directors and supervisors before and after amendment, refer to Note 25 h. compensation of employees and remuneration of directors.

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

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

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

	Appropriation of Earnings
Legal reserve	$ 166,092
Special reserve	$ 1,494,827

The appropriation of earnings for 2021 approved in the shareholders' meeting on May 27, 2022, were as follows:

	Appropriation of Earnings
Legal reserve	$ 16,740,972
Special reserve	$ 2,218,403
Cash dividends	$ 69,842,085
Cash dividends per share (NT$)	$ 20

The appropriations of earnings for 2022, which were proposed by the Company's board of directors on March 9, 2023, were as follows:

	For the Year Ended December 31, 2022
Legal reserve	$ 18,084,869
Special reserve	$ 275,542
Cash dividends	$ 69,842,086
Cash dividends per share (NT$)	$ 20

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

d. Special reserve

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

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

e. Others equity items

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

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ (1,253,998)	$ (713,510)
Recognized for the year		
Exchange differences on translation of the financial statements of foreign operations	1,555,149	(903,467)
Related income tax	(214,968)	362,979
Other comprehensive income (loss) recognized for the year	1,340,181	(540,488)
Balance at December 31	$ 86,183	$ (1,253,998)

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

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ (299,493)	$ (785,730)
Recognized for the year		
Unrealized gain (loss)		
Equity instruments	9,571	2,844,748
Share from subsidiaries and associates accounted for using the equity method	(403,194)	(170,084)
Other comprehensive income (loss) recognized for the year	(393,623)	2,674,664
Cumulative unrealized loss of equity instruments transferred to retained earnings	-	(2,175,784)
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal by associates	7,740	(12,643)
Balance at December 31	$ (685,376)	$ (299,493)

3) Gain (loss) on hedging instruments

	Cash Flow Hedge	
	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ 3,278,054	$ 3,455,825
Recognized for the year		
Foreign currency risk - lease liabilities	(4,166,722)	1,312,294
Foreign currency risk - demand and time deposits	1,101,000	-
Related income tax	673,109	(819,513)
Reclassification adjustments		
Foreign currency risk - operating revenue	(238,825)	(670,552)
Foreign currency risk - property, plant and equipment	(61,000)	-
Other comprehensive income (loss) recognized for the year	(2,692,438)	(177,771)
Balance at December 31	$ 585,616	$ 3,278,054

24. REVENUE

	For the Year Ended December 31	
	2022	2021
Revenue from contracts with customers		
Cargo revenue	$ 186,419,750	$ 224,966,024
Rental revenue on vessel	3,467,787	1,313,071
Rental income		
Slottage revenue	53,013,799	6,628,176
Container rental income	6,806,114	2,449,328
Agency revenue	1,370,665	658,860
Other operating revenue	9,934,791	8,708,143
	$ 261,012,906	$ 244,723,602

a. Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Trade receivables (Note 10)	$ 3,303,516	$ 9,668,520	$ 3,942,852
Contract assets			
Cargo revenue	$ 487,570	$ 9,522,267	$ 5,090,455
Less: Allowance for impairment loss	(2,565)	(50,102)	(12,529)
Contract assets	$ 485,005	$ 9,472,165	$ 5,077,926
Contract liabilities - current			
Advance on contract	$ 314,304	$ 694,873	$ 56,318

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

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

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ 50,102	$ 12,529
Add: Net remeasurement of loss allowance	(47,537)	37,573
Balance at December 31	$ 2,565	$ 50,102

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

b. Disaggregation of revenue

Revenue from contracts with customers mainly comes from the containership department.

25. NET PROFIT

a. Other operating income and expenses

	For the Year Ended December 31	
	2022	2021
Gain on disposal and retirement of property, plant and equipment	$ 17,671	$ 139,102
Reimbursement income	568,895	138,820
	$ 586,566	$ 277,922

b. Interest income

	For the Year Ended December 31	
	2022	2021
Bank deposits (including U.S. dollars demand and time deposits designated as hedging instruments)	$ 3,160,475	$ 216,864
Net investments in leases	19,294	26,158
Long-term receivables - related parties	35,651	25,263
Short-term bills	68,441	15,668
Corporate bonds	32,492	10,800
Others	1	914
	$ 3,316,354	$ 295,667

c. Other income

	For the Year Ended December 31	
	2022	2021
Rental income - operating leases	$ 91,756	$ 95,145
Dividends	2,109	4,969
	$ 93,865	$ 100,114

d. Other gains and losses

	For the Year Ended December 31	
	2022	2021
Net foreign exchange gains (losses)	$ 11,851,947	$ (383,962)
Fair value changes of financial assets and financial liabilities		
Financial assets mandatorily classified as at FVTPL	(16,316)	12,704
Financial liabilities held for trading	(2,186)	-
Loss arising from lease modifications	(285)	(82,887)
Gain arising from the change in fair value of investment properties	170,632	395,312
Impairment loss recognized on associates (Note 13)	(1,924,980)	(602,008)
Others	190,433	24,067
	$ 10,269,245	$ (636,774)

e. Finance costs

	For the Year Ended December 31	
	2022	2021
Interest on bank loans	$ 19,846	$ 202,895
Interest on lease liabilities (including U.S. dollars lease contracts designated as hedging instrument)	1,847,121	1,682,072
Other interest expenses	244,162	326,929
	2,111,129	2,211,896
Less: Amounts included in the cost of qualifying assets	-	(7,962)
	$ 2,111,129	$ 2,203,934

Information about capitalized interest is as follows:

	December 31	
	2022	2021
Capitalized interest amount	$ -	$ 7,962
Capitalized rate	-	0.99%-1.47%

f. Depreciation and amortization

	For the Year Ended December 31	
	2022	2021
Right-of-use assets	$ 12,911,043	$ 10,909,768
Property, plant and equipment	4,380,518	3,832,122
Intangible assets	58,727	41,542
	$ 17,350,288	$ 14,783,432
An analysis of depreciation by function		
Operating costs	$ 17,218,917	$ 14,686,716
Operating expenses	72,644	55,174
	$ 17,291,561	$ 14,741,890

(Continued)

	For the Year Ended December 31	
	2022	2021
An analysis of amortization by function		
Operating expenses	$ 58,727	$ 41,542

(Concluded)

g. Employee benefits expense

	For the Year Ended December 31	
	2022	2021
Post-employment benefits		
Defined contribution plans	$ 85,932	$ 69,684
Defined benefit plans (Note 22)	66,606	64,581
	152,538	134,265
Termination benefits	8,888	1,786
Other employee benefits	6,888,056	5,823,525
Total employee benefits expense	$ 7,049,482	$ 5,959,576
An analysis of employee benefits expense by function		
Operating costs	$ 2,016,233	$ 1,690,005
Operating expenses	5,033,249	4,269,571
	$ 7,049,482	$ 5,959,576

h. Compensation of employees and remuneration of directors

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

The compensation of employees and the remuneration of directors for the years ended December 31, 2022 and 2021, which were approved by the Company's board of directors on March 9, 2023 and March 14, 2022, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2022	2021
Compensation of employees	1%	1%
Remuneration of directors	0.0343%	0.0396%

Amount

	For the Year Ended December 31	
	2022	2021
	Cash	Cash
Compensation of employees	$ 2,328,973	$ 2,020,049
Remuneration of directors	$ 80,000	$ 80,000

If there is a change in the amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the financial statements for the years ended December 31, 2021 and 2020.

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

26. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2022	2021
Current tax		
In respect of the current year	$ 40,887,063	$ 29,709,352
Income tax on unappropriated earnings	3,561,026	-
Adjustments for prior years	(144,515)	15,908
	44,303,574	29,725,260
Deferred tax		
In respect of the current year	5,592,783	4,923,209
Adjustments for prior years	-	(12,251)
	5,592,783	4,910,958
Income tax expense recognized in profit or loss	$ 49,896,357	$ 34,636,218

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2022	2021
Profit before tax	$ 230,488,299	$ 199,904,846
Income tax expense calculated at the statutory rate	$ 46,097,660	$ 39,980,969
Nondeductible expenses in determining taxable income	3,751	2,811
Tax-exempt income	112,096	(173,660)
Adjustments for prior years' tax	(144,515)	15,908
Unrecognized loss carryforwards	-	(5,359,301)
Offshore income tax	668,347	1,034,642
Subsidiaries capital reduction used to offset accumulated deficits	-	(633,979)
Income tax on unappropriated earnings	3,561,026	-
Others	(402,008)	(231,172)
Income tax expense recognized in profit or loss	$ 49,896,357	$ 34,636,218

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

	For the Year Ended December 31	
	2022	2021
Deferred tax		
In respect of the current year		
Translation of foreign operations	$ 214,968	$ (362,979)
Remeasurement of defined benefit plans	63,252	(11,017)
Cash flow hedges	(673,109)	819,513
	$ (394,889)	$ 445,517

c. Current tax assets and liabilities

	December 31	
	2022	2021
Current tax assets		
Tax refund receivable (included in other current assets)	$ 144	$ 7,442
Current tax liabilities		
Income tax payable	$ 29,508,092	$ 29,208,420

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2022

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Closing Balance
Tax losses				
Temporary differences				
Defined benefit plans	$ 582,505	$ (50,851)	$ (63,252)	$ 468,402
Payables for annual leave	20,421	2,387	-	22,808
Exchange differences on translating the financial statements of foreign operations	362,979	-	(214,968)	148,011
Unrealized loss on foreign currency exchange	191,202	(191,202)	-	-
Loss on hedge instruments	-	-	61,596	61,596
Others	55,840	(42,910)	-	12,930
	$ 1,212,947	$ (282,576)	$ (216,624)	$ 713,747

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Closing Balance
Temporary differences				
Investment gain on investments accounted for using the equity method	$ 4,260,337	$ 4,188,885	$ -	$ 8,449,222
Reserve for land value increment tax	694,047	8,707	-	702,754
Investment properties	153,779	37,191	-	190,970
Property, plant and equipment	31,310	23,355	-	54,665
Unrealized gain on foreign currency exchange	-	1,051,646	-	1,051,646
Gain on hedge instruments	819,513	-	(611,513)	208,000
Others	4,596	423	-	5,019
	$ 5,963,582	$ 5,310,207	$ (611,513)	$ 10,662,276

For the year ended December 31, 2021

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Closing Balance
Tax losses	$ 2,389,853	$ (2,389,853)	$ -	$ -
Temporary differences				
Unrealized shipping fuel valuation losses	15,087	(15,087)	-	-
Defined benefit plans	564,648	6,840	11,017	582,505
Payables for annual leave	28,297	(7,876)	-	20,421
Unrealized loss on voyage in sailing	8,374	(8,374)	-	-
Exchange differences on translating the financial statements of foreign operations	-	-	362,979	362,979
Unrealized loss on foreign currency exchange	-	191,202	-	191,202
Others	13,504	42,336	-	55,840
	$ 3,019,763	$ (2,180,812)	$ 373,996	$ 1,212,947

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Closing Balance
Temporary differences				
Investment gain on investments accounted for using the equity method	$ 1,640,393	$ 2,619,944	$ -	$ 4,260,337
Reserve for land value increment tax	669,046	25,001	-	694,047
Investment properties	19,238	134,541	-	153,779
Property, plant and equipment	29,739	1,571	-	31,310
Gain on hedge instruments	-	-	819,513	819,513
Unrealized gain on foreign currency exchange	51,457	(51,457)	-	-
Others	4,050	546	-	4,596
	$ 2,413,923	$ 2,730,146	$ 819,513	$ 5,963,582

e. Income tax assessments

The Company’s income tax returns through 2020 have been assessed by the tax authorities.

27. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2022	**2021**
Basic earnings per share	$ 51.71	$ 48.73
Diluted earnings per share	$ 51.15	$ 48.28

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

Net Profit for the Year

	For the Year Ended December 31	
	2022	**2021**
Earnings used in the computation of basic earnings per share	$ 180,591,942	$ 165,268,628
Effect of potentially dilutive ordinary shares:		
Interest on convertible bonds (after tax)	-	1,198
Earnings used in the computation of diluted earnings per share	$ 180,591,942	$ 165,269,826

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

	For the Year Ended December 31	
	2022	**2021**
Weighted average number of ordinary shares used in the computation of basic earnings per share	3,492,104	3,391,275
Effect of potentially dilutive ordinary shares:		
Convertible bonds	-	14,911
Compensation of employees	38,732	17,084
Weighted average number of ordinary shares used in the computation of diluted earnings per share	3,530,836	3,423,270

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

28. SHARE-BASED PAYMENT ARRANGEMENT

The Company’s board of directors resolved on May 19, 2021 to apply for the capital increase by cash. According to the Company Act, a certain proportion of the shares issued was reserved and subscribed by employees. The subscribed numbers of shares and prices were determined in June and July 2021, respectively. According to IFRS 2 “Share-based Payment”, the employee share options shall adopt general fair value measurement principle. Therefore, compensation cost (included in salaries expenses) and capital surplus - employee share options would be recognized in the amount of $51,373 thousand on the grant date.

Information on employee share options was as follows:

Employee Share Options	For the Year Ended December 31, 2021	
	Numbers of Options (In Thousand)	Weighted-average Exercise Price (NT$)
Balance at January 1	-	$ -
Options granted	3,803	182
Options forfeited	(3,693)	182
Options exercised	(110)	182
Balance at December 31	-	
Options exercisable, end of the year	-	
Weighted-average fair value of options granted ($)	$ 13.51	

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

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

29. CASH FLOW INFORMATION

Changes in Liabilities Arising from Financing Activities

For the year ended December 31, 2022

	Opening Balance	Cash Flows	Non-cash Changes		Closing Balance
			New Leases	Others (Note)	
Long-term borrowings	$ 4,001,968	$ (3,803,574)	$ -	$ 356	$ 198,750
Bonds payable	10,822,014	-	-	4,174	10,826,188
Lease liabilities	60,197,110	(10,686,462)	22,806,313	5,985,978	78,302,939
Other non-current liabilities	106,185	118,190	-	15,000	239,375
	$ 75,127,277	$ (14,371,846)	$ 22,806,313	$ 6,005,508	$ 89,567,252

For the year ended December 31, 2021

	Opening Balance	Cash Flows	Non-cash Changes		Closing Balance
			New Leases	Others (Note)	
Short-term bills payable	$ 11,714,456	$ (11,740,000)	$ -	$ 25,544	$ -
Long-term borrowings	47,701,603	(43,743,345)	-	43,710	4,001,968
Bonds payable	6,619,686	5,900,000	-	(1,697,672)	10,822,014
Lease liabilities	53,715,765	(8,045,163)	16,265,298	(1,738,790)	60,197,110
Other non-current liabilities	136,392	(15,207)	-	(15,000)	106,185
	$ 119,887,902	$ (57,643,715)	$ 16,265,298	$ (3,382,208)	$ 75,127,277

In 2022 and 2021, according to the agreement with All Oceans Transportation Inc., the Company offset the long-term receivables with the lease liabilities in the amount of $356,774 thousand and $351,453 thousand, respectively.

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

30. CAPITAL MANAGEMENT

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

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

31. FINANCIAL INSTRUMENTS

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

December 31, 2022

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Financial lease receivables	$ 652,461	$ -	$ 649,946	$ -	$ 649,946
Financial assets measured at amortized cost					
Foreign corporate bonds	2,106,313	-	2,107,886	-	2,107,886
	$ 2,758,774	$ -	$ 2,757,832	$ -	$ 2,757,832
Financial liabilities					
Financial liabilities measured at amortized cost					
Secured domestic bonds	$ 10,826,188	$ -	$ 10,795,061	$ -	$ 10,795,061

December 31, 2021

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Financial lease receivables	$ 718,482	$ -	$ 719,369	$ -	$ 719,369
Financial liabilities					
Financial liabilities measured at amortized cost					
Secured domestic bonds	$ 10,822,014	$ -	$ 10,827,105	$ -	$ 10,827,105

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

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

1) Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	$ 338,592	$ -	$ -	$ 338,592
Mutual funds	4,287,929	-	-	4,287,929
Domestic limited partnership	-	-	29,589	29,589
	$ 4,626,521	$ -	$ 29,589	$ 4,656,110
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic unlisted shares	$ -	$ -	$ 505,221	$ 505,221

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	$ 70,016	$ -	$ -	$ 70,016
Mutual funds	6,032	-	-	6,032
Domestic limited partnership	-	-	13,871	13,871
	$ 76,048	$ -	$ 13,871	$ 89,919
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic unlisted shares	$ -	$ -	$ 495,650	$ 495,650

There were no transfers between Levels 1 and 2 in the current and prior year.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2022

	Other Instruments
	Domestic Limited Partnership
Financial assets at FVTPL	
Balance at January 1, 2022	$ 13,871
Purchases	25,000
Recognized in profit or loss (included in other gains and losses)	(9,282)
Transfers out of Level 3	-
Balance at December 31, 2022	$ 29,589
Unrealized loss for the current year included in profit or loss relating to assets held at the end of the year	$ (9,282)

	Equity Instruments
Financial assets at FVTOCI	
Balance at January 1, 2022	$ 495,650
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	9,571
Balance at December 31, 2022	$ 505,221

Financial liabilities at FVTPL

	Derivative
	Oil Derivatives
Balance at January 1, 2022	$ -
Recognized in profit or loss (included in other gains and losses)	2,186
Disposition/settlement	(2,186)
Transfers out of Level 3	-
Balance at December 31, 2022	$ -
Unrealized gain (loss) for the current year included in profit or loss relating to liabilities held at the end of the period	$ -

For the year ended December 31, 2021

	Other Instruments	Derivatives		
	Domestic Limited Partnership	Oil Derivatives	Call Option of Bonds	Total
Financial assets at FVTPL				
Balance at January 1, 2021	$ -	$ -	$ 8,636	$ 8,636
Recognized in profit or loss (included in other gains and losses)	(11,129)	(786)	2,560	(9,355)
Purchases	25,000	919	-	25,919
Sales/settlements	-	(133)	(11,196)	(11,329)
Transfers out of Level 3	-	-	-	-
Balance at December 31, 2021	$ 13,871	$ -	$ -	$ 13,871
Unrealized loss for the current year included in profit or loss relating to assets held at the end of the year	$ (11,129)	$ -	$ -	$ (11,129)

	Equity Instruments
Financial assets at FVTOCI	
Balance at January 1, 2021	$ 503,968
Recognized in other comprehensive income (loss) (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	(28,036)
Purchases	20,000
Sales/settlements	(282)
Balance at December 31, 2021	$ 495,650

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

a) The fair values of oil derivative contracts 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 an increase or decrease in the fair value.

b) The fair values of call option of bonds are determined using convertible bonds of Binary tree pricing models where the significant unobservable inputs are volatility. An increase in the volatility used in isolation would result in an increase in the fair value of call option of bonds.

c) The fair values of domestic unlisted ordinary shares and domestic limited partnership are determined using the comparable company analysis approach and asset-based approach. The comparable company analysis approach is a way to determine the value of a target company by reference to companies engaged in the similar industry, stock price in the active market and value multiplier implied by such prices, based on liquidity reduction. The asset-based approach is a way to determine the value of a target company by assessing the total value of individual assets and liabilities, based on liquidity reduction.

c. Categories of financial instruments

	December 31	
	2022	**2021**
Financial assets		
FVTPL		
Mandatorily classified as at FVTPL	$ 4,656,110	$ 89,919
Financial assets at amortized cost (1)	199,139,078	189,723,649
Financial assets for hedging	30,710,000	-
Financial assets at FVTOCI		
Equity instruments	505,221	495,650
Financial liabilities		
Financial liabilities for hedging	45,188,254	41,420,877
Amortized cost (2)	21,717,182	31,551,161

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, debt investments without active market, time deposits with original maturity of more than 3 months, repurchase agreements, corporate bonds, restricted bank deposits, trade receivables (including related parties) and other receivables (including related parties).

2) The balances included financial liabilities measured at amortized cost, which comprise trade payables (including related parties), other payables (including related parties), bonds payable and long-term loans.

d. Financial risk management objectives and policies

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

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

1) Market risk

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

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

a) Foreign currency risk

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

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

Sensitivity analysis

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

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

	For the Year Ended December 31	
Profit (Loss)/Equity of 1% Variation	**2022**	**2021**
Profit or loss (i)		
U.S. dollars	$ 430,236	$ 712,790
GBP	18,401	3,395
CNY	3,581	8,759
EUR	41,187	90,108
HKD	4,755	3,194
Equity (ii)		
U.S. dollars	(144,783)	(414,209)

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

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

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

Hedge accounting

The Company's hedging strategy is to enter into USD-denominated demand deposits and time deposits to avoid exchange rate exposure of highly possible USD-denominated payments for ship and container purchases. Those transactions are designated as cash flow hedges.

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

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

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

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

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

Refer to Notes 6 and 15 (b). for information relating to foreign exchange rates hedging instruments.

b) Interest rate risk

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

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

	December 31	
	2022	**2021**
Fair value interest rate risk		
Financial assets	$ 201,522,759	$ 137,846,727
Financial liabilities	89,129,127	71,636,422
Cash flow interest rate risk		
Financial assets	22,095,581	36,401,501
Financial liabilities	198,750	3,384,670

Sensitivity analysis

The sensitivity analyses below were determined based on the Company's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 10 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 10 basis points higher/lower and all other variables were held constant, the Company's pre-tax profit (loss) for the year ended December 31, 2022 would have increased/decreased by $21,987 thousand, which was mainly attributable to the Company's exposure to interest rates on its variable-rate bank borrowings, other financial liabilities and variable-rate financial assets.

If interest rates had been 10 basis points higher/lower and all other variables were held constant, the Company's pre-tax profit (loss) for the year ended December 31, 2021 would have increased/decreased by $33,017 thousand, which was mainly attributable to the Company's exposure to interest rates on its variable-rate bank borrowings, other financial liabilities and variable-rate financial assets.

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

c) Other price risk

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

<u>Sensitivity analysis</u>

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

If equity prices had been 5% higher/lower, pre-tax profit (loss) for the year ended December 31, 2022 would have increased/decreased by $16,930 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income (loss) for the year ended December 31, 2022 would have increased/decreased by $25,261 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

If equity prices had been 5% higher/lower, pre-tax profit (loss) for the year ended December 31, 2021 would have increased/decreased by $3,501 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income (loss) for the year ended December 31, 2021 would have increased/decreased by $24,783 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

If limited partnership and mutual funds had been 5% higher/lower, pre-tax profit (loss) for the year ended December 31, 2022 would have increased/decreased by $215,876 thousand, as a result of the changes in fair value of financial assets at FVTPL.

If limited partnership and mutual funds had been 5% higher/lower, pre-tax profit (loss) for the year ended December 31, 2021 would have increased/decreased by $995 thousand, as a result of the changes in fair value of financial assets at FVTPL.

The Company's sensitivity to equity instruments price increased/decreased during the current year mainly due to the increase in equity instruments measured at FVTPL.

The Company's sensitivity to limited partnership and mutual funds price increased during the current year mainly due to the increase in mutual funds measured at FVTPL.

2) Credit risk

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

a) The carrying amount of the respective recognized financial assets as stated in the balance sheets; and

b) The maximum amount of the Company would have to pay if the financial guarantee is called upon.

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

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

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

3) Liquidity risk

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

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2022 and 2021, the Company had available unutilized bank loans facilities of $10,895,767 thousand and $12,551,657 thousand, respectively.

a) Liquidity and interest risk rate tables

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

December 31, 2022

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15+ Years
Non-interest bearing	$ 14,872,306	$ 236,814	$ -	$ -	$ -
Lease liabilities	12,685,628	47,510,932	18,327,729	1,139,284	953,843
Variable interest rate liabilities	3,800	111,228	102,693	-	-
Fixed interest rate liabilities	2,564,110	7,796,565	703,430	-	-
Short-term and low value lease commitment	1,827,163	1,862,574	162,237	-	-
Lease commitment for future service costs	7,351,764	25,521,785	13,662,859	7,072,494	7,339,648
Financial guarantee liabilities	884,853	-	-	-	-
	$ 40,189,624	$ 83,039,898	$ 32,958,948	$ 8,211,778	$ 8,293,491

December 31, 2021

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15+ Years
Non-interest bearing	$ 20,408,005	$ 106,185	$ -	$ -	$ -
Lease liabilities	9,717,784	34,057,675	15,904,231	1,184,551	1,177,457
Variable interest rate liabilities	47,652	2,142,870	1,696,540	-	-
Fixed interest rate liabilities	385,283	9,653,815	1,410,290	-	-
Short-term and low value lease commitment	2,887,967	3,134,976	308,557	-	-
Lease commitment for future service costs	6,207,158	21,257,077	12,724,519	7,024,051	7,740,268
Financial guarantee liabilities	5,043,671	-	-	-	-
	$ 44,697,520	$ 70,352,598	$ 32,044,137	$ 8,208,602	$ 8,917,725

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

b) Derivative instruments

The Company did not have outstanding derivative instruments contracts for the years ended December 31, 2022 and 2021.

32. TRANSACTIONS WITH RELATED PARTIES

The Ministry of Transportation and Communications R.O.C. (MOTC), National Development Fund, and Taiwan International Ports Corporation, Ltd. held 31.16% and 32.06% of the ordinary shares of YMCT as of December 31, 2022 and 2021, respectively. Over 50% of the members of YMTC's board of directors were appointed by the MOTC, National Development Fund, and Taiwan International Ports Corporation, Ltd. Therefore, the Company is a government-related entity, which is controlled by the central government. Transactions with other government-related entities were mainly bank deposits, borrowings and guarantees with government-related banks (see Notes 17 and 18), concession rights of the Port of Kaohsiung, Taiwan International Ports Corporation Kaohsiung harbor intercontinental container and logistics center (see Note 15), properties allocation agreement signed with Chunghwa Post Co., Ltd. (see Note 16) and shipbuilding contracts signed with China Ship Building Corporation (CSBC) (see Note 34).

Besides information disclosed elsewhere in the other notes and Tables A and B, details of transaction between the Company and other related parties are disclosed as follows.

a. Related party name and relationship

Related Party Name	Relationship with the Company
All Oceans Transportation Inc.	Subsidiary
Hong Ming Terminal & Stevedoring Co., Ltd.	Subsidiary
Jing Ming Transportation Co.	Subsidiary
Yang Ming Line (Singapore) Pte Ltd	Subsidiary
Yang Ming Line (Hong Kong) Ltd.	Subsidiary
Yang Ming Line (India) Pvt. Ltd.	Subsidiary
Yang Ming (Korea) Co., Ltd	Subsidiary
Young-Carrier Company Ltd.	Subsidiary
Yang Ming (Japan) Co., Ltd.	Subsidiary
Manwa Co., Ltd.	Subsidiary
Yang Ming (Singapore) Pte. Ltd.	Subsidiary
Yang Ming Line (M) Sdn. Bhd.	Subsidiary
Yang Ming Shipping (Vietnam) Co., Ltd	Subsidiary
Yang Ming Anatolia Shipping Agency S.A.	Subsidiary
Yang Ming Shipping Philippines, Inc.	Subsidiary
Yang Ming (Latin America) Corp.	Subsidiary
Yang Ming Line (Thailand) Co., Ltd.	Subsidiary
Yang Ming Insurance Co., Ltd.	Subsidiary
PT Yang Ming Shipping Indonesia	Subsidiary
Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	Subsidiary
Yang Ming (France) Corp.	Subsidiary
Yang Ming Line Holding Co.	Subsidiary
Yang Ming (America) Corp.	Subsidiary
Yang Ming Shipping (Canada) Ltd.	Subsidiary
Yang Ming Line (B.V.I) Holding Co., Ltd.	Subsidiary
Yang Ming Line B.V.	Subsidiary
Yang Ming Line (Belgium) N.V.	Subsidiary
Yang Ming (Netherlands) B.V.	Subsidiary
Yang Ming (Italy) S.P.A.	Subsidiary
Yang Ming (UK) Ltd	Subsidiary
Yang Ming Shipping Europe GmbH	Subsidiary
Yang Ming (Russia) LLC	Subsidiary
Yang Ming (Spain), S.L.	Subsidiary

(Continued)

Related Party Name	Relationship with the Company
Kuang Ming Shipping Corp.	Subsidiary
Kuang Ming (Liberia) Corp.	Subsidiary
YES Logistics Corp.	Subsidiary
YES Logistics Corporation (USA)	Subsidiary
Golden Logistics USA Corporation	Subsidiary
Yes Logistics (Shanghai) Corp.	Subsidiary
Yunn Wang Investment Co., Ltd.	Associate
Yang Ming (U.A.E.) LLC	Associate
Yang Ming (Australia) Pty. Ltd.	Associate
West Basin Container Terminal LLC	Associate
Yang Ming Shipping (Egypt) S.A.E	Associate
Taiwan Navigation Co., Ltd.	Associate
Kao Ming Container Terminal Corp.	Associate
LogiTrans Technology Private Limited	Joint venture
Chunghwa Telecom Co., Ltd.	Government - related party
Taiwan International Ports Corporation, Ltd.	Government - related party
Chunghwa Post Co., Ltd.	Government - related party
Agricultural Bank of Taiwan	Government - related party
Taipei Exchange	Government - related party
First Commercial Bank	Government - related party
Mega International Commercial Bank Co., Ltd.	Government - related party
Mega Securities	Government - related party
Chung Kuo Insurance Company, Limited	Government - related party
Mega Bills Finance Co., Ltd.	Government - related party
Bank of Taiwan	Government - related party
Land Bank of Taiwan	Government - related party
Taiwan Cooperative Bank Co., Ltd.	Government - related party
Taiwan Business Bank Co., Ltd.	Government - related party
Chang Hwa Commercial Bank, Ltd.	Government - related party
Taiwan Power Company	Government - related party
Taiwan Water Corporation	Government - related party
China Steel Corporation	Government - related party
CSBC Corporation, Taiwan	Government - related party
Hua Nan Commercial Bank, Ltd.	Government - related party
South China Insurance Co., Ltd.	Government - related party
Taiwan Stock Exchange Corporation	Government - related party
Taiwan Cooperative Bill Finance Co.	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
The General Association of Chinese Culture	Government - related party
Chiayi County Government	Government - related party
National Taiwan University	Government - related party
Yang Ming Cultural Foundation	Other related party

(Concluded)

b. Operating transaction

Line Item	Related Party Category/Name	For the Year Ended December 31 2022	2021
Operating revenue	Subsidiaries		
	Yang Ming (Singapore) Pte. Ltd.	$ 46,871,484	$ 6,828,147
	Others	22,377,781	11,453,548
		69,249,265	18,281,695
	Associates	22,881	48,167
	Joint ventures	1,112	777
	Government - related parties	1,248	925
		$ 69,274,506	$ 18,331,564
Operating costs	Subsidiaries	$ 8,162,165	$ 7,769,676
	Associates	2,497,842	1,883,174
	Government - related parties	56,658	55,730
		$ 10,716,665	$ 9,708,580
Operating expenses	Subsidiaries	$ 61	$ 193
	Joint ventures	47,212	43,035
	Government - related parties	51,392	33,894
	Other related parties	21,148	18,175
		$ 119,813	$ 95,297

The Company’s transactions with related parties were conducted under contract terms.

c. Bank deposits

Bank deposits on reporting period (including time deposits and pledged time deposits under financial assets at amortized cost and financial assets for hedging) were as follows:

Related Party Category/Name	December 31 2022	2021
Government - related parties		
Mega International Commercial Bank Co., Ltd.	$ 87,681	$ 18,157,308
Others	57,754,262	57,134,337
	$ 57,841,943	$ 75,291,645

d. Contract assets

Related Party Category/Name	December 31 2022	December 31 2021
Subsidiaries		
Yang Ming Shipping (Vietnam) Co., Ltd	$ 5,172	$ 1,062,247
Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	31,921	2,238,264
Others	235,705	1,591,945
	272,798	4,892,456
Associates	24,821	58,337
	$ 297,619	$ 4,950,793

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

e. Receivables and payables from related parties

Line Item	Related Party Category/Name	December 31 2022	December 31 2021
Trade receivables	Subsidiaries		
	Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	$ 76,900	$ 1,100,090
	Yang Ming (UK) Ltd	736,479	174,809
	Others	403,600	1,934,634
		1,216,979	3,209,533
	Associates	84,302	37,828
		$ 1,301,281	$ 3,247,361
Other receivables	Subsidiaries		
	Yang Ming (Singapore) Pte. Ltd.	$ 2,492,485	$ -
	Yang Ming Line (Singapore) Pte Ltd	-	5,536,000
	All Oceans Transportation Inc.	314,568	-
	Others	40,399	11,700
		2,847,452	5,547,700
	Associates	17,420	15,702
	Government - related parties	67,953	19,088
	Other related parties	3,897	3,243
	Joint ventures	300	-
		$ 2,937,022	$ 5,585,733
Long-term receivables	Subsidiaries		
	All Oceans Transportation Inc.	$ 2,290,000	$ 3,051,264

(Continued)

Line Item	Related Party Category/Name	December 31 2022	2021
Trade payables	Subsidiaries		
	Yang Ming (Singapore) Pte. Ltd.	$ 1,073,540	$ 551,971
	Others	2,120,706	2,053,599
		3,194,246	2,565,570
	Associates	250,014	129,913
		$ 3,444,260	$ 2,695,483
Other payables	Subsidiaries	$ 238,770	$ 286,612
	Associates	17,636	11,437
	Joint ventures	255	-
	Government - related parties	21,909	456,629
		$ 278,570	$ 754,678

(Concluded)

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

f. Financial assets at amortized cost

Bonds and repurchase agreements on reporting period (including repurchase agreements under cash and cash equivalents) were as follows:

Related Party Category/Name	December 31 2022	2021
Subsidiaries		
Kuang Ming Shipping Corp.	$ 600,000	$ 600,000
Government - related parties	-	138,400
	$ 600,000	$ 738,400

g. Prepayments

Line Item	Related Party Category/Name	December 31 2022	2021
Prepayments to shipping agents	Subsidiaries	$ 67,297	$ 44,868
	Associates		
	Yang Ming Shipping (Egypt) S.A.E	185,490	96,619
	Others	-	16,690
		185,490	113,309
		$ 252,787	$ 158,177
Prepayments	Subsidiaries	$ 3,814	$ 16,817
	Government - related parties	140	-
		$ 3,954	$ 16,817

h. Lease arrangements - the Company is lessee

Related Party Category/Name	For the Year Ended December 31 2022	2021
Acquisition of right-of-use assets		
Government - related parties	$ 1,580	$ -

Line Item	Related Party Category/Name	December 31 2022	2021
Lease liabilities	Subsidiaries		
	All Oceans Transportation Inc.	$ 4,555,716	$ 4,912,490
	Others	5,770	7,616
		4,561,486	4,920,106
	Associates	1,891	2,815
	Government - related parties	416,182	477,549
		$ 4,979,559	$ 5,400,470

Line Item	Related Party Category/Name	For the Year Ended December 31 2022	2021
Interest expense	Subsidiaries	$ 78,293	$ 83,652
	Associates	28	41
	Government - related parties	6,740	7,659
		$ 85,061	$ 91,352

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

i. Lease arrangements - the Company is lessor/sublease arrangements

Lease arrangements - the Company is lessor under finance leases

The Company leased out certain dock port equipment included in property, plant, and equipment to its subsidiary, Hong Ming Terminal & Stevedoring Corp., under finance leases with a lease term of 6.5 years, and the net investment in leases was $165,289 thousand at the inception of the lease. In July 2022 and June 2021, due to unleash old equipment that needs to be retired and the damage to the bridge crane, the net lease investment on the revised date was $37,667 thousand $42,622 thousand, respectively. The remaining lease period was three and four years, respectively. As of December 31, 2022 and 2021, the balance of finance lease receivables was $24,925 thousand and $32,558 thousand, respectively.

For the years ended December 31, 2022 and 2021, no impairment loss was recognized for finance lease receivables from related parties.

Lease arrangements - sublease arrangements under finance leases

The Company subleased container yard at Keelung included in right-of-use assets to its subsidiary YES Logistics Corp. under finance leases with a lease term of 10 years, and the net investment in leases was $44,555 thousand at the inception of the lease. As of December 31, 2022 and 2021, the balance of finance lease receivables was $32,165 thousand and $35,780 thousand, respectively.

The Company subleased the First and Second Logistics Centers of the Kaohsiung Third Container Center to its subsidiary YES Logistics Corp. under finance leases with lease terms of 13.5 years and 18 years, and the net investment in leases was $207,491 thousand and $396,001 thousand at the inception of the lease. As of December 31, 2022, the balance of finance lease receivables was $147,168 thousand and $321,188 thousand, respectively. As of December 31, 2021, the balance of finance lease receivables was $162,339 thousand and $340,585 thousand, respectively.

For the years ended December 31, 2022 and 2021, no impairment loss was recognized for finance lease receivables from related parties.

j. Bonds payable

Related Party Category/Name	December 31 2022	December 31 2021
Government - related parties		
Taiwan Cooperation Bank Co., Ltd.	$ 1,800,000	$ 1,800,000
Hua Nan commercial Bank Ltd.	1,200,000	1,200,000
Others	900,000	900,000
	$ 3,900,000	$ 3,900,000

Note: Original investment amount of domestic bonds.

k. Loans from related parties

Line Item	Related Party Category/Name	December 31 2022	December 31 2021
Long-term borrowings			
Secured borrowings	Government - related parties		
	Taiwan Cooperation Bank Co., Ltd.	$ -	$ 1,590,000
	Hua Nan commercial Bank Ltd.	198,750	795,000
		$ 198,750	$ 2,385,000

l. Others

Line Item	Related Party Category/Name	For the Year Ended December 31 2022	For the Year Ended December 31 2021
Rental income	Subsidiaries	$ 12,218	$ 13,028
	Associates	137	137
	Other related parties	2,500	2,619
		$ 14,855	$ 15,784
Interest income	Subsidiaries	$ 63,939	$ 60,148
	Government - related parties		
	Taiwan Cooperation Bank Co., Ltd.	397,191	25,371
	Others	739,506	55,390
		1,136,697	80,761
		$ 1,200,636	$ 140,909

(Continued)

Line Item	Related Party Category/Name	For the Year Ended December 31 2022	2021
Finance costs	Government - related parties	$ 162,000	$ 322,277
	Subsidiaries	1	2
		$ 162,001	$ 322,279

(Concluded)

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

m. Remuneration of key management personnel

	For the Year Ended December 31 2022	2021
Short-term employee benefits	$ 207,538	$ 215,544
Post-employment benefits	2,436	2,240
	$ 209,974	$ 217,784

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:

	December 31 2022	2021
Restricted bank deposits (included in financial assets at amortized cost)	$ 89,182	$ 52,025
Property, plant and equipment, net	1,066,375	3,990,296
	$ 1,155,557	$ 4,042,321

34. COMMITMENTS AND CONTINGENT LIABILITY

In addition to those mentioned in Table B and Note 15, commitments and contingent liability on reporting periods were as follows:

a. The Company signed ship lease contracts with other companies in 2018, which are effective in 2020 with lease periods ranging from 10 to 12 years. All the ship lease contracts were effective as of December 31, 2022, rentals for contracts. As of December 31, 2021, rentals for contracts that were not yet in effect were ranging from US$543,000 thousand to US$654,000 thousand, respectively.

b. The Company's shipping and port business were secured by the letter of guarantee issued by a government - related bank for $313,030 thousand and $383,775 thousand as of December 31, 2022 and 2021, respectively.

c. The Company signed shipbuilding contracts with government - related parties, which had been fully delivered and settled as of December 31, 2022 and 2021. The Company's related property transactions in 2021 amounted to $4,724,229 thousand and were included in property, plant and equipment.

35. OTHER ITEMS

The Company did not consider the COVID-19 pandemic to have a significant impact on the business scale and financial situation of the Company, since both containers and bulk shipping markets have maintained stability due to the recovery of the global economy.

36. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2022

	Foreign Currency (In Thousands)	Exchange Rate		Carrying Amount
Financial assets				
Monetary items				
USD	$ 3,524,004	30.7100	(USD:NTD)	$ 108,222,175
GBP	56,189	37.0209	(GBP:NTD)	2,080,168
CNY	221,290	4.4176	(CNY:NTD)	977,570
EUR	145,277	32.7353	(EUR:NTD)	4,755,706
HKD	120,746	3.9384	(HKD:NTD)	475,544
JPY	3,180,116	0.2330	(JPY:NTD)	740,925
CAD	12,554	22.6701	(CAD:NTD)	284,591
Non-monetary items				
Investments accounted for using the equity method				
USD	3,006,664	30.7100	(USD:NTD)	92,334,651
CNY	4,653	4.4176	(CNY:NTD)	20,555
EUR	61,458	32.7353	(EUR:NTD)	2,011,853
Financial liabilities				
Monetary items				
USD	2,594,492	30.7100	(USD:NTD)	79,676,843
GBP	6,485	37.0209	(GBP:NTD)	240,091
CNY	140,223	4.4176	(CNY:NTD)	619,447
EUR	19,460	32.7353	(EUR:NTD)	637,026
JPY	1,867,098	0.2330	(JPY:NTD)	435,009
CAD	3,525	22.6701	(CAD:NTD)	79,903

December 31, 2021

	Foreign Currency (In Thousands)	Exchange Rate		Carrying Amount
Financial assets				
Monetary items				
USD	$ 3,578,606	27.6800	(USD:NTD)	$ 99,055,819
GBP	37,266	37.2781	(GBP:NTD)	1,389,188
CNY	340,062	4.3419	(CNY:NTD)	1,476,499
EUR	324,185	31.2964	(EUR:NTD)	10,145,816
HKD	90,000	3.5494	(HKD:NTD)	319,443
JPY	7,048,630	0.2404	(JPY:NTD)	1,694,144
CAD	32,166	21.6191	(CAD:NTD)	695,409
Non-monetary items				
Investments accounted for using the equity method				
USD	667,529	27.6800	(USD:NTD)	18,477,207
CNY	5,256	4.3419	(CNY:NTD)	22,820
EUR	48,251	31.2964	(EUR:NTD)	1,510,079
Financial liabilities				
Monetary items				
USD	2,499,917	27.6800	(USD:NTD)	69,197,691
GBP	28,159	37.2781	(GBP:NTD)	1,049,724
CNY	138,324	4.3419	(CNY:NTD)	600,582
EUR	36,267	31.2964	(EUR:NTD)	1,135,038
JPY	1,022,404	0.2404	(JPY:NTD)	240,929
CAD	8,795	21.6191	(CAD:NTD)	190,142

For the years ended December 31, 2022 and 2021, realized and unrealized net foreign exchange gains (losses) were $11,851,947 thousand and $(383,962) thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the Company.

37. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

1) Financing provided to others: See Table A attached;

2) Endorsement/guarantee provided: See Table B attached;

3) Marketable securities held: See Table C attached;

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: See Table D attached;

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: None;

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None;

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: None;

8) Receivable from related parties amounting to at least NT$100 million or 20% of the paid-in capital: See Table E attached;

9) Trading in derivative instruments: See Note 7.

b. Information on investees: See Table F attached.

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: See Table G attached;

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: None;

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: See Table H attached.

YANG MING MARINE TRANSPORT CORPORATION

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Relate Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amounts	Interest Rate	Nature of Financing (Note A)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note B)	Aggregate Financing Limits (Note B)
													Item	Value		
0	Yang Ming Marine Transport Corporation	All Oceans Transportation Inc.	Other receivables	Y	$ 2,880,435	$ 2,290,000	$ 2,290,000	1.3000%-1.9813%	1	$ 3,237,585	-	$ -	-	$ -	$ 137,183,894	$ 171,479,868

Notes:

A. Nature of financing:

1. The Company has transactions with the borrower.
2. The borrower needs short-term financing.

B. The maximum financing amount is the 60% of the net assets of the lender. For borrowers with transactions with the lender, maximum financing is 50% of the net assets of the lender. For the borrower with transactions with the lender, maximum financing is the lower of 15% of the net assets of the lender or the total amount of transactions between the lender and the borrower in the last two years. For subsidiaries with transactions with the lender, maximum financing is the lower of 40% of the latest net assets of the lender or the total amount of transactions between the lender and the borrower in the last five years. For borrowers with short-term financing need, the maximum is 10% of the net assets of the lender. For the borrower needing short-term financing, maximum financing is 5% of the net assets of the lender.

YANG MING MARINE TRANSPORT CORPORATION

ENDORSEMENT/GUARANTEE PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorser/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note A)	Maximum Amount Endorsed/ Guaranteed During the Period (Note B)	Outstanding Endorsement/ Guarantee at the End of the Period (Note B)	Actual Borrowing Amount (Note B)	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note A)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	Yang Ming Marine Transport Corporation	All Oceans Transportation Inc.	Subsidiary	$ 548,735,579	$ 578,780 (US$ 18,847 thousand)	$ -	$ -	$ -	-	$ 1,028,879,212	Y	N	N
		Kuang Ming Shipping Corp.	Subsidiary	548,735,579	4,215,000 (US$ 58,450 thousand and NT$ 2,420,000 thousand)	670,000	396,500	-	0.20	1,028,879,212	Y	N	N
		Kuang Ming (Liberia) Corp.	Subsidiary	548,735,579	316,070 (US$ 10,292 thousand)	122,723 (US$ 3,996 thousand)	122,723 (US$ 3,996 thousand)	-	0.04	1,028,879,212	Y	N	N
		Yang Ming (America) Corp.	Subsidiary	548,735,579	92,130 (US$ 3,000 thousand)	92,130 (US$ 3,000 thousand)	-	-	0.03	1,028,879,212	Y	N	N

Notes:

A. 1. Represents 300% of the latest net assets audited or reviewed by CPA of the Company. Represents 160% of the amount as aforementioned.
   2. Represents 400% of the latest net assets audited or reviewed by CPA of the Company. Represents 180% of the amount as aforementioned.

B. United States dollars translated into New Taiwan dollars at the exchange rate of US$1=NT$30.71 as of December 31, 2022.

TABLE C

YANG MING MARINE TRANSPORT CORPORATION

MARKETABLE SECURITIES HELD
DECEMBER 31, 2022
(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	December 31, 2022				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Yang Ming Marine Transport Corporation	Domestic unlisted shares							
	Taipei Port Container Terminal Co., Ltd.	-	Financial assets at FVTOCI - non-current	51,000,000	$ 489,102	9.81	$ 489,102	
	United Stevedoring Corp.	-	Financial assets at FVTOCI - non-current	500,000	4,495	10.00	4,495	
	Pro-Ascentek Investment Corporation	-	Financial assets at FVTOCI - non-current	2,000,000	11,624	1.67	11,624	
	Domestic listed shares							
	Fubon Financial Holding Co., Ltd. Preferred Shares C	-	Financial assets at FVTPL - current	1,165,000	64,192	-	64,192	
	Taishin Financial Holding Co., Ltd. Class Z	-	Financial assets at FVTPL - non-current	16,000,000	274,400	-	274,400	
	Mutual funds							
	Taishin 1699 Money Market Fund	-	Financial assets at FVTPL - current	305,409,356	4,204,021	-	4,204,021	
	UPAMC CB Strategy Fund	-	Financial assets at FVTPL - current	3,466,376	34,732	-	34,732	
	KGI GALLANT Fund	-	Financial assets at FVTPL - non-current	3,440,351	49,176	-	49,176	
	Domestic limited partnership							
	Taiwania Capital Buffalo Fund V, LP.	-	Financial assets at FVTPL - non-current	-	29,589	3.19	29,589	
	Corporate bonds							
	Domestic privately placed unsecured bonds - Kuang Ming Shipping Corp	Subsidiary	Financial assets at amortized cost - non-current	-	600,000	-	600,000	
	Alphabet Inc.	-	Financial assets at amortized cost - non-current	2,000	54,572	-	55,418	
	Apple Inc.	-	Financial assets at amortized cost - non-current	5,000	135,099	-	136,541	
	BANK OF AMERICA CORP.	-	Financial assets at amortized cost - non-current	4,000	122,963	-	121,511	
	Citigroup Global Markets Holdings	-	Financial assets at amortized cost - non-current	25,000	767,750	-	774,319	
	Commonwealth Bank of Australia	-	Financial assets at amortized cost - non-current	2,000	55,524	-	56,054	
	FOXCONN (FAR EAST) LTD.	-	Financial assets at amortized cost - non-current	7,000	200,376	-	195,842	
	Intel Corporation	-	Financial assets at amortized cost - non-current	5,000	144,644	-	147,671	
	International Business Machines Corporation	-	Financial assets at amortized cost - non-current	3,000	89,366	-	89,875	
	JPMORGAN CHASE & CO.	-	Financial assets at amortized cost - non-current	3,000	91,474	-	89,560	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value	
	Mitsubishi UFJ Financial Group, Inc.	-	Financial assets at amortized cost - non-current	2,000	$ 60,560	-	$ 60,840	
	MIZUHO FINANCIAL GROUP	-	Financial assets at amortized cost - non-current	2,000	53,005	-	53,604	
	QNB FINANCE LTD.	-	Financial assets at amortized cost - non-current	2,000	58,395	-	56,334	
	The Walt Disney Company	-	Financial assets at amortized cost - non-current	3,000	87,570	-	88,633	
	TSMC GLOBAL LTD.	-	Financial assets at amortized cost - non-current	6,000	185,015	-	181,684	

(Concluded)

TABLE D

YANG MING MARINE TRANSPORT CORPORATION

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST $300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Shares	Amount (Note D)
Yang Ming Marine Transport Corporation	Mutual funds													
	Taishin 1699 Money Market Fund	Financial assets at FVTPL - current	-	-	-	$ -	574,934,721	$ 7,900,000	269,525,365	$ 3,703,670	$ 3,700,000	$ 3,670	305,409,356	$ 4,200,000
	Hua Nan Phoenix Money Market Fund	Financial assets at FVTPL - current	-	-	-	-	91,009,500	1,500,000	91,009,500	1,501,043	1,500,000	1,043	-	-
	Foreign corporate bonds													
	Citigroup Global Markets Holdings	Financial assets at amortized cost - non-current	-	-	-	-	25,000	767,750	-	-	-	-	25,000	767,750
	Stock													
	Yang Ming (Singapore) Pte. Ltd.	Investments accounted for using the equity method	Yang Ming Line (Singapore) Pte Ltd (Note A)	Subsidiary	-	-	21,285,000	444,576	-	-	-	-	799,342,500 (Note B)	37,108,006
	Yang Ming Line (Singapore) Pte Ltd	Investments accounted for using the equity method	-	Subsidiary	60,130,000	7,674,208	1,475,423,000 (Note C)	34,475,400 (Note C)	-	-	-	-	1,535,553,000	36,802,423

Notes:

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

B. The amount includes the capitalization of retained earnings to issue 778,057,500 shares of Yang Ming (Singapore) Pte. Ltd. in December 2022.

C. Yang Ming Line (Singapore) Pte Ltd applied for the cash capital increase of US$1,070,000 thousand and issued 1,475,423,000 shares in November 2022.

D. Mutual funds and corporate bonds are the balance of the original investment cost; equity method investments are the balance of investments accounted for using the equity method.

TABLE E

YANG MING MARINE TRANSPORT CORPORATION

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
Yang Ming Marine Transport Corporation	All Oceans Transportation Inc.	Subsidiary	$ 2,604,568 (Note A)	-	$ -	-	$ -	$ -
	Yang Ming (UK) Ltd	Subsidiary	726,964	-	-	-	726,964	-
	Yang Ming (Singapore) Pte. Ltd.	Subsidiary	2,492,485	-	-	-	2,492,485	-
	YES Logistics Corp.	Subsidiary	513,730 (Note B)	-	-	-	12,600	-

Notes:

A. Interest receivable and financing provided.

B. Financial lease receivables and other receivables.

C. Collections between related parties made according to “Agency Accounting Procedure” by the Company and local business conventions.

TABLE F

YANG MING MARINE TRANSPORT CORPORATION

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount (Note A)		As of December 31, 2022			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2022	December 31, 2021	Shares	Percentage of Ownership	Carrying Amount			
Yang Ming Marine Transport Corporation	Kao Ming Container Terminal Corp.	Taiwan	Terminal operation and stevedoring	$ 3,181,313	$ 3,181,313	323,000,000	47.50	$ 3,598,892	$ 228,989 (Note B)	$ 108,770 (Note B)	Investments in associates
	Yang Ming Line (B.V.I.) Holding Co., Ltd.	British Virgin Islands	Investment, shipping agency, forwarding agency and shipping managers	555,266	555,266	1,757	100.00	14,309,460	5,750,348	5,680,943	Subsidiary
	Yang Ming Line B.V.	Netherlands	Investment, shipping agency, forwarding agency and shipping managers	-	-	2,500	100.00	2,011,853	419,458	419,458	Subsidiary
	Kuang Ming Shipping Corp.	Taiwan	Shipping service, shipping agency and forwarding agency	8,927,857 (Note C)	8,927,857 (Note C)	98,882,111 (Note C)	98.88	2,699,242	560,974	545,783	Subsidiary
	Yang Ming Line (Singapore) Pte Ltd	Singapore	Investment, shipping service; chartering, sale and purchase of ships; and forwarding agency	34,296,196 (Note D)	1,113,356	1,535,553,000 (Note D)	100.00	36,802,423	242,005	241,876	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	4,006,207	607,017	607,017	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	1,210,117	88,258	110,470	Subsidiary
	Yes Logistics Corp.	Taiwan	Warehouse operation and forwarding agency	1,141,691	1,141,691	115,630,977	96.36	1,634,648	427,802	400,699	Subsidiary
	Hong Ming Terminal & Stevedoring Co., Ltd.	Taiwan	Terminal operation and stevedoring	104,261	104,261	10,000,000	100.00	180,222	29,508	29,513	Subsidiary
	Jing Ming Transportation Co., Ltd.	Taiwan	Container transportation	35,844	35,844	8,615,923	50.98	137,326	8,028	4,099	Subsidiary
	Yunn Wang Investment Co., Ltd.	Taiwan	Investment	179,810	179,810	5,211,474	49.75	179,490	22,051	10,970	Investments in associates
	Taiwan Foundation International Pte. Ltd.	Singapore	Investment and subsidiaries management	103,802	103,802	3,400,000	34.00	108,555	8,401	2,856	Investments in associates
	Taiwan Navigation Co., Ltd.	Taiwan	Shipping agency, forwarding agency, shipping managers and shipping lines	4,367,004	4,366,674	70,793,243	16.96	2,676,199	1,640,242	278,185	Investments in associates
	Yang Ming (Singapore) Pte. Ltd. (Note E)	Singapore	Shipping agency, forwarding agency, shipping managers and shipping lines	444,930 (Note E)	-	799,342,500 (Note F)	100.00	37,108,006	44,469,794	44,469,794	Subsidiary

Notes:

A. This is translated into New Taiwan dollars at the exchange rate prevailing at the time of investment acquisition.

B. This is an adjustment to the remainder investment of investment income or loss recognized at fair value on the date of losing control.

C. The original investment amount did not deduct the amount of offsetting the deficit of $3,000,000 thousand and $4,701,339 thousand in May 2021 and May 2017, respectively.

D. Yang Ming Line (Singapore) Pte Ltd applied for the cash capital increase of US$1,070,000 thousand and issued 1,475,423,000 shares in November 2022.

E. The Company reorganized the organization in January 2022 and adjusted the holding structure of the Group. YMTC purchased 21,285,000 shares for acquiring equity of Yang Ming (Singapore) Pte. Ltd. from Yang Ming Line (Singapore) Pte Ltd for US$16,061 thousand.

F. The amount includes the capitalization of retained earnings to issue shares of 778,057,500 shares of Yang Ming (Singapore) Pte. Ltd. in December 2022.

G. The information on investments in mainland China is provided in Table G.

TABLE G

YANG MING MARINE TRANSPORT CORPORATION

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022 (Note I)	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022 (Note I)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note E)	Carrying Amount as of December 31, 2022 (Note E)	Accumulated Repatriation of Investment Income as of December 31, 2022
						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	$ -	$ -	$ -	$ -	$ (299,951)	100.00	$ (299,951)	$ (258,149)	$ -
	Sino Trans PFS Cold Chain Logistic Co., Ltd. (Note D)	Stevedoring equipment, management and related service	US$ 46,242 thousand	Direct investment in mainland China	23,011 (CNY 5,209 thousand)	-	-	23,011 (CNY 5,209 thousand)	45,747	6.67	3,030	20,555	-
Yes Logistics Corp.	Yes Logistics (Shanghai) Corp. (Note A)	International shipping agency	US$ 4,300 thousand	Indirect investment through US based subsidiary's direct investment in mainland China	245,680 (US$ 8,000 thousand)	-	-	245,680 (US$ 8,000 thousand)	73,656	96.36	70,975	461,946	-
	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	285,634 (US$ 9,301 thousand)	-	-	285,634 (US$ 9,301 thousand)	1,622	47.22	766	280,796	-
	Sino Trans PFS Cold Chain Logistic Co., Ltd.	Stevedoring equipment, management and related service	US$ 46,242 thousand	Investee's direct investment in mainland China	189,296 (US$ 6,164 thousand)	-	-	189,296 (US$ 6,164 thousand)	45,747	12.85	5,878	41,234	-
	Shanghai United Cold Chain Logistics Co., Ltd. (Note F)	Stevedoring equipment, management and related service	CNY 50,000 thousand	Investee's direct investment in mainland China	44,176 (CNY 10,000 thousand)	-	-	44,176 (CNY 10,000 thousand)	(76,759)	19.27	(14,791)	42,156	-

Company Name	Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2022 (Note I)	Investment Amounts Authorized by Investment Commission, MOEA (Note I)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Yang Ming Marine Transportation Corporation (Note D)	$ 23,011 (CNY 5,209 thousand)	$ 239,118 (US$ 7,037 thousand) (CNY 5,209 thousand)	$206,271,578
Yes Logistics Corp. (Note C)	752,194 (US$ 17,301 thousand) (CNY 50,000 thousand)	752,194 (US$ 17,301 thousand) (CNY 50,000 thousand)	1,106,314

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 the 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. United States dollars and Renminbi Yuan translated into New Taiwan dollars at the exchange rates of US$1=NT$30.71 and CNY1=NT$4.4176 as of December 31, 2022.

TABLE H

YANG MING MARINE TRANSPORT CORPORATION

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2022

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
The Ministry of Transportation and Communications R.O.C.	467,682,372	13.39
National Development Fund	460,000,000	13.17

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual truster 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.