

**Yang Ming Marine Transport Corporation
and Subsidiaries**

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2023 and 2022 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Yang Ming Marine Transport Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Yang Ming Marine Transport Corporation (hereinafter referred to as YMTC) and its subsidiaries (the "Group") as of September 30, 2023 and 2022, the related consolidated statements of comprehensive income for the three months ended September 30, 2023 and 2022 and for the nine months ended September 30, 2023 and 2022, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards (IAS) 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As disclosed in Note 13 to the accompanying consolidated financial statements, the financial statements of some non-significant subsidiaries were not reviewed. As of September 30, 2023 and 2022, the combined total assets of these non-significant subsidiaries were NT\$65,612,621 thousand and NT\$ 35,372,884 thousand, respectively, representing 15.79% and 7.02%, respectively, of the consolidated total assets, and the combined total liabilities of these non-significant subsidiaries were NT\$10,534,181 thousand and NT\$11,404,349 thousand, respectively, representing 7.95% and 6.64%, respectively, of the consolidated total liabilities; for the three months ended September 30, 2023 and 2022 and for the nine months ended September 30, 2023 and 2022, the amounts of the combined comprehensive income of these non-significant subsidiaries were NT\$(88,298) thousand, NT\$1,424,189 thousand, NT\$(47,713) thousand and NT\$4,946,211 thousand, respectively, representing (1.61)%, 2.73%, (0.49)% and 2.95% respectively, of the consolidated total comprehensive income. As also disclosed in Note 14, as of September 30, 2023 and 2022, the investments accounted for using the equity method were NT\$6,055,362 thousand and NT\$7,465,643 thousand, respectively; and for the three months ended September 30, 2023 and 2022 and for the nine months ended September 30, 2023 and 2022, the amounts of the Group's share of the profit of such investments accounted for using the equity method were NT\$202,834 thousand, NT\$518,440 thousand, NT\$417,811 thousand and NT\$1,264,216 thousand, respectively. The information about investees disclosed in Note 37 and aforementioned in Note 14 were based on the subsidiaries', associates' and joint ventures' financial statements which have not been reviewed.

Qualified Conclusion

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and investments accounted for by using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2023 and 2022, its consolidated financial performance for the three months ended September 30, 2023 and 2022, and its consolidated financial performance and its cash flows for the nine months ended September 30, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 10, 2023

Notice to Readers

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

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

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2023		December 31, 2022		September 30, 2022	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 6 and 32)	\$ 145,478,164	35	\$ 149,427,959	30	\$ 181,880,167	36
Financial assets at fair value through profit or loss (FVTPL) - current (Note 7)	2,030,237	—	4,302,945	1	66,405	—
Financial assets at amortized cost - current (Notes 9, 32 and 33)	58,881,280	14	133,484,952	26	80,741,366	16
Financial assets for hedging - current (Notes 6, 31 and 32)	24,196,046	6	30,710,000	6	35,395,376	7
Contract assets, net (Notes 25 and 32)	2,287,059	1	1,853,463	1	3,984,410	1
Notes receivable, net (Note 10)	12,784	—	4,262	—	7,770	—
Trade receivables, net (Notes 10 and 25)	7,745,809	2	10,298,914	2	21,841,830	5
Trade receivables from related parties (Notes 10, 25 and 32)	265,083	—	339,219	—	532,523	—
Finance lease receivables, net (Note 11)	20,678	—	766,403	—	1,114,635	—
Shipping fuel (Note 12)	4,610,857	1	4,503,947	1	5,720,103	1
Prepayments (Note 32)	591,077	—	746,081	—	797,458	—
Prepayments to shipping agents (Note 32)	258,105	—	542,406	—	802,122	—
Other current assets (Note 32)	2,582,824	1	1,598,472	—	1,579,907	—
Total current assets	248,960,003	60	338,579,023	67	334,464,072	66
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss (FVTPL) - non-current (Note 7)	351,072	—	353,165	—	368,225	—
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Note 8)	537,955	—	506,847	—	504,164	—
Financial assets at amortized cost - non-current (Notes 9, 32 and 33)	2,704,282	1	2,138,776	—	832,043	—
Investments accounted for using equity method (Note 14)	8,782,170	2	8,742,640	2	10,877,210	2
Property, plant and equipment (Notes 15, 32, 33 and 34)	78,109,814	19	75,777,886	15	74,692,551	15
Right-of-use assets (Notes 16 and 32)	61,878,100	15	73,362,475	15	73,113,325	15
Investment properties (Notes 17 and 32)	7,146,807	2	7,146,807	1	7,039,177	2
Other intangible assets	145,117	—	133,157	—	126,287	—
Deferred tax assets (Note 4)	940,109	—	784,153	—	1,067,780	—
Prepayments for equipment (Note 32)	5,617,711	1	222,605	—	251,207	—
Refundable deposits	232,629	—	219,399	—	213,910	—
Finance lease receivables - non-current (Note 11)	91,008	—	106,542	—	111,686	—
Other financial assets - non-current	22,081	—	23,744	—	19,863	—
Other non-current assets	10,800	—	51,561	—	32,913	—
Total non-current assets	166,569,655	40	169,569,757	33	169,250,341	34
TOTAL	\$ 415,529,658	100	\$ 508,148,780	100	\$ 503,714,413	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 18 and 32)	\$ 2,015,000	1	\$ 2,430,000	—	\$ 2,170,000	—
Short-term bills payable (Notes 18 and 32)	1,096,921	—	1,098,548	—	899,371	—
Financial liabilities at FVTPL - current (Note 7)	—	—	—	—	5,850	—
Financial liabilities for hedging - current (Notes 16 and 31)	11,448,647	3	8,371,948	2	8,835,891	2
Contract liabilities - current (Note 25)	733,584	—	532,259	—	551,322	—
Notes payable (Note 32)	39,330	—	35,317	—	30,043	—
Trade payables (Note 20)	18,209,887	5	15,571,592	3	22,468,258	5
Trade payables to related parties (Notes 20 and 32)	489,856	—	347,105	—	356,555	—
Other payables (Notes 21 and 32)	5,550,448	1	8,651,744	2	8,271,830	2
Current tax liabilities (Note 4)	8,916,214	2	29,771,775	6	22,845,404	5
Lease liabilities - current (Notes 16 and 32)	5,032,270	1	5,157,412	1	5,439,415	1
Current portion of long-term liabilities (Notes 18, 19, 32 and 33)	2,580,801	1	2,560,364	1	149,170	—
Other advance account	87,022	—	178,512	—	93,538	—
Other current liabilities	1,008,940	—	1,223,639	—	1,443,250	—
Total current liabilities	57,208,920	14	75,930,215	15	73,559,897	15
NON-CURRENT LIABILITIES						
Financial liabilities for hedging - non-current (Notes 16 and 31)	27,154,648	7	36,816,306	7	36,306,682	7
Bonds payable (Notes 19 and 32)	8,360,448	2	8,351,220	2	10,850,892	2
Long-term borrowings (Notes 18, 32 and 33)	339,510	—	305,070	—	1,376,104	—
Provisions - non-current (Note 22)	5,328	—	3,559	—	1,458	—
Deferred tax liabilities (Note 4)	9,713,487	2	10,787,845	2	15,289,755	3
Lease liabilities - non-current (Notes 16 and 32)	26,750,821	7	28,824,524	6	31,013,725	6
Other advance account - non-current	45,032	—	56,287	—	63,323	—
Net defined benefit liabilities - non-current (Notes 4 and 23)	1,728,727	—	1,971,067	—	2,321,138	1
Other non-current liabilities	1,255,089	—	1,316,724	—	910,220	—
Total non-current liabilities	75,353,090	18	88,432,602	17	98,133,297	19
Total liabilities	132,562,010	32	164,362,817	32	171,693,194	34
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Share capital - ordinary shares	34,921,043	8	34,921,043	7	34,921,043	7
Capital surplus	27,975,030	7	27,975,030	6	27,975,030	5
Retained earnings						
Legal reserve	34,991,933	8	16,907,064	3	16,907,064	3
Special reserve	3,988,772	1	3,713,230	1	3,713,230	1
Unappropriated earnings	177,331,957	43	259,456,948	51	244,458,369	49
Total retained earnings	216,312,662	52	280,077,242	55	265,078,663	53
Other equity	3,066,043	1	(13,577)	—	3,131,822	1
Total equity attributable to owners of the Company	282,274,778	68	342,959,738	68	331,106,558	66
NON-CONTROLLING INTERESTS	692,870	—	826,225	—	914,661	—
Total equity	282,967,648	68	343,785,963	68	332,021,219	66
TOTAL	\$ 415,529,658	100	\$ 508,148,780	100	\$ 503,714,413	100

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' review report dated November 10, 2023)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 16, 25 and 32)	\$ 35,901,113	100	\$ 99,812,731	100	\$ 107,900,924	100	\$ 315,964,481	100
OPERATING COSTS (Notes 12, 16, 26 and 32)	35,290,390	98	39,555,556	40	100,323,390	93	107,919,284	34
GROSS PROFIT	610,723	2	60,257,175	60	7,577,534	7	208,045,197	66
OPERATING EXPENSES (Notes 10, 16, 25, 26 and 32)								
Selling and marketing expenses	1,753,896	5	1,938,614	2	5,218,111	5	6,748,787	2
General and administrative expenses	272,770	1	469,200	—	855,325	—	1,497,880	1
Expected credit loss (gain)	683	—	(27,488)	—	(604)	—	(1,748)	—
Total operating expenses	2,027,349	6	2,380,326	2	6,072,832	5	8,244,919	3
OTHER OPERATING INCOME AND EXPENSES (Notes 16, 26 and 32)	59,963	—	138,465	—	180,331	—	1,468,973	1
PROFIT (LOSS) FROM OPERATIONS	(1,356,663)	(4)	58,015,314	58	1,685,033	2	201,269,251	64
NON-OPERATING INCOME AND EXPENSES (Notes 16, 26 and 32)								
Interest income	2,949,402	8	1,077,267	1	9,206,241	9	1,795,492	1
Other income	27,735	—	22,235	—	71,328	—	65,690	—
Other gains and losses	2,040,214	6	3,802,127	4	4,078,844	4	12,017,884	4
Finance costs	(683,927)	(2)	(602,619)	(1)	(1,926,862)	(2)	(1,728,758)	(1)
Share of profit or loss of associates and joint ventures	309,491	1	453,669	1	551,728	—	1,300,583	—
Total non-operating income and expenses	4,642,915	13	4,752,679	5	11,981,279	11	13,450,891	4
PROFIT BEFORE INCOME TAX	3,286,252	9	62,767,993	63	13,666,312	13	214,720,142	68
INCOME TAX EXPENSE (Notes 4 and 27)	(406,165)	(1)	(12,898,012)	(13)	(7,337,640)	(7)	(48,526,209)	(15)
NET PROFIT FOR THE PERIOD	2,880,087	8	49,869,981	50	6,328,672	6	166,193,933	53
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 6, 16, 24 and 27)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments at FVTOCI	(8,256)	—	(10,934)	—	31,108	—	6,233	—
Share of the other comprehensive loss of associates and joint ventures accounted for using the equity method	(119,517)	—	(160,660)	—	(107,740)	—	(444,322)	—
	(127,773)	—	(171,594)	—	(76,632)	—	(438,089)	—
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating the financial statements of foreign operations	3,640,384	10	3,750,705	4	4,818,393	5	6,000,239	2
Loss on hedging instruments	(388,780)	(1)	(786,553)	(1)	(597,462)	(1)	(3,898,181)	(2)
Income tax related to items that may be reclassified subsequently to profit or loss	(530,918)	(2)	(523,445)	(1)	(723,309)	(1)	(288,831)	—
	2,720,686	7	2,440,707	2	3,497,622	3	1,813,227	—
Other comprehensive income for the period, net of income tax	2,592,913	7	2,269,113	2	3,420,990	3	1,375,138	—
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	\$ 5,473,000	15	\$ 52,139,094	52	\$ 9,749,662	9	\$ 167,569,071	53
NET PROFIT ATTRIBUTABLE TO :								
Owners of the Company	\$ 2,806,420	8	\$ 49,747,726	50	\$ 6,077,506	6	\$ 165,858,363	53
Non-controlling interests	73,667	—	122,255	—	251,166	—	335,570	—
	\$ 2,880,087	8	\$ 49,869,981	50	\$ 6,328,672	6	\$ 166,193,933	53
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO :								
Owners of the Company	\$ 5,370,164	15	\$ 52,016,700	52	\$ 9,534,650	9	\$ 167,257,369	53
Non-controlling interests	102,836	—	122,394	—	215,012	—	311,702	—
	\$ 5,473,000	15	\$ 52,139,094	52	\$ 9,749,662	9	\$ 167,569,071	53
EARNINGS PER SHARE (Note 28)								
Basic	\$ 0.80		\$ 14.25		\$ 1.74		\$ 47.50	
Diluted	\$ 0.80		\$ 14.11		\$ 1.73		\$ 46.97	

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

(With Deloitte & Touche auditors' review report dated November 10, 2023)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company											
	Retained Earnings (Note 24)						Other Equity			Total	Non-controlling Interests	Total Equity
	Share Capital (Note 24)		Capital Surplus (Note 24)	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations (Note 24)	Unrealized Valuation Gain/(Loss) on Financial Assets at Fair Value Through Other Comprehensive Income (Note 24)	Gain (Loss) on Hedging Instruments (Note 24)			
	Shares (In Thousands)	Amount										
BALANCE AT JANUARY 1, 2022	3,492,104	\$ 34,921,043	\$ 27,975,030	\$ 166,092	\$ 1,494,827	\$ 167,409,719	\$ (1,253,998)	\$ (299,493)	\$ 3,278,054	\$ 233,691,274	\$ 631,392	\$ 234,322,666
Appropriation of 2021 earnings												
Legal reserve	—	—	—	16,740,972	—	(16,740,972)	—	—	—	—	—	—
Special reserve	—	—	—	—	2,218,403	(2,218,403)	—	—	—	—	—	—
Cash dividends to shareholders (NT\$20 per share)	—	—	—	—	—	(69,842,085)	—	—	—	(69,842,085)	—	(69,842,085)
Net profit for the nine months ended September 30, 2022	—	—	—	—	—	165,858,363	—	—	—	165,858,363	335,570	166,193,933
Other comprehensive income (loss) for the nine months ended September 30, 2022, net of income tax	—	—	—	—	—	—	4,955,638	(438,087)	(3,118,545)	1,399,006	(23,868)	1,375,138
Total comprehensive income (loss) for the nine months ended September 30, 2022	—	—	—	—	—	165,858,363	4,955,638	(438,087)	(3,118,545)	167,257,369	311,702	167,569,071
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (loss) by the associates	—	—	—	—	—	(8,253)	—	8,253	—	—	—	—
Decrease in non-controlling interests	—	—	—	—	—	—	—	—	—	—	(28,433)	(28,433)
BALANCE AT SEPTEMBER 30, 2022	<u>3,492,104</u>	<u>\$ 34,921,043</u>	<u>\$ 27,975,030</u>	<u>\$ 16,907,064</u>	<u>\$ 3,713,230</u>	<u>\$ 244,458,369</u>	<u>\$ 3,701,640</u>	<u>\$ (729,327)</u>	<u>\$ 159,509</u>	<u>\$ 331,106,558</u>	<u>\$ 914,661</u>	<u>\$ 332,021,219</u>
BALANCE AT JANUARY 1, 2023	3,492,104	\$ 34,921,043	\$ 27,975,030	\$ 16,907,064	\$ 3,713,230	\$ 259,456,948	\$ 86,183	\$ (685,376)	\$ 585,616	\$ 342,959,738	\$ 826,225	\$ 343,785,963
Appropriation of 2022 earnings												
Legal reserve	—	—	—	18,084,869	—	(18,084,869)	—	—	—	—	—	—
Special reserve	—	—	—	—	275,542	(275,542)	—	—	—	—	—	—
Cash dividends to shareholders (NT\$20 per share)	—	—	—	—	—	(69,842,086)	—	—	—	(69,842,086)	—	(69,842,086)
Net profit for the nine months ended September 30, 2023	—	—	—	—	—	6,077,506	—	—	—	6,077,506	251,166	6,328,672
Other comprehensive income (loss) for the nine months ended September 30, 2023, net of income tax	—	—	—	—	—	—	3,936,241	(76,632)	(402,465)	3,457,144	(36,154)	3,420,990
Total comprehensive income (loss) for the nine months ended September 30, 2023	—	—	—	—	—	6,077,506	3,936,241	(76,632)	(402,465)	9,534,650	215,012	9,749,662
Basis adjustment to gain (loss) on hedging instruments	—	—	—	—	—	—	—	—	(377,524)	(377,524)	—	(377,524)
Decrease in non-controlling interests	—	—	—	—	—	—	—	—	—	—	(348,367)	(348,367)
BALANCE AT SEPTEMBER 30, 2023	<u>3,492,104</u>	<u>\$ 34,921,043</u>	<u>\$ 27,975,030</u>	<u>\$ 34,991,933</u>	<u>\$ 3,988,772</u>	<u>\$ 177,331,957</u>	<u>\$ 4,022,424</u>	<u>\$ (762,008)</u>	<u>\$ (194,373)</u>	<u>\$ 282,274,778</u>	<u>\$ 692,870</u>	<u>\$ 282,967,648</u>

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' review report dated November 10, 2023)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Nine Months Ended September 30	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 13,666,312	\$ 214,720,142
Adjustments for :		
Depreciation expenses	15,428,527	14,740,583
Amortization expenses	55,469	48,466
Expected credit gain recognized	(604)	(1,748)
Net (gain) loss on fair value change of financial assets/liabilities at FVTPL	(46,902)	22,693
Finance costs	1,926,862	1,728,758
Interest income	(9,206,241)	(1,795,492)
Dividend income	(8,030)	(2,109)
Share of profit of associates and joint ventures	(551,728)	(1,300,583)
Gain on disposal of property, plant and equipment	(47,264)	(13,994)
Write-downs of shipping fuel	453,373	—
Net gain on foreign currency exchange	(4,920,805)	(3,953,158)
Loss on changes in fair value of investment properties	—	4
Ineffectiveness of cash flow hedging	(67,770)	—
Loss (gain) on lease modification	17,556	(3,553)
Gain on right-of-use assets sublease	—	(1,167,799)
Recognized of provisions	1,527	—
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at FVTPL	2,321,703	(361,554)
Contract assets	(433,219)	1,506,105
Notes receivable	(8,522)	(2,646)
Trade receivables	3,127,566	2,171,900
Trade receivables from related parties	81,351	(120,468)
Shipping fuel	(576,535)	(2,311,396)
Prepayments	149,816	(258,167)
Prepayments to shipping agents	284,301	(339,682)
Other current assets	(13,784)	(212,461)
Current liabilities	201,325	(352,131)
Notes payable	4,013	(3,809)
Trade payables	2,273,335	(330,537)
Trade payables to related parties	142,726	(20,399)

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YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Nine Months Ended September 30	
	2023	2022
Other payables	\$ (3,256,258)	\$ 111,730
Provisions	—	(56,307)
Other advance account	(102,745)	(146,281)
Other current liabilities	(234,794)	381,555
Net defined benefit liabilities	(235,697)	(507,208)
Cash generated from operations	20,424,864	222,170,454
Interest received	8,881,702	1,492,902
Dividends received	593,136	1,540,719
Interest paid	(1,895,166)	(1,690,030)
Income tax paid	(30,792,798)	(46,124,182)
Net cash generated from operating activities	(2,788,262)	177,389,863
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(189,924,305)	(179,897,778)
Proceeds from sale of financial assets at amortized cost	270,567,466	239,920,962
Acquisition of financial assets for hedging	—	(33,217,783)
Proceeds from financial assets for hedging	5,939,165	—
Acquisition of associates and joint ventures	(471)	(330)
Payments for property, plant and equipment	(1,485,084)	(4,389,381)
Proceeds from disposal of property, plant and equipment	82,400	10,377
(Increase) Decrease in refundable deposits	(13,230)	5,199
Payments for intangible assets	(67,103)	(94,090)
Payments for investment property	—	(434,368)
Decrease in financial lease receivables	744,676	408,216
Decrease in other financial assets	1,663	1,841
Decrease (increase) in other non-current assets	41,789	(5,587)
Increase in prepayments for equipment	(5,995,369)	(210,702)
Net cash used in investing activities	79,891,597	22,096,576
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayments of) proceeds from short-term borrowings	(415,000)	776,240
Proceeds from short-term bills payable	—	462,500

(Continued)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Nine Months Ended September 30	
	2023	2022
Proceeds from long-term borrowings	\$ 380,578	\$ —
Repayments of long-term borrowings	(346,129)	(5,140,903)
Repayments of the principal portion of lease liabilities	(16,409,815)	(9,243,929)
(Decrease) increase in other non-current liabilities	(61,635)	59,144
Cash Dividend	(69,842,086)	(69,842,085)
Net change in non-controlling interests	(348,367)	(28,433)
Net cash used in financing activities	(87,042,454)	(82,957,466)
 EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	 5,989,324	 7,902,516
 NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	 (3,949,795)	 124,431,489
 CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	 149,427,959	 57,448,678
 CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	 \$ 145,478,164	 \$ 181,880,167

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

(With Deloitte & Touche auditors' review report dated November 10, 2023)

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

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

1. GENERAL INFORMATION

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

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

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

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by YMTC’s board of directors on November 10, 2023.

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

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

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

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

The amendments specify that the Group should refer to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the

primary users of general purpose consolidated financial statements make on the basis of those financial statements. The amendments also clarify that:

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

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

- a) The Group changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;
 - b) The Group chose the accounting policy from options permitted by the standards;
 - c) The accounting policy was developed in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” in the absence of an IFRS that specifically applies;
 - d) The accounting policy relates to an area for which the Group is required to make significant judgements or assumptions in applying an accounting policy, and the Group discloses those judgements or assumptions; or
 - e) The accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.
- 2) Amendments to IAS 8 “Definition of Accounting Estimates”

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

- 3) Amendments to IAS 12 “International Tax Reform - Pillar Two Model Rules”

The amendments introduce a temporary exception to the requirements in IAS 12 by stipulating that the Group should neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The amendments also require the Group to disclose that it has applied the exception and separately disclose its current tax expense (income) related to Pillar Two income taxes. In addition, for periods in which Pillar Two legislation is enacted or substantively enacted but not yet in effect, the Group should disclose qualitative and quantitative information that helps users of financial statements understand the Group’s exposure to Pillar Two income taxes. The requirement that the Group

apply the exception and the requirement to disclose that fact are applied immediately and retrospectively upon issuance of the amendments. The remaining disclosure requirements apply for annual reporting periods beginning on or after January 1, 2023, but not for any interim period ending on or before December 31, 2023.

- b. The IFRSs endorsed by the FSC for application starting from 2024

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 “Leases Liability in a Sale and leaseback”	January 1, 2024 (Note 2)
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
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024 (Note 3)

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.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

- 1) 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.

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

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

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

may have difficulty complying with the covenants and repay its liabilities within twelve months after the reporting period.

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

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

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

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

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

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed by the FSC. Disclosure information included in these interim

consolidated financial statements is less than the disclosures required in a full set of annual consolidated financial statements.

b. Basis of preparation

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

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Basis of consolidation

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

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

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

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

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

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

d. Other significant accounting policies

Unless the below mentioned, the summary of significant accounting policies for these interim consolidated financial statements are the same as those applied for the consolidated financial statements for the year ended December 31, 2022.

1) Retirement benefits

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

2) Income tax

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The critical accounting judgments and key sources of estimation uncertainty for these interim consolidated financial statements are the same as those applied for the consolidated financial statements for the year ended December 31, 2022.

6. CASH AND CASH EQUIVALENTS

	September 30, 2023	December 31, 2022	September 30, 2022
Cash on hand	\$ 11,467	\$ 10,791	\$ 11,622
Checking accounts and demand deposits	13,752,335	28,649,263	32,705,405
Cash equivalents (investments with original maturities of 3 months or less)			
Time deposits	127,737,492	114,991,201	146,518,490
Repurchase agreements	3,800,000	5,600,000	2,644,650
Call deposits	176,870	176,704	—
	<u>\$ 145,478,164</u>	<u>\$ 149,427,959</u>	<u>\$ 181,880,167</u>

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

	September 30, 2023	December 31, 2022	September 30, 2022
Time deposits	0.50%-36.00%	0.10%-20.00%	0.25%-17.50%
Repurchase agreements	1.51%~1.55%	1.57%	0.85%-3.60%
Call deposits	1.75%	1.75%	—

Financial assets designated as hedging

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

	<u>Maturity Period</u>	<u>Account</u>	<u>Carrying Amount</u>
September 30, 2023	2023/10/3~2023/11/29	Financial assets for hedging	<u>\$24,196,046</u>
December 31, 2022	2023/03/29	Financial assets for hedging	<u>\$30,710,000</u>
September 30, 2022	2022/12/29	Financial assets for hedging	<u>\$35,395,376</u>

Impact on comprehensive income (loss):

	<u>Recognized in Other Comprehensive Income</u>	<u>Amount Reclassified</u>
For the three months ended September 30, 2023	<u>\$ 949,246</u>	<u>\$ —</u>
For the nine months ended September 30, 2023	<u>\$ 1,354,774</u>	<u>\$ (67,770)</u>
For the three months ended September 30, 2022	<u>\$ 2,127,593</u>	<u>\$ —</u>
For the nine months ended September 30, 2022	<u>\$ 2,177,593</u>	<u>\$ —</u>

For the nine months ended September 30, 2023, the amount of hedging instruments reclassified to prepayments for equipment are \$377,524 thousand.

7. FINANCIAL INSTRUMENTS AT FVTPL

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
<u>Financial assets at FVTPL - current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
- Domestic listed shares	\$ 95,052	\$ 64,192	\$ 66,405
- Mutual funds	1,935,185	4,238,753	—
	<u>\$ 2,030,237</u>	<u>\$ 4,302,945</u>	<u>\$ 66,405</u>
 <u>Financial assets at FVTPL - non-current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			

	September 30, 2023	December 31, 2022	September 30, 2022
- Domestic listed shares	\$ 269,600	\$ 274,400	\$ 268,800
- Mutual funds	53,039	49,176	84,346
- Domestic limited partnership	28,433	29,589	15,079
	<u>\$ 351,072</u>	<u>\$ 353,165</u>	<u>\$ 368,225</u>

Financial liabilities at FVTPL
- current

Financial liabilities held for trading

Derivative financial liabilities (not under hedge accounting)

- Oil derivatives	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 5,850</u>
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The Group's purpose for trading oil derivatives was to reduce the cost burden from oil price increase. The Group entered into oil derivatives which was settled every month. Hedge accounting was not applied. The Group did not have outstanding oil derivatives contracts as of September 30, 2023, and December 31, 2022, respectively.

Outstanding oil derivatives as of September 30, 2022 was as follows:

	Maturity Date	Unsettled Amount	
		Notional Amount	Fair Value
September 30, 2022	December 31, 2022	USD\$1,920 thousand	\$ (5,850)

8. FINANCIAL ASSETS AT FVTOCI - NON-CURRENT

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Domestic investments in equity instruments</u>			
Unlisted shares			
Ordinary shares - Taipei Port Container Terminal Co., Ltd.	\$ 518,383	\$ 489,102	\$ 485,724
Ordinary shares - United Stevedoring Corp.	5,032	4,495	4,846

	September 30, 2023	December 31, 2022	September 30, 2022
Ordinary shares - United Raw Material Solutions Inc.	1,626	1,626	2,222
Ordinary shares - Pro-Ascentek Investment Corporation	12,914	11,624	11,372
	<u>\$ 537,955</u>	<u>\$ 506,847</u>	<u>\$ 504,164</u>

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

Dividends of \$1,238 thousand, \$1,724 thousand, \$1,238 thousand and \$1,724 thousand were recognized for the three months ended September 30, 2023 and 2022 and for the nine months ended September 30, 2023 and 2022, respectively.

9. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2023	December 31, 2022	September 30, 2022
Time deposits with original maturity of more than 3 months	\$ 57,687,744	\$ 133,355,775	\$ 80,627,188
Restricted bank balance (Note 33)	120,727	161,640	158,719
Repurchase agreements	1,100,000	—	—
Corporate bonds	2,677,091	2,106,313	787,502
	<u>\$ 61,585,562</u>	<u>\$ 135,623,728</u>	<u>\$ 81,573,409</u>
Current	<u>\$ 58,881,280</u>	<u>\$ 133,484,952</u>	<u>\$ 80,741,366</u>
Non-current	<u>\$ 2,704,282</u>	<u>\$ 2,138,776</u>	<u>\$ 832,043</u>

10. NOTES RECEIVABLE AND TRADE RECEIVABLES

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Notes receivable - operating</u>	<u>\$ 12,784</u>	<u>\$ 4,262</u>	<u>\$ 7,770</u>

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Trade receivables</u>			
At amortized cost			
Trade receivables - non-related parties	\$ 7,843,805	\$ 10,401,687	\$ 22,009,292
Trade receivables - related parties	265,083	339,219	532,523
Less : Allowance for impairment loss	(97,996)	(102,773)	(167,462)
	<u>\$ 8,010,892</u>	<u>\$ 10,638,133</u>	<u>\$ 22,374,353</u>

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

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

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

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

The following table details the loss allowance of notes receivable and trade receivables based on the Group's provision matrix.

September 30, 2023

	No Signs of Default By Client					Signs of Default by Client	Total
	Less than 60 Days	61 to 90 days	91 to 180 days	181 to 365 days	Over 365 days		
Expected credit loss rate	0.00%-0.88%	0.50%-1.88%	0.50%-5.38%	0.50%-10.38%	0.50%-20.38%	100.00%	
Gross carrying amount	\$ 7,928,458	\$ 127,096	\$ 36,866	\$ 15,842	\$ 12,808	\$ 602	\$ 8,121,672
Loss allowance (Lifetime ECLs)	(93,648)	(806)	(1,682)	(739)	(519)	(602)	(97,996)
Amortized cost	<u>\$ 7,834,810</u>	<u>\$ 126,290</u>	<u>\$ 35,184</u>	<u>\$ 15,103</u>	<u>\$ 12,289</u>	<u>\$ —</u>	<u>\$ 8,023,676</u>

December 31, 2022

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

September 30, 2022

	No Signs of Default By Client					Signs of Default by Client	Total
	Less than 60 Days	61 to 90 days	91 to 180 days	181 to 365 days	Over 365 days		
Expected credit loss rate	0.00%-0.88%	0.50%-1.88%	0.50%-5.38%	0.50%-10.38%	0.50%-20.38%	100.00%	
Gross carrying amount	\$ 22,020,542	\$ 387,845	\$ 90,713	\$ 29,794	\$ 16,935	\$ 3,756	\$ 22,549,585
Loss allowance (Lifetime ECLs)	(153,864)	(1,763)	(2,299)	(5,684)	(96)	(3,756)	(167,462)
Amortized cost	<u>\$ 21,866,678</u>	<u>\$ 386,082</u>	<u>\$ 88,414</u>	<u>\$ 24,110</u>	<u>\$ 16,839</u>	<u>\$ —</u>	<u>\$ 22,382,123</u>

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

	For the Nine Months Ended September 30	
	2023	2022
Balance at January 1	\$ 102,773	\$ 136,577
Add : Net remeasurement of loss allowance	817	26,283
Add : Reclassified of allowance of overdue receivables	1,389	835
Less : Amounts written off	(8,283)	(3,174)
Foreign exchange gains and losses	1,300	6,941
Balance at September 30	<u>\$ 97,996</u>	<u>\$ 167,462</u>

11. FINANCE LEASE RECEIVABLES

The composition of finance lease receivables was as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Undiscounted lease payments			
Year 1	\$ 22,011	\$ 771,437	\$ 1,123,799
Year 2	22,011	22,011	22,011
Year 3	22,011	22,011	22,011
Year 4	22,011	22,011	22,011
Year 5	22,010	22,011	22,011
Year 6 onwards	5,502	22,010	27,513
	<u>115,556</u>	<u>881,491</u>	<u>1,239,356</u>
Less : Unearned finance income	<u>(3,870)</u>	<u>(8,546)</u>	<u>(13,035)</u>
Net investment in leases presented as finance lease receivables	<u>\$ 111,686</u>	<u>\$ 872,945</u>	<u>\$ 1,226,321</u>
Current	<u>\$ 20,678</u>	<u>\$ 766,403</u>	<u>\$ 1,114,635</u>
Non-current	<u>\$ 91,008</u>	<u>\$ 106,542</u>	<u>\$ 111,686</u>

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

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

The interest rates inherent in leases are fixed at the contract dates for the entire term of the lease. The interest rate inherent in the finance lease was approximately 1.33%, 1.33%-1.80% and 1.33%-1.80% as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively.

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

12. SHIPPING FUEL

	September 30, 2023	December 31, 2022	September 30, 2022
Shipping fuel	<u>\$ 4,610,857</u>	<u>\$ 4,503,947</u>	<u>\$ 5,720,103</u>

The cost of shipping fuel recognized as operating cost for the three months ended September 30, 2023 and 2022 and for the nine months ended September 30, 2023 and 2022 were \$6,661,497 thousand, \$7,852,936 thousand, \$17,149,041 thousand and \$19,800,793 thousand, respectively.

The cost of shipping fuel recognized as operating cost for the three months ended September 30, 2023 and for the nine months ended September 30, 2023 included shipping fuel write-downs of \$300,930 thousand and \$453,373 thousand, respectively.

13. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Note
			September 30, 2023	December 31, 2022	September 30, 2022	
Yang Ming Marine Transport Corporation	Yang Ming Line (B.V.I.) Holding Co., Ltd. (YML-BVI)	Investment, shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	
"	Yang Ming Line B.V. (YML-BV)	Investment, shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	
"	Yang Ming Line (Singapore) Pte Ltd (YML-Singapore)	Investment, shipping service, sale and purchase of ships, chartering and forwarding agency	100.00	100.00	100.00	Note a
"	All Oceans Transportation Inc. (AOT)	Shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	
"	YES Logistics Corp. (Yes Logistics)	Warehouse operation and forwarding agency	96.36	96.36	96.36	
"	Kuang Ming Shipping Corp. (Kuang Ming)	Shipping service, shipping agency and forwarding agency	98.88	98.88	98.88	
"	Hong Ming Terminal & Stevedoring Corp.	Terminal operation and stevedoring	100.00	100.00	100.00	
"	Jing Ming Transportation Co., Ltd. (Jing Ming)	Container transportation	50.98	50.98	50.98	
"	Yang Ming Line Holding Co. (YML Holding)	Investment, shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	
"	Yang Ming (Singapore) Pte. Ltd. (YM-Singapore)	Shipping agency, forwarding agency, shipping managers and shipping lines	100.00	100.00	100.00	Note b
YML Holding	Yang Ming (America) Corp. (Yang Ming-America)	Shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	
"	Transcont Intermodal Logistics, Inc.	Inland forwarding agency	100.00	100.00	100.00	
"	Yang Ming Shipping (Canada) Ltd.	Shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	
YML-BVI	Yang Ming Line N.V. (YML-NV)	Investment, shipping agency, forwarding agency and shipping managers	—	100.00	100.00	Note c
"	Yang Ming (UK) Ltd (Yangming-UK)	Shipping agency, forwarding agency, shipping managers and shipping lines	97.84	97.84	97.84	
YML-BV	Yangming-UK	Shipping agency, forwarding agency, shipping managers and shipping lines	2.16	2.16	2.16	
"	Yang Ming Shipping Europe GmbH	Shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	
"	Yang Ming Italy S.P.A. (Yang Ming-Italy)	Shipping agency	50.00	50.00	50.00	

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Note
			September 30, 2023	December 31, 2022	September 30, 2022	
"	Yang Ming (Netherlands) B.V.	Shipping agency	100.00	100.00	100.00	
"	Yang Ming (Belgium) N.V.	Shipping agency	89.92	89.92	89.92	
"	Yang Ming (Russia) LLC	Shipping agency	60.00	60.00	60.00	Note d
"	Yang Ming (Spain), S.L.	Shipping agency	60.00	60.00	60.00	
"	Yang Ming (MEDITERRANEAN) Marine Services Single-Member Limited Liability Company	Shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	
Yang Ming (Netherlands) B.V.	Yang Ming (Belgium) N.V.	Shipping agency	10.08	10.08	10.08	
Yang Ming-Italy	Yang Ming (Naples) S.r.l.	Forwarding agency	60.00	60.00	60.00	
Yangming-UK	Corstor Ltd.	Warehouse management and container haulage services	100.00	100.00	100.00	
YML-Singapore	Young-Carrier Company Ltd.	Investment, shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	
"	Yang Ming Shipping (B.V.I.) Inc.	Forwarding agency and shipping agency	100.00	100.00	100.00	
"	Yangming (Japan) Co., Ltd. (Yangming-Japan)	Shipping services, sale and purchase of ships, chartering and forwarding agency	100.00	100.00	100.00	
"	Sun-Baked Pte. Ltd.	Insurance	—	—	100.00	Note e
"	Yang Ming Line (Hong Kong) Ltd. (YML-HK)	Forwarding agency and shipping agency	1.44	1.44	1.44	
"	YM-Singapore	Shipping agency, forwarding agency, shipping managers and shipping lines	—	—	—	Note b
"	Yang Ming Line (M) Sdn. Bhd.	Shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	
"	Yang Ming Line (India) Pvt. Ltd.	Shipping agency, forwarding agency and shipping managers	60.00	60.00	60.00	
"	Yang Ming (Korea) Co., Ltd	Shipping agency, forwarding agency and shipping managers	60.00	60.00	60.00	
"	Yang Ming Anatolia Shipping Agency S.A. (Yang Ming Anatolia)	Shipping agency, forwarding agency and shipping managers	50.00	50.00	50.00	
"	Yang Ming Shipping (Vietnam) Co., Ltd	Forwarding agency and shipping managers	100.00	100.00	100.00	
"	Yang Ming Shipping Philippines, Inc. (Yang Ming Philippines)	Forwarding agency and shipping managers	100.00	100.00	100.00	
"	Yang Ming (Latin America) Corp.	Shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	
"	Yang Ming Line (Thailand) Co., Ltd. (YML-Thailand)	Shipping agency, forwarding agency and shipping managers	49.00	49.00	49.00	
"	Yang Ming Line shipping (Thailand) Co., Ltd.	Shipping agency	49.00	49.00	49.00	
"	Yang Ming Insurance Co., Ltd.	Insurance	100.00	100.00	100.00	
"	PT Yang Ming Shipping Indonesia (PT Yang Ming Indonesia)	Shipping agency, forwarding agency and shipping managers	49.00	49.00	49.00	
"	Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	Shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	Note f
"	Yang Ming (France) SAS	Shipping agency, forwarding agency and shipping managers	60.00	60.00	60.00	

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Note
			September 30, 2023	December 31, 2022	September 30, 2022	
YML-Thailand	Yang Ming Line shipping (Thailand) Co., Ltd.	Shipping agency	50.00	50.00	50.00	
Yang Ming Line shipping (Thailand) Co., Ltd.	YML-Thailand	Shipping agency, forwarding agency and shipping managers	49.00	49.00	49.00	
Yangming (Japan)	Manwa Co., Ltd.	Forwarding agency and shipping agency	100.00	100.00	100.00	
YMS-BVI	Karlman Properties Limited	Property agency	100.00	100.00	100.00	
"	YML-HK	Forwarding agency and shipping agency	98.56	98.56	98.56	
Kuang Ming	Kuang Ming (Liberia) Corp.	Forwarding agency	100.00	100.00	100.00	
YES Logistics Corp.	Yes Logistics Corporation USA (Yes-USA)	Shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	
"	Yes Yangming Logistics (Singapore) Pte. Ltd. (Yes-Singapore)	Investment and subsidiaries management	100.00	100.00	100.00	
"	Yes Logistics (Shanghai) Corp. (Yes-Shanghai)	Forwarding agency	69.80	69.80	69.80	
"	PT. YES Logistics Indonesia	Forwarding agency	51.00	51.00	51.00	
Yes-USA	Yes Logistics (Shanghai) Corp. (Yes-Shanghai)	Forwarding agency	30.20	30.20	30.20	
"	Golden Logistics USA Corporation	Container transportation	100.00	100.00	100.00	
"	Yes Logistics Europe GmbH (Yes-ERO)	Forwarding agency	100.00	100.00	100.00	
Yes-Singapore	Yes Logistics Company Ltd.	Forwarding agency	100.00	100.00	100.00	
"	Yes Logistics Benelux B.V.	Forwarding agency	70.00	70.00	70.00	
Yes-ERO	YES MLC GmbH	Import and export, storage and delivery, and other warehousing related business	100.00	100.00	100.00	
YES MLC GmbH	Merlin Logistics GmbH	Warehouse operation and logistics	100.00	100.00	100.00	
Merlin Logistics GmbH	YES Logistics Bulgaria Ltd.	Cargo consolidation service and forwarding agency	100.00	100.00	100.00	

(Concluded)

Note a: The Group's board of directors resolved in July and again in November 2022 to process cash capital increase of YML-Singapore with a limit amount of US\$1,100,000 thousand. As of November 2022, there was a cash capital increase of US\$1,070,000 thousand. The Group's board of directors resolved in June 2023 to process cash capital increase of YML-Singapore with a limit amount of US\$800,000 thousand.

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

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

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

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

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

Although YMTC directly or indirectly owns no more than 50% of shares with voting rights of Yang Ming-Italy, Yang Ming Anatolia Shipping Agency S.A. and PT Yang Ming Shipping Indonesia, it should regard the investees as its subsidiaries and incorporate the investees into the consolidated group under certain premises which are as follows:

- a. The Company has the right of control through owning more than 50% of the voting rights of the boards of directors of the investees, and the boards of directors have control over the Company, or
- b. The Company has the right of control over the investees' finances, operations or human resources.

Except for the accompanying consolidated financial statements of YML-BVI, AOT, Yamgming-UK, and YM-Singapore for the nine months ended September 30, 2023 and 2022, the financial statements of other non-significant subsidiaries were not reviewed.

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	September 30, 2023	December 31, 2022	September 30, 2022
Investment in associates	\$ 8,388,267	\$ 8,343,367	\$ 10,467,736
Investment in joint ventures	393,903	399,273	409,474
	<u>\$ 8,782,170</u>	<u>\$ 8,742,640</u>	<u>\$ 10,877,210</u>

a. Investment in associates

	September 30, 2023	December 31, 2022	September 30, 2022
Associates that are not individually material			
Kao Ming Container Terminal Corp.	\$ 3,561,133	\$ 3,598,892	\$ 4,757,461
Taiwan Navigation Co., Ltd.	2,726,808	2,676,199	3,411,567
West Basin Container Terminal LLC	1,198,595	1,254,411	1,455,351
United Terminal Leasing LLC	332,711	311,913	319,026
Sino Trans PFS Cold Chain Logistics Co., Ltd.	63,053	61,789	72,750
Yunn Wang Investment Co., Ltd.	195,744	179,490	167,101
Taiwan Foundation International Pte. Ltd.	119,917	108,555	109,541

	September 30, 2023	December 31, 2022	September 30, 2022
Shanghai United Cold Chain logistics Co., Ltd.	29,222	42,156	49,295
Yang Ming Shipping (Egypt) S.A.E	59,167	46,572	50,767
Yang Ming (U.A.E.) LLC	44,407	10,462	35,663
Yang Ming (Australia) Pty. Ltd.	50,851	46,386	31,735
PT. Formosa Sejati Logistics	6,659	6,542	7,479
	<u>\$ 8,388,267</u>	<u>\$ 8,343,367</u>	<u>\$ 10,467,736</u>

Except for Taiwan Navigation Co., Ltd., the investments accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments for the nine months ended September 30, 2023 and 2022 were based on the associates' financial statements which have not been reviewed.

All the associates are accounted for using the equity method.

b. Investments in joint ventures

	September 30, 2023	December 31, 2022	September 30, 2022
Joint ventures that are not individually material			
Chang Ming Logistics Company Limited	\$ 282,097	\$ 280,796	\$ 283,964
YES LIBERAL Logistics Corp.	75,825	80,661	79,678
LogiTrans Technology Private Limited	17,306	16,421	26,764
Jambatan Merah Formosa Depot Sdn Bhd.	3,992	4,919	3,516
Yes And HQL Logistics Company	13,945	14,873	15,552
Yes Easyway Logistics (Thailand) Co., Ltd. (Note)	738	1,603	—
	<u>\$ 393,903</u>	<u>\$ 399,273</u>	<u>\$ 409,474</u>

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

completed the Step2 capital injection in January 2023, YMTC directly or indirectly owns 49% of its shares.

The investments accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments for the nine months ended September 30, 2023 and 2022 were based on the joint ventures' financial statements which have not been reviewed.

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

15. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2023	December 31, 2022	September 30, 2022
Assets used by the Group	\$ 71,949,285	\$ 69,483,708	\$ 68,213,556
Assets leased under operating leases	6,160,529	6,294,178	6,478,995
	<u>\$ 78,109,814</u>	<u>\$ 75,777,886</u>	<u>\$ 74,692,551</u>

a. Assets used by the Group

	Land	Buildings	Container and Chassis	Ships	Leasehold Improvements	Miscellaneous Equipment	Total
<u>Cost</u>							
Balance at January 1, 2023	\$ 751,708	\$ 1,573,665	\$ 33,887,202	\$ 95,684,633	\$ 346,453	\$ 2,959,756	\$ 135,203,417
Additions	—	—	801,765	238,745	11,145	544,115	1,595,770
Disposals	—	—	(181,515)	(283,023)	(83)	(87,574)	(552,195)
Reclassification	—	—	—	8,329,416	(272)	197,518	8,526,662
Effects of foreign currency exchange differences	119	21,671	60	29,620	3,839	11,635	66,944
Balance at September 30, 2023	<u>\$ 751,827</u>	<u>\$ 1,595,336</u>	<u>\$ 34,507,512</u>	<u>\$ 103,999,391</u>	<u>\$ 361,082</u>	<u>\$ 3,625,450</u>	<u>\$ 144,840,598</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2023	\$ —	\$ 647,503	\$ 17,036,056	\$ 45,360,769	\$ 274,873	\$ 2,400,508	\$ 65,719,709
Disposals	—	—	(144,291)	(283,023)	(83)	(87,055)	(514,452)
Depreciation expenses	—	25,265	1,439,626	3,596,167	13,810	138,483	5,213,351
Reclassification	—	—	—	2,441,300	—	—	2,441,300
Effects of foreign currency exchange differences	—	11,013	—	9,369	1,944	9,079	31,405
Balance at September 30, 2023	<u>\$ —</u>	<u>\$ 683,781</u>	<u>\$ 18,331,391</u>	<u>\$ 51,124,582</u>	<u>\$ 290,544</u>	<u>\$ 2,461,015</u>	<u>\$ 72,891,313</u>
Balance at September 30, 2023, net value	<u>\$ 751,827</u>	<u>\$ 911,555</u>	<u>\$ 16,176,121</u>	<u>\$ 52,874,809</u>	<u>\$ 70,538</u>	<u>\$ 1,164,435</u>	<u>\$ 71,949,285</u>
Balance at December 31, 2022 and January 1, 2023, net value	<u>\$ 751,708</u>	<u>\$ 926,162</u>	<u>\$ 16,851,146</u>	<u>\$ 50,323,864</u>	<u>\$ 71,580</u>	<u>\$ 559,248</u>	<u>\$ 69,483,708</u>

	Land	Buildings	Container and Chassis	Ships	Leasehold Improvements	Miscellaneous Equipment	Total
<u>Cost</u>							
Balance at January 1, 2022	\$ 696,590	\$ 1,492,991	\$ 26,929,194	\$ 92,622,106	\$ 311,829	\$ 2,798,834	\$ 124,851,544
Additions	—	87	4,218,401	729,999	14,677	146,305	5,109,469
Disposals	—	—	(22,402)	(254,604)	—	(107,931)	(384,937)
Transfers from assets leased under operating leases	—	—	—	2,202,678	—	—	2,202,678
Transfers from investment properties	26,860	17,685	—	—	—	—	44,545
Reclassification	—	—	—	248,752	2,351	1,467	252,570
Effects of foreign currency exchange differences	(197)	60,743	165	80,032	7,926	14,922	163,591

	Land	Buildings	Container and Chassis	Ships	Leasehold Improvements	Miscellaneous Equipment	Total
Balance at September 30, 2022	\$ 723,253	\$ 1,571,506	\$ 31,125,358	\$ 95,628,963	\$ 336,783	\$ 2,853,597	\$ 132,239,460
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2022	\$ —	\$ 593,675	\$ 15,321,569	\$ 40,566,789	\$ 250,915	\$ 2,379,045	\$ 59,111,993
Disposals	—	—	(16,741)	(254,604)	—	(104,638)	(375,983)
Transfers from assets leased under operating leases	—	—	—	364,643	—	—	364,643
Depreciation expenses	—	24,253	1,231,819	3,493,730	9,840	102,754	4,862,396
Effects of foreign currency exchange differences	—	27,962	—	20,143	2,385	12,365	62,855
Balance at September 30, 2022	\$ —	\$ 645,890	\$ 16,536,647	\$ 44,190,701	\$ 263,140	\$ 2,389,526	\$ 64,025,904
Balance at September 30, 2022, net value	\$ 723,253	\$ 925,616	\$ 14,588,711	\$ 51,438,262	\$ 73,643	\$ 464,071	\$ 68,213,556

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

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

The dry dock is a significant component of ships.

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

b. Assets leased under operating leases

	<u>Ships</u>
<u>Cost</u>	
Balance at January 1, 2023	\$ 10,168,509
Additions	28,505
Disposals	(16,368)
Effects of foreign currency exchange differences	339,316
Balance at September 30, 2023	<u>\$ 10,519,962</u>
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2023	\$ 3,874,331
Disposals	(16,368)
Depreciation expenses	329,418
Effects of foreign currency exchange differences	172,052
Balance at September 30, 2023	<u>\$ 4,359,433</u>

	<u>Ships</u>	
Balance at September 30, 2023, net value	\$	<u>6,160,529</u>
Balance at December 31, 2022 and January 1, 2023, net value	\$	<u>6,294,178</u>
 <u>Cost</u>		
Balance at January 1, 2022	\$	11,687,888
Additions		40,822
Disposals		(36,984)
Transfers to assets used by the Group		(2,202,678)
Reclassification		2,548
Effects of foreign currency exchange differences		875,041
Balance at September 30, 2022	\$	<u>10,366,637</u>
 <u>Accumulated depreciation and impairment</u>		
Balance at January 1, 2022	\$	3,531,970
Disposals		(36,984)
Transfers to assets used by the Group		(364,643)
Depreciation expenses		357,743
Effects of foreign currency exchange differences		399,556
Balance at September 30, 2022	\$	<u>3,887,642</u>
 Balance at September 30, 2022, net value	 \$	 <u>6,478,995</u>

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Year 1	\$ 788,470	\$ 1,032,307	\$ 1,206,950
Year 2	43,448	1,844	13,747
Year 3 onwards	4,451	—	—
	<u>\$ 836,369</u>	<u>\$ 1,034,151</u>	<u>\$ 1,220,697</u>

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

In addition to fixed lease payments, the lease contracts also indicate that the leases should make variable payments which shall be determined daily at Baltic Dry Index average daily rent. The rate was 95%-111%, 95%-111%, and 104%-111% as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively.

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

Ships	20-25 years
Dry dock	2.5-5 years

The dry dock is a significant component of ships.

Property, plant and equipment leased under operating leases and pledged as collateral for bank borrowings are set out in Note 33.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2023	December 31, 2022	September 30, 2022
Carrying amounts			
Land	\$ 27,631	\$ 34,361	\$ 36,605
Buildings	1,756,354	1,799,999	1,889,686
Container and chassis	4,704,269	5,371,965	5,594,532
Ships	55,317,500	66,070,753	65,499,129
Miscellaneous equipment	72,346	85,397	93,373
	<u>\$ 61,878,100</u>	<u>\$ 73,362,475</u>	<u>\$ 73,113,325</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Additions to right-of-use assets	<u>\$ 4,320,543</u>	<u>\$ 11,040,098</u>	<u>\$ 4,612,572</u>	<u>\$ 19,331,874</u>
Depreciation expenses for right-of-use assets				
Land	\$ 2,243	\$ 2,243	\$ 6,730	\$ 6,685
Buildings	127,975	117,219	377,413	354,381
Container and chassis	222,565	222,572	667,696	573,602
Ships	2,857,672	2,923,957	8,802,948	8,556,006
Miscellaneous equipment	10,798	10,536	30,971	29,770
	<u>\$ 3,221,253</u>	<u>\$ 3,276,527</u>	<u>\$ 9,885,758</u>	<u>\$ 9,520,444</u>
Income from the subleasing of right-of-use assets (presented in operating revenue and other income)	<u>\$ 76,309</u>	<u>\$ 225,592</u>	<u>\$ 328,889</u>	<u>\$ 675,473</u>

The significant subleasing of the right-of-use assets recorded for the three months ended September 30, 2022 and for the nine months ended September 30, 2022 are set out in Note 11.

b. Lease liabilities

	September 30, 2023	December 31, 2022	September 30, 2022
Carrying amounts			
Current	\$ 5,032,270	\$ 5,157,412	\$ 5,439,415
Non-current	<u>\$ 26,750,821</u>	<u>\$ 28,824,524</u>	<u>\$ 31,013,725</u>
Lease liabilities designated as hedging (presented in financial liabilities for hedging)			
Current	\$ 11,448,647	\$ 8,371,948	\$ 8,835,891
Non-current	<u>\$ 27,154,648</u>	<u>\$ 36,816,306</u>	<u>\$ 36,306,682</u>

Financial liabilities designated as hedging

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

	Maturity Period	Account	Carrying Amount
September 30, 2023	2023/10/23-2031/01/31	Financial liabilities for hedging	<u>\$ 38,603,295</u>
December 31, 2022	2027/04/30-2031/01/31	Financial liabilities for hedging	<u>\$ 45,188,254</u>
September 30, 2022	2025/01/31-2031/01/31	Financial liabilities for hedging	<u>\$ 45,142,573</u>

Impact on comprehensive income (loss):

	Recognized in Other Comprehensive Income	Amount Reclassified to Profit or Loss
For the three months ended September 30, 2023	<u>\$ (1,428,651)</u>	<u>\$ 90,625</u>
For the nine months ended September 30, 2023	<u>\$ (1,980,466)</u>	<u>\$ 96,000</u>
For the three months ended September 30, 2022	<u>\$ (2,879,151)</u>	<u>\$ (34,995)</u>
For the nine months ended September 30, 2022	<u>\$ (5,761,832)</u>	<u>\$ (313,942)</u>

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

	September 30, 2023	December 31, 2022	September 30, 2022
Land	1.12%-1.49%	1.12%-1.49%	1.12%-1.49%
Buildings	0.89%-10.00%	0.89%-10.00%	0.85%-10.00%
Container and chassis	0.18%-2.16%	0.18%-2.16%	0.08%-2.16%
Ships	0.45%-8.08%	0.09%-7.24%	0.09%-7.24%
Miscellaneous equipment	0.84%-8.64%	0.84%-8.64%	0.84%-8.64%

c. Material lease-in activities and terms

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

Containership Department	Lease Liabilities Recognized (Discounted)	Potential Future Lease Payments and Purchase Option Not Included in Lease Liabilities (Discounted)	Historical Ratio for Exercising Extension and Purchase Options
<u>September 30, 2023</u>			
Ships	\$ 38,408,928	\$ 14,536,330	31.14%
<u>December 31, 2022</u>			
Ships	\$ 46,347,185	\$ 18,762,939	31.59%
<u>September 30, 2022</u>			
Ships	\$ 54,703,315	\$ 22,833,781	16.96%

The Group's board of directors resolved in June 2023 to buy back 3 chartered-in ships with extension and purchase options to replace current lease contracts. The ship purchase contract had been signed in June 2023 with the price US\$302,000 thousand in total, which was fully paid as of November 10, 2023. The Group's board of directors resolved in November 2023 to buy back 2 chartered-in ships again with extension and purchase options to replace current lease contracts with the price US\$199,000 thousand in total. The ship purchase contract will be signed in November 2023.

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 are 1 million and 0.85 million tons. If YMTC is unable to reach the lowest guaranteed volumes, it should calculate the payment for the administration fees based on the volumes of 1 million and 0.85 million tones, respectively, and the administration fees will be adjusted according to the annual Wholesale Price Index in Taiwan.

d. Subleases

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

Sublease of right-of-use assets

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

In addition to fixed lease payments, the lease contracts also indicate that the leases should make variable payments which shall be determined daily at Baltic Dry Index average daily rent. The rate was 95%-111%, 95%-111%, and 104%-111% as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively.

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

	September 30, 2023	December 31, 2022	September 30, 2022
Year 1	\$ 76,600	\$ 578,813	\$ 575,733
Year 2	130	366	101,481
Year 3 onwards	—	—	—
	<u>\$ 76,730</u>	<u>\$ 579,179</u>	<u>\$ 677,214</u>

e. Other lease information

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Expenses relating to short-term leases	\$ 61,830	\$ 290,025	\$ 138,290	\$ 955,130
Expenses relating to low-value asset leases	\$ 702,313	\$ 938,057	\$ 2,165,287	\$ 2,444,903
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ (25,534)	\$ (156,370)	\$ (159,815)	\$ (197,463)
Expenses relating to service cost payments not included in the measurement of lease liabilities	\$ 1,084,187	\$ 1,035,831	\$ 3,224,822	\$ 2,981,447
Total cash outflow for leases			\$ (23,628,874)	\$ (16,845,890)

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

The amounts of lease commitments for short-term leases and low-value asset lease for which the recognition exemption is applied were \$7,448,135 thousand, \$3,590,682 thousand and \$4,748,352 thousand as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively.

The amounts of lease commitments for future service cost which was recognized as non-lease components of contracts were \$20,426,952 thousand, \$24,671,562 thousand and \$25,241,476 thousand as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively.

17. INVESTMENT PROPERTIES

	September 30, 2023	December 31, 2022	September 30, 2022
Completed Investment Property	\$ 7,146,807	\$ 7,146,807	\$ 7,039,177

Expect for the recognition of the changes in fair value and reclassified to property, plant and equipment, there are not significant additions, disposals and impairment losses for the nine months ended September 30, 2023 and 2022.

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

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

	September 30, 2023	December 31, 2022	September 30, 2022
Independent valuation	<u>\$ 7,146,807</u>	<u>\$ 7,146,807</u>	<u>\$ 7,039,177</u>

The maturity analysis of lease payments receivable under operating lease of investment properties as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively was as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Year 1	\$ 69,248	\$ 71,684	\$ 63,211
Year 2	50,319	54,643	45,461
Year 3	32,613	39,549	29,029
Year 4	10,129	23,474	15,362
Year 5	2,814	2,759	3,990
Year 6 onwards	1,600	2,286	2,514
	<u>\$ 166,723</u>	<u>\$ 194,395</u>	<u>\$ 159,567</u>

18. BORROWINGS

a. Short-term borrowings

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Unsecured borrowings</u>			
Line of credit borrowings	\$ 1,455,000	\$ 1,800,000	\$ 1,450,000
Loans from related parties (Note 32)	560,000	630,000	720,000
	<u>\$ 2,015,000</u>	<u>\$ 2,430,000</u>	<u>\$ 2,170,000</u>

- 1) The range of weighted average effective interest rate on credit borrowings was 2.00%-2.10%, 1.83%-2.17% and 1.45%-1.81% per annum as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively.
- 2) Loans from related parties of the Group were the amounts repayable to government-related entities. Interest rates were 1.98%-2.10%, 1.70%-2.11% and 1.58%-1.88% per annum as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively.

b. Short-term bills payable

	September 30, 2023	December 31, 2022	September 30, 2022
Commercial paper	\$ 600,000	\$ 600,000	\$ 400,000
Less : Unamortized discount on bills payable	1,726	307	343
	<u>598,274</u>	<u>599,693</u>	<u>399,657</u>
Loans from related parties (Note 32)	500,000	500,000	500,000
Less : Unamortized discount on bills payable	1,353	1,145	286
	<u>498,647</u>	<u>498,855</u>	<u>499,714</u>
	<u>\$ 1,096,921</u>	<u>\$ 1,098,548</u>	<u>\$ 899,371</u>

Interest rates of the outstanding short-term bills payable were 2.06%, 1.97%-2.02% and 1.60%-1.61% per annum as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively.

Interest rates of the outstanding related parties' short-term bills payable were 2.06%, 2.04% and 1.61% per annum as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively.

c. Long-term borrowings

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Secured borrowings</u> (Note 33)			
Secured bank loans	\$ 2,545	\$ 7,149	\$ 7,580
Loans from related parties (Note 32)	111,000	364,672	1,495,335
	<u>113,545</u>	<u>371,821</u>	<u>1,502,915</u>
<u>Unsecured borrowings</u>			
Line of credit borrowings	192,148	18,645	22,359
Loans from related parties (Note 32)	120,000	—	—
	<u>312,148</u>	<u>18,645</u>	<u>22,359</u>
Total	425,693	390,466	1,525,274
Less : Current portion	86,183	85,396	149,170
Long-term borrowings	<u>\$339,510</u>	<u>\$ 305,070</u>	<u>\$ 1,376,104</u>

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

	September 30, 2023	December 31, 2022	September 30, 2022
<u>NT\$</u>			
Amount	\$ 411,000	\$ 364,672	\$ 1,377,500
Interest rate	1.98%-2.04%	1.85%-1.91%	1.45%-1.73%
Contract term	2020/02/27-2026/6/7	2020/02/27-2031/3/12	2020/02/27-2031/10/26
<u>US\$</u>			
Foreign currency amount	375	600	4,386
New Taiwan dollar amount	\$ 12,148	\$ 18,645	\$ 139,265
Interest rate	8.03 %	7.73 %	3.92%-5.63%
Contract term	2019/11/21-2024/11/21	2019/11/21-2024/11/21	2019/11/14-2026/09/28
<u>MYR</u>			
Foreign currency amount	370	1,023	1,105
New Taiwan dollar amount	\$ 2,545	\$ 7,149	\$ 7,580
Interest rate	4.50 %	4.25 %	4.00 %
Contract term	2019/08/26-2034/04/01	2019/08/26-2034/04/01	2019/08/26-2034/04/01
<u>CAD</u>			
Foreign currency amount	—	—	40
New Taiwan dollar amount	\$ —	\$ —	\$ 929
Interest rate	—	—	5.00 %
Contract term	—	—	2020/06/03-2022/12/31

Secured borrowings

1) Secured bank loans

The secured bank loans of the Group will be repaid in MYR. The loans are repayable in installment at varying amounts before April 1, 2034. Interest rates were 4.50%, 4.25% and 4.00% on September 30, 2023, December 31, 2022 and September 30, 2022, respectively. The Group's buildings are pledged as collaterals for the secured loans.

2) Loans from related parties

The Group's loans from related parties are borrowings repaid in New Taiwan dollars and U.S. dollars from government-related entities. The loans are repayable in installment at varying amounts before February 27, 2025. Interest rates were 1.98%, 1.85%-1.91% and 1.45%-4.82% on September 30, 2023, December 31, 2022 and September 30, 2022, respectively. The Group's ships are pledged as collaterals for the secured loans.

Unsecured borrowings

1) Unsecured bank loans

The Group's unsecured bank loans will be repaid in New Taiwan dollars, U.S. dollars and CAD dollars in installments at very amounts or repaid in one-lump sum payment at maturity as the borrowing terms. The loans are expected to be fully repaid before January 4, 2025. Interest rates were 2.03%-8.03%, 7.73% and 5.00%-5.63% on September 30, 2023, December 31, 2022 and September 30, 2022, respectively.

2) Loans from related parties

The Group's unsecured loans from related parties are borrowings repaid in New Taiwan dollars from government-related entities, and will be repaid in installments as the borrowing terms. The loans are expected to be fully repaid before June 7, 2026. Interest rates were 2.04% on September 30, 2023.

19. BONDS PAYABLE

	September 30, 2023	December 31, 2022	September 30, 2022
Secured domestic bonds	\$ 10,855,066	\$ 10,826,188	\$ 10,850,892
Less : Current portion	2,494,618	2,474,968	—
	<u>\$ 8,360,448</u>	<u>\$ 8,351,220</u>	<u>\$ 10,850,892</u>

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.

20. TRADE PAYABLES

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Trade payables - operating</u>			
Trade payables - non-related parties	\$ 18,209,887	\$ 15,571,592	\$ 22,468,258
Trade payables - related parties	489,856	347,105	356,555
	<u>\$ 18,699,743</u>	<u>\$ 15,918,697</u>	<u>\$ 22,824,813</u>
Payable for cost of voyage in sailing	\$ 12,113,195	\$ 11,483,569	\$ 13,426,883
Payable for fuel	3,482,444	2,401,576	3,232,886
Payable for space hire	2,674,724	1,663,481	5,621,589
Payable for freight expenses	271,841	281,428	380,296
Payable for stevedoring expenses	152,557	83,752	157,643
Payable for management expenses	4,982	4,891	5,516
	<u>\$ 18,699,743</u>	<u>\$ 15,918,697</u>	<u>\$ 22,824,813</u>

21. OTHER PAYABLES

	September 30, 2023	December 31, 2022	September 30, 2022
Payable for container lease	\$ 485,250	\$ 634,911	\$ 595,222
Payable for salary and bonus	2,549,168	5,430,781	4,423,301
Payable for interest expenses	116,761	119,129	127,802
Payable for equipment M&R expenses	41,926	125,966	59,735
Payable for annual leave	127,246	145,398	147,650
Payable for vessel charter hire	110,984	66,049	67,773
Payable for equipment	222,650	83,459	853,999
Others	1,896,463	2,046,051	1,996,348
	<u>\$ 5,550,448</u>	<u>\$ 8,651,744</u>	<u>\$ 8,271,830</u>

22. PROVISIONS

	September 30, 2023	December 31, 2022	September 30, 2022
Restoration cost for leased assets (a)	\$ 5,328	\$ 3,559	\$ 1,458
Others (b)	—	—	—
	<u>\$ 5,328</u>	<u>\$ 3,559</u>	<u>\$ 1,458</u>
Non-current	<u>5,328</u>	<u>3,559</u>	<u>1,458</u>

	Restoration Cost for Leased Assets	Others	Total
Balance at January 1, 2023	\$ 3,559	\$ —	\$ 3,559
Additional provisions recognized	1,527	—	1,527
Effect of foreign currency exchange differences	242	—	242
Balance at September 30, 2023	<u>\$ 5,328</u>	<u>\$ —</u>	<u>\$ 5,328</u>
Balance at January 1, 2022	\$ 1,348	\$ 56,307	\$ 57,655
Amount used	—	(56,307)	(56,307)
Effect of foreign currency exchange differences	110	—	110
Balance at September 30, 2022	<u>\$ 1,458</u>	<u>\$ —</u>	<u>\$ 1,458</u>

- a. When returning operating leased assets, lessees have legal or construction obligation to restore operating leased assets to original status. Lessees need to accrue restoration costs provision over the lease term on a straight-line basis.
- b. Other provisions are mainly due to the estimated possible fine of \$56,307 thousand which the Group may be fined by The Korea Fair Trade Commission for violating the Korea Fair Trade Act. The aforementioned amount has been paid in July 2022. The Group will continue to evaluate following measures to ensure maximum benefit.

23. RETIREMENT BENEFIT PLANS

For the three months ended September 30, 2023 and 2022 and for the nine months ended September 30, 2023 and 2022, employee benefits expenses in respect of the Group's defined benefit retirement plan were calculated using the actuarially determined pension cost discount rate as of December 31, 2022 and 2021, the amounts are \$26,671 thousand, \$23,852 thousand, \$70,075 thousand and \$72,424 thousand, respectively.

24. EQUITY

a. Share capital

	September 30, 2023	December 31, 2022	September 30, 2022
Numbers of shares authorized (in thousands)	4,500,000	4,500,000	4,500,000
Shares authorized	<u>\$ 45,000,000</u>	<u>\$ 45,000,000</u>	<u>\$ 45,000,000</u>
Numbers of shares issued and fully paid (in thousands)	3,492,104	3,492,104	3,492,104
Shares issued	<u>\$ 34,921,043</u>	<u>\$ 34,921,043</u>	<u>\$ 34,921,043</u>

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

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

b. Capital surplus

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

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

c. Retained earnings and dividend policy

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

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

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

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

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

The appropriation of earnings for 2022 and 2021 approved in the shareholders' meeting on May 26, 2023 and May 27, 2022, respectively, were as follows:

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

d. Special reserves

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

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

e. Others equity items

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

	For the Nine Months Ended September 30	
	2023	2022
Balance at January 1	\$ 86,183	\$ (1,253,998)
Recognized for the period		
Exchange differences on translation of the financial statements of foreign operations	4,854,473	6,024,105
Related income tax	(918,232)	(1,068,467)
Other comprehensive income recognized for the period	3,936,241	4,955,638
Balance at September 30	\$ 4,022,424	\$ 3,701,640

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

	For the Nine Months Ended September 30	
	2023	2022
Balance at January 1	\$ (685,376)	\$ (299,493)
Recognized for the period		
Unrealized gain (loss) Equity instruments	31,108	6,235
Share from associates and joint ventures accounted for using the equity method	(107,740)	(444,322)
Other comprehensive income recognized for the period	(76,632)	(438,087)
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal by associates	—	8,253
Balance at September 30	\$ (762,008)	\$ (729,327)

3) Gain (loss) on hedging instruments

	For the Nine Months Ended September 30	
	2023	2022
Balance at January 1	\$ 585,616	\$ 3,278,054
Recognized for the period		
Foreign currency risk- lease liabilities	(1,980,466)	(5,761,832)
Foreign currency risk- demand and time deposits	1,354,774	2,177,593
Related income tax	194,997	779,636
Reclassification adjustments		
Hedged items affects profit or loss		
Foreign currency risk- operating revenue	96,000	(313,942)
Hedged items no longer expected to occur		
Foreign currency risk- prepayments for equipment	(67,770)	—
Other comprehensive income (loss) recognized for the period	(402,465)	(3,118,545)
The original amount transferred into hedged items		
Foreign currency risk- prepayments for equipment	(377,524)	—
Balance at September 30	\$ (194,373)	\$ 159,509

f. Non-controlling interests

	For the Nine Months Ended September 30	
	2023	2022
Balance at January 1	\$ 826,225	\$ 631,392
Share of profit for the period	251,166	335,570
Other comprehensive income (loss) during the period		
Exchange difference on translating the financial statements of foreign entities	(36,080)	(23,866)
Unrealized gain (loss) on financial assets at FVTOCI	—	(2)
Related income tax	(74)	—

	For the Nine Months Ended September 30	
	2023	2022
Cash dividends distributed by subsidiaries	(348,367)	(28,433)
Balance at September 30	<u>\$ 692,870</u>	<u>\$ 914,661</u>

25. REVENUE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Revenue from contracts with customers				
Cargo revenue	\$ 32,378,990	\$ 92,851,000	\$ 94,113,138	\$ 295,180,041
Slottage revenue	295,015	1,508,001	2,283,389	4,035,459
Rental income				
Rental revenue on vessel	433,433	850,965	1,551,250	2,644,053
Other operating revenue	2,793,675	4,602,765	9,953,147	14,104,928
	<u>\$ 35,901,113</u>	<u>\$ 99,812,731</u>	<u>\$ 107,900,924</u>	<u>\$ 315,964,481</u>

a. Contract balances

	September 30, 2023	December 31, 2022	September 30, 2022	January 1, 2022
Trade receivables (Note 10)	<u>\$ 8,010,892</u>	<u>\$ 10,638,133</u>	<u>\$ 22,374,353</u>	<u>\$ 22,054,984</u>
Contract assets				
Cargo revenue	\$ 2,310,058	\$ 1,876,839	\$ 4,027,123	\$ 5,533,228
Less : Allowance for impairment loss	(22,999)	(23,376)	(42,713)	(67,894)
Contract assets	<u>\$ 2,287,059</u>	<u>\$ 1,853,463</u>	<u>\$ 3,984,410</u>	<u>\$ 5,465,334</u>
Contract liabilities - current				
Advance on contract	<u>\$ 733,584</u>	<u>\$ 532,259</u>	<u>\$ 551,322</u>	<u>\$ 903,453</u>

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

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

	For the Nine Months Ended September 30	
	2023	2022
Balance at January 1	\$ 23,376	\$ 67,894
Less : Reversal of loss allowance	(1,421)	(28,031)
Foreign exchange gains and losses	1,044	2,850
Balance at September 30	<u>\$ 22,999</u>	<u>\$ 42,713</u>

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

b. Disaggregation of revenue

Revenue from contracts with customers mainly comes from the containership department. Refer to Note 38 for information about disaggregation of revenue.

26. NET PROFIT

a. Other operating income and expenses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Gain on disposal and retirement of property, plant and equipment	\$ 11,966	\$ 3,425	\$ 47,264	\$ 13,994
Reimbursement income	47,997	112,713	133,947	287,180
Reimbursement loss	—	—	(880)	—
Gain arising from the subleasing of right-of-use assets	—	22,327	—	1,167,799
	<u>\$ 59,963</u>	<u>\$ 138,465</u>	<u>\$ 180,331</u>	<u>\$ 1,468,973</u>

b. Interest income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Bank deposits (including USD-denominated deposits as hedging instruments)	\$ 2,921,428	\$ 1,045,333	\$ 9,068,751	\$ 1,752,040
Net investments in leases	448	5,450	4,700	8,303
Short-term bills	17,169	23,146	46,919	31,631
Corporate bonds	10,226	3,157	85,276	3,157

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	131	181	595	361
Others	<u>\$2,949,402</u>	<u>\$ 1,077,267</u>	<u>\$ 9,206,241</u>	<u>\$ 1,795,492</u>

c. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Rental income - operating leases	\$ 19,705	\$ 20,126	\$ 63,298	\$ 63,581
Dividends	8,030	2,109	8,030	2,109
	<u>\$ 27,735</u>	<u>\$ 22,235</u>	<u>\$ 71,328</u>	<u>\$ 65,690</u>

d. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Net foreign exchange gains (losses)	\$ 2,116,830	\$ 3,734,894	\$ 3,957,502	\$ 11,861,956
Fair value changes of financial assets and financial liabilities				
Financial assets mandatorily classified as at FVTPL	12,771	(15,890)	46,902	(16,843)
Financial liabilities held for trading	—	(5,850)	—	(5,850)
Gain (loss) on ineffectiveness of cash flow hedging				
Ineffectiveness of cash flow hedging	—	—	67,770	—
Gain (loss) arising from lease modifications	(17,659)	3,347	(17,556)	3,553
Gain (loss) arising from the change in fair value of investment properties	—	—	—	(4)
Others	(71,728)	85,626	24,226	175,072
	<u>\$ 2,040,214</u>	<u>\$ 3,802,127</u>	<u>\$ 4,078,844</u>	<u>\$ 12,017,884</u>

e. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Interest on bank loans	\$ 18,576	\$ 19,358	\$ 56,487	\$ 59,522
Interest on lease liabilities (including U.S. dollar lease contracts designated as hedging instruments)	621,851	526,976	1,733,095	1,479,825
Other interest expenses	43,500	56,285	137,280	189,411
	<u>\$ 683,927</u>	<u>\$ 602,619</u>	<u>\$ 1,926,862</u>	<u>\$ 1,728,758</u>

f. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Right-of -use assets	\$ 3,221,253	\$ 3,276,527	\$ 9,885,758	\$ 9,520,444
Property, plant and equipment	1,886,409	1,821,406	5,542,769	5,220,139
Intangible assets	19,599	18,289	55,469	48,466
	<u>\$ 5,127,261</u>	<u>\$ 5,116,222</u>	<u>\$ 15,483,996</u>	<u>\$ 14,789,049</u>
An analysis of depreciation by function				
Operating costs	\$ 4,997,779	\$ 5,001,971	\$ 15,109,302	\$ 14,459,551
Operating expenses	109,883	95,962	319,225	281,032
	<u>\$ 5,107,662</u>	<u>\$ 5,097,933</u>	<u>\$ 15,428,527</u>	<u>\$ 14,740,583</u>
An analysis of amortization by function				
Operating costs	\$ 1,987	\$ 996	\$ 5,413	\$ 2,456
Operating expenses	17,612	17,293	50,056	46,010
	<u>\$ 19,599</u>	<u>\$ 18,289</u>	<u>\$ 55,469</u>	<u>\$ 48,466</u>

g. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Post-employment benefits				
Defined contribution plans	\$ 86,738	\$ 77,766	\$ 246,726	\$ 227,908

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Defined benefit plans (Note 23)	26,671	23,852	70,075	72,424
Termination benefits	16,054	5,177	46,335	22,724
Other employee benefits	2,281,391	2,940,391	7,000,920	10,360,292
Total employee benefits expense	<u>\$ 2,410,854</u>	<u>\$ 3,047,186</u>	<u>\$ 7,364,056</u>	<u>\$ 10,683,348</u>
An analysis of employee benefits by function				
Operating costs	\$ 865,092	\$ 1,063,776	\$ 2,680,980	\$ 3,667,802
Operating expenses	1,545,762	1,983,410	4,683,076	7,015,546
	<u>\$2,410,854</u>	<u>\$ 3,047,186</u>	<u>\$ 7,364,056</u>	<u>\$ 10,683,348</u>

h. Compensation of employees and remuneration of directors

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

The compensation of employees and the remuneration of directors for the three months ended September 30, 2023 and 2022 and for the nine months ended September 30, 2023 and 2022 are as follows:

Accrual rate

	For the Nine Months Ended September 30	
	2023	2022
Compensation of employees	1%	1%
Remuneration of directors	—	—

Amount

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Compensation of employees	<u>\$ 30,680</u>	<u>\$ 626,280</u>	<u>\$ 130,372</u>	<u>\$ 2,139,386</u>
Remuneration of directors	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

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

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

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

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

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

27. INCOME TAXES

a. Income tax expense recognized in profit or loss

Major components of income tax expense are as follow:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Current tax				
In respect of the current period	\$ 2,424,350	\$ 9,206,326	\$ 5,270,545	\$ 35,729,418
Income tax on unappropriated earnings	—	(170,391)	4,662,817	3,799,077
Adjustments for prior years	<u>(352,906)</u>	<u>43,359</u>	<u>(641,067)</u>	<u>(119,878)</u>
	<u>2,071,444</u>	<u>9,079,294</u>	<u>9,292,295</u>	<u>39,408,617</u>
Deferred tax				
In respect of the current period	(1,665,279)	3,818,718	(2,145,189)	9,117,592
Adjustments for prior years	—	—	190,534	—
	<u>(1,665,279)</u>	<u>3,818,718</u>	<u>(1,954,655)</u>	<u>9,117,592</u>
Income tax expense recognized in profit or loss	<u>\$ 406,165</u>	<u>\$ 12,898,012</u>	<u>\$ 7,337,640</u>	<u>\$ 48,526,209</u>

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
<u>Deferred tax</u>				
In respect of the current period				
- Translation of foreign operations	\$ 684,179	\$ 680,756	\$ 918,306	\$ 1,068,467
- Cash flow hedges	(153,261)	(157,311)	(194,997)	(779,636)
Income tax recognized in other comprehensive income (loss)	<u>\$ 530,918</u>	<u>\$ 523,445</u>	<u>\$ 723,309</u>	<u>\$ 288,831</u>

c. Income tax assessments

<u>Company</u>	<u>Year</u>
Yang Ming Marine Transport Corporation	2020
Kuang Ming Shipping Corp.	2020
Hong Ming Terminal & Stevedoring Corp.	2021
Jing Ming Transportation Co., Ltd.	2020
YES Logistics Corp.	2021

28. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Basic earnings per share	<u>\$ 0.80</u>	<u>\$ 14.25</u>	<u>\$ 1.74</u>	<u>\$ 47.50</u>
Diluted earnings per share	<u>\$ 0.80</u>	<u>\$ 14.11</u>	<u>\$ 1.73</u>	<u>\$ 46.97</u>

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

Net Profit for the Period

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Earnings used in the computation of earnings per share	<u>\$ 2,806,420</u>	<u>\$ 49,747,726</u>	<u>\$ 6,077,506</u>	<u>\$ 165,858,363</u>

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	3,492,104	3,492,104	3,492,104	3,492,104
Effect of potentially dilutive ordinary shares:				
Compensation of employees	2,868	34,787	11,490	39,032
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>3,494,972</u>	<u>3,526,891</u>	<u>3,503,594</u>	<u>3,531,136</u>

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

29. CASH FLOW INFORMATION

Changes in Liabilities Arising from Financing Activities

For the nine months ended September 30, 2023

	January 1, 2023	Cash Flows	Non-Cash Changes		September 30, 2023
			New Leases	Others (Note)	
Short-term borrowings	\$ 2,430,000	\$ (415,000)	\$ —	\$ —	\$ 2,015,000
Short-term bills payable	1,098,548	—	—	(1,627)	1,096,921
Long-term borrowings	390,466	34,449	—	778	425,693
Bonds payable	10,826,188	—	—	28,878	10,855,066
Lease liabilities	79,170,190	(16,409,815)	4,612,572	3,013,439	70,386,386
Other non-current liabilities	1,316,724	(61,635)	—	—	1,255,089
	<u>\$ 95,232,116</u>	<u>\$ (16,852,001)</u>	<u>\$ 4,612,572</u>	<u>\$ 3,041,468</u>	<u>\$ 86,034,155</u>

For the nine months ended September 30, 2022

	January 1, 2022	Cash Flows	Non-Cash Changes		September 30, 2022
			New Leases	Others (Note)	
Short-term borrowings	\$ 1,393,760	\$ 776,240	\$ —	\$ —	\$ 2,170,000
Short-term bills payable	436,131	462,500	—	740	899,371
Long-term borrowings	6,469,309	(5,140,903)	—	196,868	1,525,274
Bonds payable	10,822,014	—	—	28,878	10,850,892
Lease liabilities	61,963,684	(9,243,929)	19,331,874	9,544,084	81,595,713

	January 1, 2022	Cash Flows	Non-Cash Changes		September 30, 2022
			New Leases	Others (Note)	
Other non-current liabilities	836,076	59,144	—	15,000	910,220
	<u>\$ 81,920,974</u>	<u>\$ (13,086,948)</u>	<u>\$ 19,331,874</u>	<u>\$ 9,785,570</u>	<u>\$ 97,951,470</u>

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

30. CAPITAL MANAGEMENT

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

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

31. FINANCIAL INSTRUMENTS

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

September 30, 2023

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial assets</u>					
Finance lease receivables	\$ 111,686	\$ —	\$ 109,462	\$ —	\$ 109,462
Financial assets measured at amortized cost					
- Foreign corporate bonds	2,677,091	—	2,600,059	—	2,600,059
Total	<u>\$ 2,788,777</u>	<u>\$ —</u>	<u>\$ 2,709,521</u>	<u>\$ —</u>	<u>\$ 2,709,521</u>
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
- Secured domestic bonds	\$ 10,855,066	\$ —	\$ 10,831,209	\$ —	\$ 10,831,209

December 31, 2022

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

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
- Secured domestic bonds	\$ 10,826,188	\$ —	\$ 10,795,061	\$ —	\$ 10,795,061

September 30, 2022

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Finance lease receivables					
	\$ 1,226,321	\$ —	\$ 1,217,684	\$ —	\$ 1,217,684
Financial assets measured at amortized cost					
- Foreign corporate bonds	787,502	—	759,906	—	759,906
Total	\$ 2,013,823	\$ —	\$ 1,977,590	\$ —	\$ 1,977,590
<u>Financial liabilities</u>					
Financial liabilities measured at amortized cost					
- Secured domestic bonds	\$ 10,850,892	\$ —	\$ 10,825,806	\$ —	\$ 10,825,806

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

September 30, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Domestic listed shares	\$ 364,652	\$ —	\$ —	\$ 364,652
Mutual funds	1,988,224	—	—	1,988,224
Domestic limited partnership	—	—	28,433	28,433
Total	\$ 2,352,876	\$ —	\$ 28,433	\$ 2,381,309
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments at FVTOCI				
- Unlisted shares	\$ —	\$ —	\$ 537,955	\$ 537,955

December 31, 2022

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

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI

- Unlisted shares	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 506,847</u>	<u>\$ 506,847</u>
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September 30, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Domestic listed shares	\$ 335,205	\$ —	\$ —	\$ 335,205
Mutual funds	84,346	—	—	84,346
Domestic limited partnership	—	—	15,079	15,079
Total	<u>\$ 419,551</u>	<u>\$ —</u>	<u>\$ 15,079</u>	<u>\$ 434,630</u>

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI

- Unlisted shares	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 504,164</u>	<u>\$ 504,164</u>
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Financial liabilities at FVTPL

Derivatives

- Oil derivatives	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 5,850</u>	<u>\$ 5,850</u>
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There were no transfers between Levels 1 and 2 in the current and prior periods.

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

For the nine months ended September 30, 2023

Financial assets at FVTPL

	<u>Other Instruments</u>	<u>Derivatives</u>	
	Domestic Limited Partnership	Oil derivatives	Total
Balance at January 1, 2023	\$ 29,589	\$ —	\$ 29,589
Recognized in profit or loss (included in other gains and losses)	(1,156)	(776)	(1,932)
Purchases	—	776	776
Transfers out of Level 3	—	—	—
Balance at September 30, 2023	<u>\$ 28,433</u>	<u>\$ —</u>	<u>\$ 28,433</u>
Unrealized gain or loss for the current period included in profit or loss relating to assets held at the end of the period	<u>\$ (1,156)</u>	<u>\$ —</u>	<u>\$ (1,156)</u>

Financial assets at FVTOCI

	<u>Equity Instruments</u>
Balance at January 1, 2023	\$ 506,847
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	31,108
Balance at September 30, 2023	<u>\$ 537,955</u>

For the nine months ended September 30, 2022

Financial assets at FVTPL

	<u>Other Instruments</u>
	Domestic Limited Partnership
Balance at January 1, 2022	\$ 13,871
Recognized in profit or loss (included in other gains and losses)	1,208
Transfers out of Level 3	—
Balance at September 30, 2022	<u>\$ 15,079</u>
Unrealized gain or loss for the current period included in profit or loss relating to assets held at the end of the period	<u>\$ 1,208</u>

Financial assets at FVTOCI

	<u>Equity Instruments</u>
Balance at January 1, 2022	\$ 497,931
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	6,233
Balance at September 30, 2022	<u>\$ 504,164</u>

Financial liabilities at FVTPL

	<u>Derivatives</u>
	<u>Oil derivatives</u>
Balance at January 1, 2022	\$ —
Recognized in profit or loss (included in other gains and losses)	5,850
Transfers out of Level 3	—
Balance at September 30, 2022	<u>\$ 5,850</u>
Unrealized gain or loss for the current period included in profit or loss relating to liabilities held at the end of the period	<u>\$ 5,850</u>

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

- a) The fair values of oil derivatives are determined using Balck-Scholes models where the significant unobservable inputs are implied volatility. The variable in the implied volatility used in isolation would result in a increase or decrease in the fair value.
- b) The fair values of domestic unlisted ordinary shares and domestic limited partnership are determined using the comparable company analysis approach and asset-based approach. The comparable company analysis approach is a way to determine the value of a target company by reference to companies engaged in the similar industry, stock price in the active market and value multiplier implied by such prices, based on liquidity reduction. The asset-based approach is a way to determine the value of a target company by assessing the total value of individual assets and liabilities, based on liquidity reduction.

c. Categories of financial instruments

	September 30, 2023	December 31, 2022	September 30, 2022
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ 2,381,309	\$ 4,656,110	\$ 434,630
Financial assets at amortized cost (1)	216,220,176	296,590,290	286,470,408
Financial assets for hedging	24,196,046	30,710,000	35,395,376
Financial assets at FVTOCI			
Equity instruments	537,955	506,847	504,164
<u>Financial liabilities</u>			
FVTPL			
Held for trading	—	—	5,850
Financial liabilities for hedging	38,603,295	45,188,254	45,142,573
Amortized cost (2)	36,003,910	33,772,904	41,999,395

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

d. Financial risk management objectives and policies

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

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

1) Market risk

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

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

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

a) Foreign currency risk

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

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

Sensitivity analysis

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

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

Profit (loss)/Equity of 1% Variation	For the Nine Months Ended September 30	
	2023	2022
Profit (loss) (i)		
U.S. dollars	\$ 446,462	\$ 436,531
GBP	26,654	17,380
CNY	1,964	7,781
EUR	102,328	71,136
HKD	4,418	5,853
AUD	17,037	10,231
Equity(ii)		
U.S. dollars	(144,072)	(97,472)

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

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

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

Hedge accounting

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

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

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

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

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

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

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

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

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

b) Interest rate risk

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

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

	September 30, 2023	December 31, 2022	September 30, 2022
Fair value interest rate risk			
- Financial assets	\$ 217,826,388	\$ 284,420,770	\$ 251,777,625
- Financial liabilities	84,353,373	93,524,926	95,515,976
Cash flow interest rate risk			
- Financial assets	12,619,748	31,080,756	46,752,581
- Financial liabilities	425,693	390,466	1,525,274

Sensitivity analysis

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

If interest rates had been 10 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit (loss) for the nine months ended September 30, 2023 would have increased/decreased by \$9,146 thousand, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings and variable-rate financial assets.

If interest rates had been 10 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit (loss) for the nine months ended September 30, 2022 would have increased/decreased by \$33,920 thousand, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings and variable-rate financial assets.

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

c) Other price risk

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

Sensitivity analysis

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

If equity prices had been 5% higher/lower, pre-tax profit (loss) for the nine months ended September 30, 2023 would have increased/decreased by \$18,233 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income (loss) for the nine months ended September 30, 2023 would have increased/decreased by \$26,898 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

If equity prices had been 5% higher/lower, pre-tax profit (loss) for the nine months ended September 30, 2022 would have increased/decreased by \$16,760 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income (loss) for the nine months ended September 30, 2022 would have increased/decreased by \$25,208 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

If limited partnership and mutual funds had been 5% higher/lower, pre-tax profit (loss) for the nine months ended September 30, 2023 would have increased/decreased by \$100,833 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 nine months ended September 30, 2022 would have increased/decreased by \$4,971 thousand, as a result of the changes in fair value of financial assets at FVTPL.

If oil derivatives price had been 5% higher/lower, the fair value of the derivative financial assets - oil derivatives (the purpose for hedge but not applied for the hedge accounting) for the nine months ended September 30, 2022 would have varied by \$293 thousand (USD \$9.23 thousand).

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

2) Credit risk

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

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

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

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient letter of bank guarantee and security deposit, where appropriate, as a means of

mitigating the risk of financial loss from defaults. To reduce credit risk, the Group has established an internal monitoring procedures to monitor credit risk exposure and credit condition of counterparties.

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

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of September 30, 2023, December 31, 2022 and September 30, 2022, the Group had available unutilized bank loans facilities of \$8,659,958 thousand, \$12,024,267 thousand and \$13,009,912 thousand, respectively.

a) Liquidity and interest risk rate tables

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

September 30, 2023

	<u>Less than 1 Year</u>	<u>1-5 Years</u>	<u>5-10 Years</u>	<u>10-15 Years</u>
Non-interest bearing	\$ 24,289,521	\$ 922,502	\$ —	\$ —
Lease liabilities	18,335,978	44,906,843	12,487,520	9,965
Variable interest rate liabilities	94,474	343,002	—	—
Fixed interest rate liabilities	5,675,556	8,445,798	—	—
Short-term and low value lease commitment	2,183,079	3,884,406	1,380,650	—
Lease commitment for future service costs	4,057,569	12,382,330	3,987,053	—
	<u>\$ 54,636,177</u>	<u>\$70,884,881</u>	<u>\$17,855,223</u>	<u>\$ 9,965</u>

December 31, 2022

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

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

September 30, 2022

	<u>Less than 1 Year</u>	<u>1-5 Years</u>	<u>5-10 Years</u>	<u>10-15 Years</u>
Non-interest bearing Lease liabilities	\$ 31,126,686	\$ 850,189	\$ —	\$ —
Variable interest rate liabilities	16,096,794	50,744,868	20,275,784	29,273
Fixed interest rate liabilities	182,364	713,326	762,070	—
Short-term and low value lease commitment	3,143,500	10,333,565	703,430	—
Lease commitment for future service costs	2,297,457	2,250,691	200,204	—
	<u>4,575,198</u>	<u>14,430,813</u>	<u>6,235,465</u>	<u>—</u>
	<u>\$ 57,421,999</u>	<u>\$ 79,323,452</u>	<u>\$ 28,176,953</u>	<u>\$ 29,273</u>

b) Derivative instruments

The Group did not have outstanding derivative instruments contracts as of September 30, 2023 and December 31, 2022. The maturity date of all the derivative instruments held by the Group as of September 30, 2022 is within one year.

32. TRANSACTIONS WITH RELATED PARTIES

The Ministry of Transportation and Communications R.O.C. (MOTC), National Development Fund, and Taiwan International Ports Corporation, Ltd. held 31.16% of the ordinary shares of YMTC as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively. Over 50% of the members of YMTC's board of directors were appointed by the MOTC, National Development Fund, and Taiwan International Ports Corporation, Ltd. Therefore, the Group is a government - related entity, which is controlled by the central government. Transactions with other government - related entities were mainly bank deposits, borrowings and guarantees with government - related banks (see Notes 18 and 19), concession rights of the Port of Kaohsiung, Taiwan International Ports Corporation Kaohsiung logistics center (see Note 16), and properties allocation agreement signed with Chunghwa Post Co., Ltd. (see Note 17).

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

a. Related party name and relationship

Related Party Name	Relationship with the Group
Yang Ming (U.A.E.) LLC	Associate
Yang Ming (Australia) Pty. Ltd.	Associate
West Basin Container Terminal LLC	Associate
Yang Ming Shipping (Egypt) S.A.E.	Associate
Kao Ming Container Terminal Corp.	Associate
Yunn Wang Investment Co., Ltd.	Associate
Taiwan Navigation Co., Ltd.	Associate
LogiTrans Technology Private Limited	Joint venture
YES LIBERAL Logistics Corp.	Joint venture
YES and HQL Logistics Group	Joint venture
Yes Easyway Logistics (Thailand) Co., Ltd.	Joint venture
Chunghwa Telecom Co., Ltd.	Government – related party
Taiwan International Ports Corporation, Ltd.	Government – related party
Taiwan Internation Ports Logistics Corporation	Government – related party
Chunghwa Post Co., Ltd.	Government – related party
Agricultural Bank of Taiwan	Government – related party
Taipei Exchange	Government – related party
First Commercial Bank	Government – related party
Mega International Commercial Bank Co., Ltd.	Government – related party
Chung Kuo Insurance Group, Limited	Government – related party
Mega Bills Finance Co., Ltd.	Government – related party
Mega Securities	Government – related party
Bank of Taiwan	Government – related party
Land Bank of Taiwan	Government – related party
The Export-Import Bank of the Republic of China	Government – related party
Taiwan Cooperative Bank Co., Ltd.	Government – related party
Taiwan Cooperative Bills Finance Co., Ltd.	Government – related party
Taiwan Business Bank Co., Ltd.	Government – related party
Chang Hwa Bank Ltd.	Government – related party
Taiwan Power Group	Government – related party
Taiwan Water Corporation	Government – related party
China Steel Corporation	Government – related party
CPC Corporation, Taiwan	Government – related party
CSBC Corporation, Taiwan	Government – related party
Hua Nan Commercial Bank, Ltd.	Government – related party
Taiwan Stock Exchange Corporation	Government – related party
South China Insurance Co., Ltd.	Government – related party
Northern Region Branch, National Property Administration, MOF	Government – related party

(Continued)

<u>Related Party Name</u>	<u>Relationship with the Group</u>
National Taiwan Ocean University	Government – related party
Keelung Hospital, Ministry of Health and Welfare	Government – related party
Ministry of the Interior	Government – related party
National Kaohsiung University of Science and Technology	Government – related party
National Museum of Marine Science and Technology	Government – related party
National Taiwan University	Government – related party
National Taiwan Normal University	Government – related party
National Chengchi University	Government – related party
Leader Container Transportation Co., Ltd.	Investor that has significant influence over the subsidiaries
Marine Container Services India Private Limited	Investor that has significant influence over the subsidiaries
Unicorn Enterprises	Investor that has significant influence over the subsidiaries
Bay Container Terminal Private Limited	Investor that has significant influence over the subsidiaries
Marine Container Services (South) Private Limited	Investor that has significant influence over the subsidiaries
Omega Intermodal Container Services Private Limited	Investor that has significant influence over the subsidiaries
Yang Ming Cultural Foundation	Other related party

(Concluded)

b. Operating transaction

Line Item	Related Party Category/ Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2023	2022	2023	2022
Operating revenue	Associates	\$ 57,086	\$ 65,071	\$ 163,047	\$ 200,426
	Joint ventures	651	312	1,496	1,523
	Government – related parties	225	25,014	8,228	112,230
		<u>\$ 57,962</u>	<u>\$ 90,397</u>	<u>\$ 172,771</u>	<u>\$ 314,179</u>
Operating cost	Associates	\$ 612,714	\$ 858,500	\$ 1,674,498	\$ 2,159,509
	Joint ventures	21,210	27,509	60,442	97,246
	Government – related parties	60,228	25,346	104,397	67,655
	Investors that have significant influence over the subsidiaries	73,389	86,197	209,494	266,694
		<u>\$ 767,541</u>	<u>\$ 997,552</u>	<u>\$ 2,048,831</u>	<u>\$ 2,591,104</u>

Line Item	Related Party Category/ Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2023	2022	2023	2022
Operating expenses	Associates	\$ —	\$ —	\$ 24	\$ —
	Joint ventures	9,071	(83)	37,017	35,317
	Government – related parties	12,325	11,308	40,213	33,038
	Investors that have significant influence over the subsidiaries	542	283	893	616
	Other related parties	7,259	6,190	20,888	16,666
		<u>\$ 29,197</u>	<u>\$ 17,698</u>	<u>\$ 99,035</u>	<u>\$ 85,637</u>

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

c. Bank deposits

Bank deposits on reporting period (including financial assets at amortized cost, financial assets for hedging and restricted bank balance) were as follows:

Related Party Category/ Name	September 30, 2023	December 31, 2022	September 30, 2022
Government – related parties			
Land Bank of Taiwan	\$ 25,416,214	\$ 61,534,507	\$ 50,275,275
Taiwan Cooperative Bank Co., Ltd.	41,895,005	13,591,000	13,690,011
Others	20,741,931	29,579,995	25,514,136
	<u>\$ 88,053,150</u>	<u>\$ 104,705,502</u>	<u>\$ 89,479,422</u>

d. Contract assets

Line Item	Related Party Category/Name	September 30, 2023	December 31, 2022	September 30, 2022
Contract assets	Associates	<u>\$ 128,616</u>	<u>\$ 197,602</u>	<u>\$ 259,129</u>

For the nine months ended September 30, 2023 and 2022, no impairment losses were recognized for contract assets from related parties.

e. Receivables and payables from related parties

Line Item	Related Party Category/Name	September 30, 2023	December 31, 2022	September 30, 2022
Trade receivables	Associates	\$ 232,774	\$ 290,713	\$ 531,337
	Joint ventures	528	849	1,186
	Government – related parties	31,781	47,657	—
		<u>\$ 265,083</u>	<u>\$ 339,219</u>	<u>\$ 532,523</u>

Line Item	Related Party Category/Name	September 30, 2023	December 31, 2022	September 30, 2022
Other receivables (included in other current assets)	Associates	\$ 18,305	\$ 17,420	\$ 18,010
	Joint ventures	—	299	—
	Government – related parties			
	Taiwan			
	Cooperative Bank Co., Ltd.	105,317	14,131	18,914
	Others	128,388	63,435	106,360
		233,705	77,566	125,274
	Other related parties	—	3,897	—
		<u>\$ 252,010</u>	<u>\$ 99,182</u>	<u>\$ 143,284</u>
Notes payable	Associates	\$ —	\$ 180	\$ —
Trade payables	Associates	\$ 399,886	\$ 250,300	\$ 246,099
	Joint ventures	14,473	13,301	18,658
	Investors that have significant influence over the subsidiaries	75,497	83,504	91,798
		<u>\$ 489,856</u>	<u>\$ 347,105</u>	<u>\$ 356,555</u>
Other payables	Associates	\$ 3,409	\$ 17,636	\$ 10,080
	Joint ventures	—	255	—
	Government – related parties	54,136	26,615	52,726
		<u>\$ 57,545</u>	<u>\$ 44,506</u>	<u>\$ 62,806</u>

For the nine months ended September 30, 2023 and 2022, no impairment losses were recognized for trade receivables and other receivables from related parties.

f. Prepayments

Line Item	Related Party Category/Name	September 30, 2023	December 31, 2022	September 30, 2022
Prepayments to shipping agents	Associates			
	Yang Ming Shipping (Egypt) S.A.E.	\$ 108,505	\$ 185,490	\$ 453,810
	Others	—	—	38,861
		<u>\$ 108,505</u>	<u>\$ 185,490</u>	<u>\$ 492,671</u>

Line Item	Related Party Category/Name	September 30, 2023	December 31, 2022	September 30, 2022
Prepayments	Associates	\$ 822	\$ —	\$ 861
	Government – related parties	—	140	110
		<u>\$ 822</u>	<u>\$ 140</u>	<u>\$ 971</u>
Prepayments for equipment	Government – related parties	<u>\$ 253</u>	<u>\$ —</u>	<u>\$ —</u>

g. Disposals of property, plant and equipment

Line Item	Related Party Category/Name	Amounts on disposals			
		For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2023	2022	2023	2022
Disposals of property, plant and equipment	Associates	\$ —	\$ —	\$ 19	\$ —

Line Item	Related Party Category/Name	Gain (Loss) on disposals			
		For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2023	2022	2023	2022
Disposals of property, plant and equipment	Associates	\$ —	\$ —	\$ 19	\$ —

h. Lease arrangements

Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
<u>Acquisition of right-of-use assets</u>				
Government – related parties	\$ —	\$ —	\$ 44,645	\$ 1,580
Investors that have significant influence over the subsidiaries	64	—	6,390	462
	<u>\$ 64</u>	<u>\$ —</u>	<u>\$ 51,035</u>	<u>\$ 2,042</u>

Line Item	Related Party Category/Name	September 30, 2023	December 31, 2022	September 30, 2022
Lease liabilities	Associates	\$ 952	\$ 1,891	\$ 1,891
	Government – related parties	705,840	811,251	861,025
	Investors that have significant influence over the subsidiaries	7,637	3,583	5,107
		<u>\$ 714,429</u>	<u>\$ 816,725</u>	<u>\$ 868,023</u>

Line Item	Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2023	2022	2023	2022
Interest expense	Associates	\$ —	\$ —	\$ 14	\$ 28
	Government – related parties	2,846	3,391	8,758	10,728
	Investors that have significant influence over the subsidiaries	167	71	420	429
		<u>\$ 3,013</u>	<u>\$ 3,462</u>	<u>\$ 9,192</u>	<u>\$ 11,185</u>

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

i. Bonds payable

Related Party Category/Name	September 30, 2023	December 31, 2022	September 30, 2022
Government – related parties			
Taiwan Cooperative Bank Co., Ltd.	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000
Hua Nan Commercial Bank, Ltd.	1,200,000	1,200,000	1,200,000
Others	900,000	900,000	900,000
	<u>\$ 3,900,000</u>	<u>\$ 3,900,000</u>	<u>\$ 3,900,000</u>

Note: Original investment amount of domestic bonds.

j. Loans from related parties

Line Item	Related Party Category/Name	September 30, 2023	December 31, 2022	September 30, 2022
Short-term borrowings	Government – related parties			
	Land Bank of Taiwan	\$ —	\$ 230,000	\$ 300,000
	Others	560,000	400,000	420,000
		<u>\$ 560,000</u>	<u>\$ 630,000</u>	<u>\$ 720,000</u>

Line Item	Related Party Category/Name	September 30, 2023	December 31, 2022	September 30, 2022
Short-term bills payable	Government – related parties Mega Bills Finance Co., Ltd.	\$ 498,647	\$ 498,855	\$ 499,714
Long-term borrowings				
Secured borrowings	Government – related parties			
	Taiwan Cooperative Bank Co., Ltd.	\$ —	\$ —	\$ 1,111,585
	Chang Hwa Bank Ltd.	111,000	165,922	185,000
	Hua Nan Commercial Bank, Ltd.	—	198,750	198,750
		<u>\$ 111,000</u>	<u>\$ 364,672</u>	<u>\$ 1,495,335</u>
Unsecured borrowings	Government – related parties			
	Hua Nan Commercial Bank, Ltd.	\$ 120,000	\$ —	\$ —

k. Others

Line Item	Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2023	2022	2023	2022
Rental income	Associates	\$ 34	\$ 34	\$ 103	\$ 103
	Government – related parties	—	—	1,922	—
	Other related parties	476	358	1,904	1,548
		<u>\$ 510</u>	<u>\$ 392</u>	<u>\$ 3,929</u>	<u>\$ 1,651</u>
Interest income	Government – related parties				
	Taiwan Cooperative Bank Co., Ltd.	\$ 541,157	\$ 251,468	\$ 1,262,308	\$ 282,045
	Land Bank of Taiwan Co. Ltd.	320,413	16,040	1,432,103	46,001
	Others	343,623	141,811	1,203,568	277,429
		<u>\$ 1,205,193</u>	<u>\$ 409,319</u>	<u>\$ 3,897,979</u>	<u>\$ 605,475</u>
Finance cost	Government – related parties	\$ 42,108	\$ 48,340	\$ 125,895	\$ 136,892

Line Item	Related Party Category/Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
		2023	2022	2023	2022
Reimbursement Income	Associates	\$ —	\$ —	\$ 446	\$ —
	Government – related parties	—	15,640	—	19,240
		<u>\$ —</u>	<u>\$ 15,640</u>	<u>\$ 446</u>	<u>\$ 19,240</u>
Other gains & losses	Joint ventures	\$ 993	\$ 1,183	\$ 2,934	\$ 3,479
	Associates	14,483	16,831	40,754	44,259
	Government – related parties	(1,303)	(227)	(4,225)	2,758
		<u>\$ 14,173</u>	<u>\$ 17,787</u>	<u>\$ 39,463</u>	<u>\$ 50,496</u>

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

1. Remuneration of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2023	2022	2023	2022
Short-term employee benefits	\$ 16,752	\$ 18,110	\$ 52,226	\$ 121,007
Post-employment benefits	872	609	2,616	1,827
	<u>\$ 17,624</u>	<u>\$ 18,719</u>	<u>\$ 54,842</u>	<u>\$ 122,834</u>

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

33. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

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

	September 30, 2023	December 31, 2022	September 30, 2022
Restricted bank balance (included in financial assets at amortized cost)	\$ 120,727	\$ 161,640	\$ 158,719
Property, plant and equipment, net	653,643	1,753,947	5,776,217
	<u>\$ 774,370</u>	<u>\$ 1,915,587</u>	<u>\$ 5,934,936</u>

34. COMMITMENTS AND CONTINGENT LIABILITY

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

- a. The Group's shipping and port business were secured by the letter of guarantee issued by a bank for \$449,723 thousand, \$429,887 thousand and \$459,840 thousand as of September 30, 2023, December 31, 2022 and September 30, 2022, respectively.
- b. The Group signed container building contracts with other companies. As of September 30, 2023 and 2022, unpaid amounts for these contracts were US\$552 thousand and US\$98,265 thousand. As of December 31, 2022, there was no outstanding container building contract.
- c. The Group signed shipbuilding contracts with other companies. As of September 30, 2023, prepayments for equipment for these contracts amounted to US\$187,450 thousand, and unpaid amounts for these contracts were US\$749,800 thousand. As of December 31, 2022 and September 30, 2022, there was no outstanding shipbuilding contract.

35. OTHER ITEMS

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

36. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

	September 30, 2023			
	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 3,274,371	32.2700	(USD : NTD)	\$ 105,663,956
GBP	1	1.2232	(GBP : USD)	24
CNY	93,110	4.4218	(CNY : NTD)	411,710
USD	15,679	27.4232	(USD : TRY)	505,947
EUR	316,309	34.2175	(EUR : NTD)	10,823,284
GBP	68,918	39.4727	(GBP : NTD)	2,720,366
HKD	107,270	4.1218	(HKD : NTD)	442,149
JPY	9,250,537	0.2167	(JPY : NTD)	2,004,330
USD	19,112	7.2980	(USD : CNY)	616,751
CAD	483	23.9988	(CAD : NTD)	11,596

(Continued)

September 30, 2023

	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount
AUD	82,725	20.9190	(AUD : NTD)	1,730,534
<u>Non-monetary items</u>				
Investments accounted for using the equity method				
USD	51,169	32.2700	(USD : NTD)	1,651,223
AUD	2,431	20.9190	(AUD : NTD)	50,851
AED	5,054	8.7859	(AED : NTD)	44,407
INR	44,546	0.3885	(INR : NTD)	17,306
CNY	84,665	4.4218	(CNY : NTD)	374,372
IDR	3,170,952	0.0021	(IDR : NTD)	6,659
VND	10,726,923	0.0013	(VND : NTD)	13,945
EGP	56,652	1.0444	(EGP : NTD)	59,167
MYR	580	6.8828	(MYR : NTD)	3,992
THB	834	0.8845	(THB : NTD)	738
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	2,359,299	32.2700	(USD : NTD)	76,134,584
CNY	48,687	4.4218	(CNY : NTD)	215,281
EUR	17,257	34.2175	(EUR : NTD)	590,492
USD	3,234	27.4232	(USD : TRY)	104,349
JPY	1,549,327	0.2167	(JPY : NTD)	335,695
GBP	1,393	39.4727	(GBP : NTD)	55,005
USD	9,566	7.2980	(USD : CNY)	308,692
HKD	77	4.1218	(HKD : NTD)	318
CAD	6,068	23.9988	(CAD : NTD)	145,614
AUD	1,282	20.9190	(AUD : NTD)	26,818
				(Concluded)

December 31, 2022

	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 3,553,642	30.7100	(USD : NTD)	\$ 109,132,344
GBP	71	1.2055	(GBP : USD)	2,613
				(Continued)

December 31, 2022

	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount
CNY	229,859	4.4176	(CNY : NTD)	1,015,422
USD	14,344	18.7220	(USD : TRY)	440,503
EUR	147,580	32.7353	(EUR : NTD)	4,831,096
GBP	56,227	37.0209	(GBP : NTD)	2,081,576
HKD	121,321	3.9384	(HKD : NTD)	477,810
JPY	3,235,863	0.2330	(JPY : NTD)	753,914
USD	28,963	6.9518	(USD : CNY)	889,450
CAD	12,554	22.6701	(CAD : NTD)	284,602
AUD	3,525	20.8536	(AUD : NTD)	73,501
<u>Non-monetary items</u>				
Investments accounted for using the equity method				
USD	54,539	30.7100	(USD : NTD)	1,674,879
AUD	2,224	20.8536	(AUD : NTD)	46,386
AED	1,251	8.3622	(AED : NTD)	10,462
INR	44,250	0.3711	(INR : NTD)	16,421
CNY	87,093	4.4176	(CNY : NTD)	384,741
IDR	3,271,000	0.0020	(IDR : NTD)	6,542
VND	11,440,769	0.0013	(VND : NTD)	14,873
EGP	37,546	1.2404	(EGP : NTD)	46,572
MYR	704	6.9880	(MYR : NTD)	4,919
THB	1,802	0.8895	(THB : NTD)	1,603
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	2,630,271	30.7100	(USD : NTD)	80,775,627
CNY	140,616	4.4176	(CNY : NTD)	621,182
EUR	19,983	32.7353	(EUR : NTD)	654,139
USD	4,954	18.7220	(USD : TRY)	152,146
JPY	1,872,306	0.2330	(JPY : NTD)	436,223
GBP	6,657	37.0209	(GBP : NTD)	246,455
USD	18,208	6.9518	(USD : CNY)	559,163
CAD	3,525	22.6701	(CAD : NTD)	79,903
AUD	10,755	20.8536	(AUD : NTD)	224,281
				(Concluded)

September 30, 2022

	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 3,890,439	31.7500	(USD : NTD)	\$ 123,521,424
GBP	70	1.1178	(GBP : USD)	2,500
CNY	324,035	4.4767	(CNY : NTD)	1,450,601
USD	25,783	18.5482	(USD : TRY)	818,610
EUR	274,007	31.2309	(EUR : NTD)	8,557,487
GBP	56,487	35.4902	(GBP : NTD)	2,004,740
HKD	144,697	4.0447	(HKD : NTD)	585,253
JPY	7,977,237	0.2200	(JPY : NTD)	1,754,666
USD	28,348	7.0923	(USD : CNY)	900,047
CAD	19,543	23.2269	(CAD : NTD)	453,934
AUD	51,286	20.6835	(AUD : NTD)	1,060,784
<u>Non-monetary items</u>				
Investments accounted for using the equity method				
USD	59,336	31.7500	(USD : NTD)	1,883,918
AUD	1,534	20.6835	(AUD : NTD)	31,735
AED	4,126	8.6442	(AED : NTD)	35,663
INR	68,767	0.3892	(INR : NTD)	26,764
CNY	90,694	4.4767	(CNY : NTD)	406,009
IDR	3,561,429	0.0021	(IDR : NTD)	7,479
VND	11,963,077	0.0013	(VND : NTD)	15,552
EGP	31,249	1.6246	(EGP : NTD)	50,767
MYR	513	6.8592	(MYR : NTD)	3,516
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	2,843,271	31.7500	(USD : NTD)	90,273,844
CNY	150,214	4.4767	(CNY : NTD)	672,465
EUR	46,234	31.2309	(EUR : NTD)	1,443,931
USD	8,782	18.5482	(USD : TRY)	278,817
JPY	2,332,449	0.2200	(JPY : NTD)	513,043
GBP	7,586	35.4902	(GBP : NTD)	269,223
USD	24,616	7.0923	(USD : CNY)	781,555
CAD	5,343	23.2269	(CAD : NTD)	124,090

(Continued)

September 30, 2022				
	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount
AUD	1,820	20.6835	(AUD : NTD)	37,649
<u>Non-monetary items</u>				
Financial liability at FVTPL				
USD	184	31.7500	(USD : NTD)	5,850 (Concluded)

For the three months ended September 30, 2023 and 2022 and for the nine months ended September 30, 2023 and 2022, realized and unrealized net foreign exchange gains (losses) were \$2,116,830 thousand, \$3,734,894 thousand, \$3,957,502 thousand and \$11,861,956 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group.

37. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions

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

b. Information on investees: See Table G attached;

c. Information on investments in mainland China

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

38. SEGMENT INFORMATION

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

- a. The segments have similar long-term gross profit;
 - b. The methods used to provide the segments' services are similar; and
 - c. The type or class of customers is similar among the segments.
- a. Segment revenue and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segment.

For the Nine Months Ended September 30, 2023					
	Containership Segment	Bulk Shipping Segment	Other Segments	Adjustment and Eliminations	Combined
Operating revenue					
Sales to customers	\$ 100,525,288	\$ 3,048,060	\$ 4,327,576	\$ —	\$ 107,900,924
Intercompany sales	1,518,799	—	1,099,743	(2,618,542)	—
Total revenue	<u>\$ 102,044,087</u>	<u>\$ 3,048,060</u>	<u>\$ 5,427,319</u>	<u>\$ (2,618,542)</u>	<u>\$ 107,900,924</u>
Segment operating income (loss)	<u>\$ 1,626,847</u>	<u>\$ 146,099</u>	<u>\$ 155,178</u>	<u>\$ 53,708</u>	\$ 1,981,832
Administration cost					(477,130)
Other operating income and expenses					180,331
Interest income					9,206,241
Other income					71,328
Other gains and losses					4,078,844
Financial costs					(1,926,862)
Share of profit of associates and joint ventures					551,728
Profit before income tax					<u>\$ 13,666,312</u>

For the Nine Months Ended September 30, 2022					
	Containership Segment	Bulk Shipping Segment	Other Segments	Adjustment and Eliminations	Combined
Operating revenue					
Sales to customers	\$ 300,070,524	\$ 4,448,528	\$ 11,445,429	\$ —	\$ 315,964,481
Intercompany sales	6,876,892	—	1,205,656	(8,082,548)	—
Total revenue	<u>\$ 306,947,416</u>	<u>\$ 4,448,528</u>	<u>\$ 12,651,085</u>	<u>\$ (8,082,548)</u>	<u>\$ 315,964,481</u>
Segment operating income (loss)	<u>\$ 199,258,979</u>	<u>\$ 950,947</u>	<u>\$ 551,370</u>	<u>\$ 43,744</u>	\$ 200,805,040
Administration cost					(1,004,762)
Other operating income and expenses					1,468,973
Interest income					1,795,492
Other income					65,690
Other gains and losses					12,017,884
Financial costs					(1,728,758)
Share of profit of associates and joint ventures					1,300,583
Profit before income tax					<u>\$ 214,720,142</u>

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

b. Segment assets and liabilities

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

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES
FINANCING PROVIDED TO OTHERS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

TABLE A

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

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period (Note C)	Ending Balance (Note C)	Actual Borrowing Amounts	Interest Rate	Nature of Financing (Note A)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note B)	Aggregate Financing Limits (Note B)
													Item	Value		
0	Yang Ming Marine Transport Corporation	All Oceans Transportation Inc.	Other receivables	Y	\$ 2,290,000	\$ 2,143,456	\$ 2,143,456	1.3000%~6.6500%	1	\$ 3,291,595	-	\$ —	—	\$ —	\$ 7,025,804	\$ 141,137,389
1	Yang Ming Line (Singapore) Pte Ltd	Kuang Ming (Liberia) Corp.	Other receivables	Y	112,945 (USD 3,500 thousand)	—	—	—	2	—	Obtain working capital	—	—	—	4,071,452	12,214,357
		All Oceans Transportation Inc.	Other receivables	Y	324,959 (USD 10,070 thousand)	324,959 (USD 10,070 thousand)	324,959 (USD 10,070 thousand)	6.7400%	2	—	Obtain working capital	—	—	—	20,357,262	20,357,262
		Yang Ming Line (Thailand) Co., Ltd.	Other receivables	Y	6,191 (THB 7,000 thousand)	6,191 (THB 7,000 thousand)	6,191 (THB 7,000 thousand)	3.5213%	2	—	Obtain working capital	—	—	—	4,071,452	12,214,357
		Yangming (Japan) Co., Ltd.	Other receivables	Y	5,615 (USD 174 thousand)	—	—	—	2	—	Obtain working capital	—	—	—	20,357,262	20,357,262
		Yang Ming Line (Hong Kong) Ltd.	Other receivables	Y	76,803 (USD 2,380 thousand)	76,803 (USD 2,380 thousand)	76,803 (USD 2,380 thousand)	1.5000%	2	—	Obtain working capital	—	—	—	20,357,262	20,357,262
2	YES Logistics Corp.	Yes Logistics Europe GmbH	Other receivables	Y	33,614 (EUR 982 thousand)	33,614 (EUR 982 thousand)	33,614 (EUR 982 thousand)	1.1100%~4.3900%	1	39,798	-	—	—	—	102,636	855,397
		Yes Logistics Europe GmbH	Other receivables	Y	70,146 (EUR 2,050 thousand)	33,362 (EUR 975 thousand)	33,362 (EUR 975 thousand)	4.6400%	2	—	Obtain working capital	—	—	—	85,539	171,079
		Yes Logistics (Shanghai) Corp.	Other receivables	Y	130,858 (USD 3,000 thousand and CNY 7,700 thousand)	114,723 (USD 2,500 thousand and CNY 7,700 thousand)	114,723 (USD 2,500 thousand and CNY 7,700 thousand)	3.8500%~5.6983%	1	493,182	-	—	—	—	256,619	855,397
		YES MLC GmbH	Other receivables	Y	54,748 (EUR 1,600 thousand)	27,374 (EUR 800 thousand)	27,374 (EUR 800 thousand)	4.6400%	2	—	Obtain working capital	—	—	—	85,539	171,079
		Yes Easyway Logistics (Thailand) Co., Ltd.	Other receivables	Y	987 (USD 31 thousand)	987 (USD 31 thousand)	—	—	2	—	Obtain working capital	—	—	—	85,539	171,079
3	Yang Ming Line Holding Co.	Kuang Ming (Liberia) Corp.	Other receivables	Y	209,755 (USD 6,500 thousand)	209,755 (USD 6,500 thousand)	—	—	2	—	Obtain working capital	—	—	—	438,621	1,315,864

Notes:

- A. Nature of financing:
1. The Company has transactions with the borrower.
2. The borrower needs short-term financing.
- B. 1. Yang Ming Marine Transport Corporation: The maximum financing amount is 60% of the net assets of the Company. For borrowers with transactions with the Company, maximum financing is 50% of the net assets of the Company. For the borrower with transactions with the Company, maximum financing is the lower of 15% of the net assets of the Company or the total amount of transactions between the Company and the borrower in the last two years. For a borrower that is a subsidiary of the Company, maximum financing is the lower of 40% of the latest net assets audited or reviewed by CPA of the Company or the total amount of transactions between the Company and the subsidiary in the last five years. For borrowers with short-term financing need, the maximum is 10% of the net assets of the Company. For the borrower needing short-term financing, maximum financing is 5% of the net assets of the Company.
2. Yang Ming Line (Singapore) Pte. Ltd.: The maximum financing amount is 50% of the net assets of the lender. For borrowers with transactions with the lender, maximum financing is 50% of the net assets of the lender. For the borrower with transactions with the lender, maximum financing is the lower of 25% of the net assets of the lender or the total amount of transactions between the lender and the borrower in the last two years. For borrowers with short-term financing need, the maximum is 30% of the net assets of the lender. For the borrower needing short-term financing, maximum financing is 10% of the net assets of the lender. For the borrower needing short-term financing with direct or indirect holding of 100% voting right on corporation not established in the ROC, maximum financing is 50% of the net total assets.
3. Yes Logistics Corp.: The maximum financing amount is the 60% of the net assets of the lender. For borrowers with transactions with the lender, maximum financing is 50% of the net assets of the lender. For the borrower with transactions with the lender, maximum financing is the lower of 15% of the net assets of the lender or the total amount of transactions between the lender and the borrower in the last two years. For borrowers with short-term financing need, the maximum is 10% of the net assets of the lender. For the borrower needing short-term financing, maximum financing is 5% of the net assets of the lender.
4. Yang Ming Line Holding Co.: The maximum financing amount is 80% of the net assets of the lender. For borrowers with transactions with the lender, maximum financing is 50% of the net assets of the lender. For the borrower with transactions with the lender, maximum financing is the lower of 25% of the net assets of the lender or the total amount of transactions between the lender and the borrower in the last two years. For borrowers with short-term financing need, the maximum is 30% of the net assets of the lender. For the borrower needing short-term financing, maximum financing is 10% of the net assets of the lender. For borrowers needing short-term financing with direct or indirect holding of 100% voting right on corporation not established in the ROC, maximum financing is 50% of the net total assets. For the borrower needing short-term financing with direct or indirect holding of 100% voting right on corporation not established in the ROC, maximum financing is 50% of the net total assets.
- C. United States dollars, Thai Baht, Euros and Chinese Yuan translated into New Taiwan dollars at the exchange rates of US\$1=NT\$32.27, THB1=NT\$0.8845, EUR1=NT\$34.2175 and CNY1=NT\$4.4218 as of September 30, 2023.
- D. Except for Yang Ming Line (B.V. I.) Holding Co., Ltd., All Oceans Transportation Inc., Yang Ming (UK) Ltd. and Yang Ming (Singapore) Pte. Ltd., others were based on the investees' financial statements which have not been reviewed.

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES
ENDORSEMENT/GUARANTEE PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

TABLE B

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

No.	Endorser/Guarantor	Endorser/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note A)	Maximum Amount Endorsed/ Guaranteed During the Period (Note B)	Outstanding Endorsement/Guarantee at the End of the Period (Note B)	Actual Borrowing Amount (Note B)	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note A)	Endorsement /Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement /Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement /Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	Yang Ming Marine Transport Corporation	Kuang Ming Shipping Corp.	Subsidiary	\$ 451,639,644	\$ 670,000	\$ 370,000	\$ 111,000	—	0.13%	\$ 846,824,334	Y	N	N
		Kuang Ming (Liberia) Corp.	Subsidiary	451,639,644	102,492 (USD 3,412 thousand)	—	—	—	—	846,824,334	Y	N	N
		Yang Ming (America) Corp.	Subsidiary	451,639,644	96,810 (USD 3,000 thousand)	96,810 (USD 3,000 thousand)	—	—	0.03%	846,824,334	Y	N	N
1	All Oceans Transportation Inc.	Yang Ming Marine Transport Corporation	Parent	26,656,557	198,750	—	—	—	—	31,099,316	N	Y	N
2	Yang Ming Line (Singapore) Pte Ltd	Yang Ming Line (M) Sdn. Bhd.	Subsidiary	16,285,810	27,531 (MYR 4,000 thousand)	27,531 (MYR 4,000 thousand)	2,545 (MYR 370 thousand)	—	0.01%	20,357,262	N	N	N

Notes:

- A. 1. Represents 300% of the latest net assets audited or reviewed by CPA of Yang Ming Marine Transport Corporation (the "Corporation"). Represents 160% of the amount as aforementioned.
2. Represents 400% of the latest net assets audited or reviewed by CPA of the Company and subsidiaries. Represents 180% of the amount as aforementioned.
3. Represents 700% of asset of All Oceans Transportation, Inc. Represents 600% of the amount as aforementioned.
4. Represents 50% of net assets of Yang Ming Line (Singapore) Pte. Ltd. Represents 40% of the amount as aforementioned.
- B. United States dollars and Malaysian ringgit translated into New Taiwan dollars at the exchange rates of US\$1=\$32.27 and MYR\$1=6.8828 as of September 30, 2023.
- C. Except for Yang Ming Line (B.V. I.) Holding Co., Ltd., All Oceans Transportation Inc., Yang Ming (UK) Ltd. and Yang Ming (Singapore) Pte. Ltd., others were based on the investees' financial statements which have not been reviewed.

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES
MARKETABLE SECURITIES HELD
SEPTEMBER 30, 2023

TABLE C

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2023				Note
				Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Yang Ming Marine Transport Corporation	<u>Domestic unlisted shares</u>							
	Taipei Port Container Terminal Co., Ltd.	-	Financial assets at FVTOCI - non-current	51,000,000	\$ 518,383	9.81	\$ 518,383	
	United Stevedoring Corp.	-	Financial assets at FVTOCI - non-current	500,000	5,032	10.00	5,032	
	Pro-Ascentek Investment Corporation	-	Financial assets at FVTOCI - non-current	2,000,000	12,914	1.67	12,914	
	<u>Domestic listed shares</u>							
	Fubon Financial Holding Co., Ltd. Preferred Shares C	-	Financial assets at FVTPL - current	1,165,000	65,356	—	65,356	
	Taishin Financial Holding Co.,Ltd. Class Z	-	Financial assets at FVTPL - non-current	16,000,000	269,600	—	269,600	
	Chunghwa Telecom Co., Ltd.	Government – related party	Financial assets at FVTPL - current	256,000	29,696	—	29,696	
	<u>Mutual funds</u>							
	KGI GALLANT Fund	-	Financial assets at FVTPL - non-current	3,440,351	53,039	—	53,039	
	Taishin 1699 Money Market Fund	-	Financial assets at FVTPL - current	110,402,309	1,534,261	—	1,534,261	
	Jih Sun Money Market Fund	-	Financial assets at FVTPL - current	6,577,865	100,021	—	100,021	
	Capital Money Market Fund	-	Financial assets at FVTPL - current	18,199,248	300,903	—	300,903	
	<u>Domestic limited partnership</u>							
	Taiwania Capital Buffalo Fund V, LP.	-	Financial assets at FVTPL - non-current	—	28,433	3.19	28,433	
<u>Corporate bonds</u>								
Domestic privately placed unsecured bonds – Kuang Ming Shipping Corp.	Subsidiary	Financial assets at amortized cost - non-current	—	600,000	—	600,000		
Alphabet Inc.	-	Financial assets at amortized cost - non-current	—	59,637	—	59,004		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2023				Note
				Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Apple Inc.	-	Financial assets at amortized cost - non-current	—	\$ 147,201	—	\$ 144,960	
	BANK OF AMERICA CORP.	-	Financial assets at amortized cost - non-current	—	193,358	—	188,813	
	Citigroup Global Markets Holdings	-	Financial assets at amortized cost - non-current	—	806,750	—	769,470	
	Commonwealth Bank of Australia	-	Financial assets at amortized cost - non-current	—	59,606	—	58,572	
	FOXCONN (FAR EAST) LTD.	-	Financial assets at amortized cost - non-current	—	213,527	—	207,805	
	Intel Corporation	-	Financial assets at amortized cost - non-current	—	153,681	—	151,935	
	International Business Machines Corporation	-	Financial assets at amortized cost - non-current	—	94,432	—	92,135	
	JPMORGAN CHASE & CO.	-	Financial assets at amortized cost - non-current	—	127,764	—	124,739	
	Mitsubishi UFJ Financial Group, Inc.	-	Financial assets at amortized cost - non-current	—	151,529	—	149,364	
	MIZUHO FINANCIAL GROUP	-	Financial assets at amortized cost - non-current	—	146,590	—	143,679	
	QNB FINANCE LTD.	-	Financial assets at amortized cost - non-current	—	62,020	—	59,189	
	The Walt Disney Company	-	Financial assets at amortized cost - non-current	—	92,994	—	92,278	
	TSMC GLOBAL LTD.	-	Financial assets at amortized cost - non-current	—	368,002	—	358,116	
YES Logistics Corp.	<u>Domestic unlisted shares</u> United Raw Material Solutions Inc./URMS	-	Financial assets at FVTOCI - non-current	319,751	1,626	2.76	1,626	

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES
MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NTS300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

TABLE D

Unit : In Thousands of New Taiwan Dollars

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Shares	Amount (Note A)
Yang Ming Marine Transport Corporation	<u>Mutual funds</u>													
	Taishin 1699 Money Market Fund	Financial assets at FVTPL - current	—	—	305,409,356	\$ 4,200,000	582,869,682	\$ 8,050,000	777,876,729	\$ 10,756,992	\$ 10,721,273	\$ 35,719	110,402,309	\$ 1,528,727
	Hua Nan Phoenix Money Market Fund	Financial assets at FVTPL - current	—	—	—	—	192,506,838	3,200,000	192,506,838	3,203,196	3,200,000	3,196	—	—
	Fubon Chi-Hsiang Money Market Fund	Financial assets at FVTPL - current	—	—	—	—	31,316,155	500,000	31,316,155	500,676	500,000	676	—	—
	Capital Money Market Fund	Financial assets at FVTPL - current	—	—	—	—	194,134,815	3,200,000	175,935,567	2,902,197	2,899,238	2,959	18,199,248	300,762
	Jih Sun Money Market Fund	Financial assets at FVTPL - current	—	—	—	—	39,557,873	600,000	32,980,008	500,485	500,000	485	6,577,865	100,000
	FSITC Taiwan Money Market Fund	Financial assets at FVTPL - current	—	—	—	—	63,932,487	1,000,000	63,932,487	1,000,959	1,000,000	959	—	—
	Taishin Ta Chong Money Market Fund	Financial assets at FVTPL - current	—	—	—	—	68,865,781	1,000,000	68,865,781	1,000,943	1,000,000	943	—	—
CTBC Hua Win Money Market Fund	Financial assets at FVTPL - current	—	—	—	—	106,662,487	1,200,000	106,662,487	1,201,049	1,200,000	1,049	—	—	

Notes:

A. The balance is the time of investment acquisition.

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES
RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NTS100 MILLION OR 20 OF THE PAID-IN CAPITAL
SEPTEMBER 30, 2023

TABLE E

Unit : In Thousands of New Taiwan Dollars

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Yang Ming Marine Transport Corporation	All Oceans Transportation Inc.	Subsidiary	\$ 2,143,456 (Note A)	—	\$ —	-	\$ —	\$ —
	Yang Ming (Singapore) Pte. Ltd.	Subsidiary	195,703	—	—	-	195,703	—
	YES Logistics Corp.	Subsidiary	530,918 (Note B)	—	—	-	12,600	—
Yang Ming (Singapore) Pte. Ltd.	Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	The same parent company	715,360	—	—	-	715,360	—
	Yang Ming (Italy) S.P.A.	The same parent company	100,153	—	—	-	100,153	—
	Yang Ming (UK) Ltd	The same parent company	122,199	—	—	-	122,199	—
	Yang Ming Marine Transport Corporation	Parent company	4,217,341	—	—	-	4,217,341	—
Yang Ming Line (Singapore) Pte Ltd	All Oceans Transportation Inc.	The same parent company	338,364 (Note A)	—	—	-	—	—
Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	Yes Logistics (Shanghai) Corp.	The same parent company	252,543	—	—	-	—	—
	Yang Ming Marine Transport Corporation	Parent company	368,241	—	—	-	368,241	—
Yang Ming Line (B.V.I.) Holding Co., Ltd.	Yang Ming (UK) Ltd	The same parent company	11,392,913 (Note D)	—	—	-	—	—
Yang Ming Line B.V.	Yang Ming (UK) Ltd	The same parent company	251,520 (Note D)	—	—	-	—	—
Kuang Ming (Liberia) Corp.	Kuang Ming Shipping Corp.	Parent company	110,853	—	—	-	59,700	—
YES Logistics Corp.	Yes Logistics (Shanghai) Corp.	Subsidiary	127,420 (Note C)	—	—	-	9,616	—
All Oceans Transportation Inc.	Yang Ming Marine Transport Corporation	Parent company	4,284,595 (Note E)	—	—	-	36,244	—
Jing Ming Transportation Co., Ltd.	Yang Ming Marine Transport Corporation	Parent company	115,165	—	—	-	15,662	—
Yang Ming Line (Hong Kong) Ltd.	Yang Ming Marine Transport Corporation	Parent company	100,645	—	—	-	100,645	—
Yang Ming Shipping (Vietnam) Co., Ltd	Yang Ming Marine Transport Corporation	Parent company	100,042	—	—	-	100,042	—
Yang Ming Anatolia Shipping Agency S.A.	Yang Ming Marine Transport Corporation	Parent company	180,152	—	—	-	180,152	—
Yang Ming (America) Corp.	Yang Ming Marine Transport Corporation	Parent company	379,547	—	—	-	379,547	—

Notes:

- A. Interest receivable, financing provided.
- B. Finance lease receivables, other receivables.
- C. Financing provided, interest receivable, and collection of freight and fees between related parties.
- D. Dividends receivables.
- E. Finance lease receivables.
- F. Collections between related parties made according to “Agency Accounting Procedure” by the Company and local business conventions.

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

TABLE F

Unit : In Thousands of New Taiwan Dollars

Number (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details					
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Total Sales or Assets		
0	Yang Ming Marine Transport Corporation	All Oceans Transportation Inc.	1	Right-of-use assets	\$ 18,473,752	Conducted as agreed terms	0.04		
				Long-term notes receivable and trade receivables	2,143,456	Conducted as agreed terms	0.01		
				Lease liabilities	4,284,595	Conducted as agreed terms	0.01		
				Operating cost	3,924,658	Conducted as agreed terms	0.04		
		Hong Ming Terminal & Stevedoring Corp.	1	Jing Ming Transportation Co., Ltd.	1	Operating cost	379,347	Conducted as agreed terms	—
						Other payables	113,915	Conducted as agreed terms	—
		Yang Ming (Singapore) Pte. Ltd.	1		1	Operating cost	157,632	Conducted as agreed terms	—
						Other receivables	195,703	Conducted as agreed terms	—
		Yang Ming (UK) Ltd			1	Trade payables	835,693	Conducted as agreed terms	—
						Other payables	3,381,648	Conducted as agreed terms	0.01
						Operating revenue	26,763,452	Conducted as agreed terms	0.25
						Operating revenue	833,010	Conducted as agreed terms	0.01
						Operating cost	117,489	Conducted as agreed terms	—
						Payables to shipping agents	100,645	Conducted as agreed terms	—
						Payables to shipping agents	100,042	Conducted as agreed terms	—
						Payables to shipping agents	180,152	Conducted as agreed terms	—
						Payables to shipping agents	368,241	Conducted as agreed terms	—
						Payables to shipping agents	379,547	Conducted as agreed terms	—
		Kuang Ming Shipping Corp.	1		1	Financial assets at amortized cost	600,000	Conducted as agreed terms	—
						Finance lease receivables - non-current	431,369	Conducted as agreed terms	—
YES Logistics Corp.	1		1	Operating revenue	253,489	Conducted as agreed terms	—		
				Operating revenue	1,199,798	Conducted as agreed terms	0.01		
1	All Oceans Transportation Inc.	Yang Ming Line (Singapore) Pte Ltd	2	Other payables	338,364	Conducted as agreed terms	—		
				Administrative expense	101,327	Conducted as agreed terms	—		
2	Yang Ming (Singapore) Pte. Ltd.	Yang Ming Insurance Co., Ltd.	2	Operating cost	122,176	Conducted as agreed terms	—		
				Operating cost	258,878	Conducted as agreed terms	—		
		Yang Ming (Korea) Co., Ltd	2		2	Operating cost	127,975	Conducted as agreed terms	—
						Operating cost	122,635	Conducted as agreed terms	—
		Yangming (Japan) Co., Ltd.	2		2	Operating cost	139,345	Conducted as agreed terms	—
						Contract assets	1,179,509	Conducted as agreed terms	—
		Yang Ming Anatolia Shipping Agency S.A.	2	Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	2	Trade receivables	715,360	Conducted as agreed terms	—
						Operating cost	588,436	Conducted as agreed terms	0.01
		Yang Ming (America) Corp.	2	Yang Ming (UK) Ltd	2	Operating cost	935,863	Conducted as agreed terms	0.01
						Trade receivables	122,199	Conducted as agreed terms	—
Yang Ming (Italy) S.P.A.	2		2	Operating cost	1,144,959	Conducted as agreed terms	0.01		
				Trade receivables	100,153	Conducted as agreed terms	—		

(Continued)

Number (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details			
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Total Sales or Assets
3	Yang Ming (UK) Ltd	Yang Ming Shipping Europe GmbH	2	Operating cost	\$ 195,673	Conducted as agreed terms	—
		Yang Ming Line (B.V.I.) Holding Co., Ltd.	2	Other payables	11,392,913	Conducted as agreed terms	0.03
		Yang Ming Line B.V.	2	Other payables	251,520	Conducted as agreed terms	—
4	Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	Yes Logistics (Shanghai) Corp.	2	Trade receivables	252,543	Conducted as agreed terms	—
5	Kuang Ming Shipping Corp.	Kuang Ming (Liberia) Corp.	2	Other payables	110,853	Conducted as agreed terms	—
6	YES Logistics Corp.	Yes Logistics (Shanghai) Corp.	2	Long-term notes receivable and trade receivables	114,723	Conducted as agreed terms	—
		Yes Logistics Corporation USA	2	Operating cost	185,820	Conducted as agreed terms	—

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

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

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

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

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

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES
INFORMATION ON INVESTEEES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

TABLE G

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

Investor Company	Investee Company	Location	Main Business and Products	Original Investment Amount (Note A)		As of September 30, 2023			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				September 30, 2023	December 31, 2022	Shares	Percentage of Ownership	Carrying Amount			
Yang Ming Marine Transport Corporation	Kao Ming Container Terminal Corp.	Taiwan	Terminal operation and stevedoring	\$ 3,181,313	\$ 3,181,313	323,000,000	47.50	\$ 3,561,133	\$ 301,307	\$ 143,121	Investments in associates
	Yang Ming Line (B.V.I.) Holding Co., Ltd.	British Virgin Islands	Investment, shipping agency, forwarding agency and shipping managers	555,266	555,266	1,757	100.00	15,257,937	(Note B) 270,706	(Note B) 218,795	Subsidiary
	Yang Ming Line B.V.	Netherlands	Investment, shipping agency, forwarding agency and shipping managers	—	—	2,500	100.00	2,342,695	250,173	250,173	Subsidiary
	Kuang Ming Shipping Corp.	Taiwan	Shipping service, shipping agency and forwarding agency	8,927,857	8,927,857	98,882,111	98.88	2,932,167	59,051	58,216	Subsidiary
	Yang Ming Line (Singapore) Pte Ltd	Singapore	Investment, shipping service, sale and purchase of ships, chartering and forwarding agency	(Note P) 34,296,196	(Note P) 34,296,196	(Note P) 1,535,553,000	100.00	40,715,082	2,040,488	2,039,678	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	4,386,217	168,977	168,977	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	1,478,040	248,032	267,923	Subsidiary
	YES Logistics Corp.	Taiwan	Warehouse operation and forwarding agency	1,141,691	1,141,691	115,630,977	96.36	1,506,241	98,836	95,047	Subsidiary
	Hong Ming Terminal & Stevedoring Corp.	Taiwan	Terminal operation and stevedoring	104,261	104,261	10,000,000	100.00	175,784	18,253	23,863	Subsidiary
	Jing Ming Transportation Co., Ltd.	Taiwan	Container transportation	35,844	35,844	8,615,923	50.98	135,342	4,565	2,324	Subsidiary
	Yunn Wang Investment Co., Ltd.	Taiwan	Investment	179,810	179,810	5,211,474	49.75	195,744	26,833	13,349	Investments in associates
	Taiwan Foundation International Pte. Ltd.	Singapore	Investment and subsidiaries management	103,802	103,802	3,400,000	34.00	119,917	19,810	6,735	Investments in associates
	Taiwan Navigation Co., Ltd.	Taiwan	Shipping agency, forwarding agency, shipping managers and shipping lines	4,367,004	4,367,004	70,793,243	16.96	2,726,808	1,414,020	239,862	Investments in associates
	Yang Ming (Singapore) Pte. Ltd.	Singapore	Shipping agency, forwarding agency, shipping managers and shipping lines	444,930	444,930	799,342,500	100.00	34,088,833	(4,700,533)	(4,700,533)	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Business and Products	Original Investment Amount (Note A)		As of September 30, 2023			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				September 30, 2023	December 31, 2022	Shares	Percentage of Ownership	Carrying Amount			
Yang Ming Line Holding Co.	Yang Ming (America) Corp.	U.S.A.	Shipping agency, forwarding agency and shipping managers	\$ 17,305	\$ 17,305	5,000	100.00	\$ 335,373	\$ 23,730	\$ —	Subsidiary
	Transcont Intermodal Logistics, Inc.	U.S.A.	Inland forwarding agency	326	326	200	100.00	229	(8)	—	Subsidiary
	Yang Ming Shipping (Canada) Ltd.	Canada	Shipping agency, forwarding agency and shipping managers	2,981	2,981	1,000	100.00	27,056	(777)	—	Subsidiary
	West Basin Container Terminal LLC	U.S.A.	Terminal operation and stevedoring	132,050	132,050	(Note D)	40.00	1,198,595	177,516	—	Investments in associates
	United Terminal Leasing LLC	U.S.A.	Terminal operation and machine lease	34,750	34,750	(Note E)	40.00	332,711	27,335	—	Investments in associates
Yang Ming Line (B.V.I.) Holding Co., Ltd.	Yang Ming Line N.V. (Note S)	Curaçao	Investment, shipping agency, forwarding agency and shipping managers	—	42,038	—	—	—	—	—	Subsidiary
	Yang Ming (UK) Ltd	U.K.	Shipping agency, forwarding agency, shipping managers and shipping lines	2,633,724	2,633,724	68,097,591	97.84	3,669,391	275,143	—	Subsidiary
Yang Ming Line B.V.	Yang Ming (Belgium) N.V.	Belgium	Shipping agency	8,614	8,614	553	89.92	47,067	12,831	—	Subsidiary
	Yang Ming (Netherlands) B.V.	Netherlands	Shipping agency	15,285	15,285	400,000	100.00	130,310	79,641	—	Subsidiary
	Yang Ming (Italy) S.P.A.	Italy	Shipping agency	4,319	4,319	125,000	50.00	26,733	8,725	—	Subsidiary
	Yang Ming (UK) Ltd	U.K.	Shipping agency, forwarding agency, shipping managers and shipping lines	70,709	70,709	1,500,000	2.16	81,009	275,143	—	Subsidiary
	Yang Ming Shipping Europe GmbH	Germany	Shipping agency, forwarding agency and shipping managers	29,697	29,697	(Note F)	100.00	210,047	27,895	—	Subsidiary
	Yang Ming (Russia) LLC	Russia	Shipping agency	3,017	3,017	(Note G)	60.00	6,778	(3,312)	—	Subsidiary
	Yang Ming (Spain), S.L.	Spain	Shipping agency	2,213	2,213	60,000	60.00	217,123	111,568	—	Subsidiary
	Yang Ming (MEDITERRANEAN) Marine Services Single-Member Limited Liability Company	Greece	Shipping agency, forwarding agency and shipping managers	39,379	39,379	11,000	100.00	43,476	749	—	Subsidiary
Yang Ming (Netherlands) B.V.	Yang Ming Shipping (Egypt) S.A.E	Egypt	Shipping agency, forwarding agency and shipping managers	15,757	15,757	24,500	49.00	59,167	85,482	—	Investments in associates
Yang Ming (UK) Ltd	Yang Ming (Belgium) N.V.	Belgium	Shipping agency	1,900	1,900	62	10.08	5,276	12,831	—	Subsidiary
	Corstor Ltd.	U.K.	Warehouse management and container haulage services	7,411	7,411	1,000	100.00	23,208	4,251	—	Subsidiary
Yang Ming (Italy) S.P.A.	Yang Ming (Naples) S.r.l.	Italy	Forwarding agency	1,695	1,695	(Note H)	60.00	4,816	(765)	—	Subsidiary
Yang Ming Line (Singapore) Pte Ltd	Yang Ming Shipping (B.V.I.) Inc.	British Virgin Islands	Forwarding agency and shipping agency	(Note R) 247,772	(Note R) 247,772	1,000	100.00	97,195	8,477	—	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Business and Products	Original Investment Amount (Note A)		As of September 30, 2023			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				September 30, 2023	December 31, 2022	Shares	Percentage of Ownership	Carrying Amount			
	Yang Ming Line (Hong Kong) Ltd.	Hong Kong	Forwarding agency and shipping agency	\$ 2,138	\$ 2,138	1,000,000	1.44	\$ (552)	\$ 5,535	\$ —	Subsidiary
	Yang Ming Line (India) Pvt. Ltd.	India	Shipping agency, forwarding agency and shipping managers	2,228	2,228	300,000	60.00	(Note C) 24,271	20,044	—	Subsidiary
	Yang Ming (Korea) Co., Ltd	Korea	Shipping agency, forwarding agency and shipping managers	10,107	10,107	60,000	60.00	39,306	17,052	—	Subsidiary
	Young-Carrier Company Ltd.	Hong Kong	Investment, shipping agency, forwarding agency and shipping managers	14,926	14,926	1,000,000	100.00	20,616	(368)	—	Subsidiary
	Yangming (Japan) Co., Ltd.	Japan	Shipping services, sale and purchase of ships, chartering and forwarding agency	36,235	36,235	3,000	100.00	37,819	30,116	—	Subsidiary
	Yang Ming Line (M) Sdn. Bhd.	Malaysia	Shipping agency, forwarding agency and shipping managers	10,727	10,727	1,000,000	100.00	63,014	1,536	—	Subsidiary
	Yang Ming Anatolia Shipping Agency S.A.	Turkiye	Shipping agency, forwarding agency and shipping managers	1,077	1,077	50,000	50.00	143,339	337,577	—	Subsidiary
	Formosa International Development Corporation	Vietnam	Invest industry district and real estate	246,818	246,818	(Note I)	30.00	—	—	—	Investments in associates
	Yang Ming (U.A.E.) LLC	U.A.E.	Shipping agency, forwarding agency and shipping managers	2,140	2,140	(Note J)	49.00	44,407	43,412	—	Investments in associates
	Yang Ming Shipping (Vietnam) Co., Ltd	Vietnam	Forwarding agency and shipping managers	9,881	9,881	(Note K)	100.00	37,139	3,639	—	Subsidiary
	Yang Ming (Australia) Pty. Ltd.	Australia	Shipping agency, forwarding agency and shipping managers	4,597	4,597	150,000	50.00	50,851	30,941	—	Investments in associates
	LogiTrans Technology Private Limited	India	Information system service	10,211	10,211	2,040,000	51.00	17,306	5,499	—	Investments in joint ventures
	Yang Ming Shipping Philippines, Inc.	Philippines	Forwarding agency and shipping managers	6,435	6,435	99,995	100.00	(606)	4,742	—	Subsidiary
	Yang Ming (Latin America) Corp.	Panama	Shipping agency, forwarding agency and shipping managers	6,020	6,020	200	100.00	(Note C) 9,158	216	—	Subsidiary
	Yang Ming Line (Thailand) Co., Ltd.	Thailand	Shipping agency, forwarding agency and shipping managers	3,589	3,589	3,920	49.00	25,133	4,959	—	Subsidiary
	Yang Ming Line shipping (Thailand) Co., Ltd.	Thailand	Shipping agency	2,282	2,282	2,450	49.00	15,830	3,215	—	Subsidiary
	Yang Ming Insurance Co., Ltd.	Bermuda	Insurance	7,740	7,740	250,000	100.00	232,618	84,062	—	Subsidiary
	PT Yang Ming Shipping Indonesia	Indonesia	Shipping agency, forwarding agency and shipping managers	40,946	40,946	18,865	49.00	56,238	10,462	—	Subsidiary
	PT. Formosa Sejati Logistics	Indonesia	Storage and stevedoring	5,701	5,701	1,875	15.00	6,659	4,075	—	Investments in associates

(Continued)

Investor Company	Investee Company	Location	Main Business and Products	Original Investment Amount (Note A)		As of September 30, 2023			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				September 30, 2023	December 31, 2022	Shares	Percentage of Ownership	Carrying Amount			
	Yang Ming (France) SAS	France	Shipping agency, forwarding agency and shipping managers	\$ 3,025	\$ 3,025	90,000	60.00	\$ 29,294	\$ 20,089	\$ —	Subsidiary
	Jambatan Merah Formosa Depot Sdn Bhd.	Malaysia	Storage and stevedoring	1,743	1,743	250,000	25.00	3,992	2,231	—	Investments in joint ventures
Yang Ming Line (Thailand) Co., Ltd.	Yang Ming Line shipping (Thailand) Co., Ltd.	Thailand	Shipping agency	2,328	2,328	2,500	50.00	15,830	3,215	—	Subsidiary
Yang Ming Line shipping (Thailand) Co., Ltd.	Yang Ming Line (Thailand) Co., Ltd.	Thailand	Shipping agency, forwarding agency and shipping managers	3,678	3,678	3,920	49.00	25,133	4,959	—	Subsidiary
Yangming (Japan) Co., Ltd.	Manwa Co., Ltd.	Japan	Forwarding agency and shipping agency	2,666	2,666	200	100.00	2,168	84	—	Subsidiary
Yang Ming Shipping (B.V.I.) Inc.	Yang Ming Line (Hong Kong) Ltd.	Hong Kong	Forwarding agency and shipping agency	249,953	249,953	68,556,347	98.56	(37,823)	5,535	—	Subsidiary
	Karlman Properties Limited	Hong Kong	Property agency	4	4	24,000,000	100.00	93,078	286	—	Subsidiary
Kuang Ming Shipping Corp.	Kuang Ming (Liberia) Corp.	Republic of Liberia	Forwarding agency	6,032,544	6,032,544	5	100.00	3,655,144	1,156	—	Subsidiary
				(Note Q)	(Note Q)			(Note C)			
YES Logistics Corp.	Yes Logistics Corporation USA	U.S.A.	Shipping agency, forwarding agency and shipping managers	179,763	179,763	2,173,411	100.00	272,045	(12,983)	—	Subsidiary
	Yes Yangming Logistics (Singapore) Pte. Ltd.	Singapore	Investment and subsidiaries management	40,305	40,305	1,750,784	100.00	53,125	(2,761)	—	Subsidiary
	PT. YES Logistics Indonesia	Indonesia	Forwarding agency	15,315	15,315	510,000	51.00	14,104	(1,773)	—	Subsidiary
	YES LIBERAL Logistics Corp.	Taiwan	Warehouse operation	75,000	75,000	7,500,000	50.00	75,825	47	—	Investments in joint ventures
Yes Yangming Logistics (Singapore) Pte. Ltd.	Yes Logistics Benelux B.V.	Netherlands	Forwarding agency	10,179	10,179	12,600	70.00	19,098	3,501	—	Subsidiary
	Yes Logistics Company Ltd.	Hong Kong	Forwarding agency	32,351	32,351	7,882,278	100.00	18,857	(1,983)	—	Subsidiary
	Yes And HQL Logistics Company	Vietnam	Forwarding agency	3,128	3,128	(Note O)	51.00	13,945	(2,401)	—	Investments in joint ventures
	Yes Easyway Logistics (Thailand) Co., Ltd.	Thailand	Forwarding agency	2,530	2,061	29,400	49.00	738	(2,694)	—	Investments in joint ventures
Yes Logistics Corporation USA	Golden Logistics USA Corporation	U.S.A.	Container transportation	328	328	100	100.00	6,144	1,422	—	Subsidiary
	Yes Logistics Europe GmbH	Germany	Forwarding agency	40,090	40,090	(Note L)	100.00	(49,134)	(3,861)	—	Subsidiary
Yes Logistics Europe GmbH	YES MLC GmbH	Germany	Import and export, storage and delivery, and other warehousing related business	10,826	10,826	(Note M)	100.00	(9,946)	(2,159)	—	Subsidiary
								(Note C)			
YES MLC GmbH	Merlin Logistics GmbH	Austria	Warehouse operation and logistics	1,380	1,380	(Note N)	100.00	(63)	406	—	Subsidiary
								(Note C)			

(Continued)

Investor Company	Investee Company	Location	Main Business and Products	Original Investment Amount (Note A)		As of September 30, 2023			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				September 30, 2023	December 31, 2022	Shares	Percentage of Ownership	Carrying Amount			
Merlin Logistics GmbH	YES Logistics Bulgaria Ltd.	Bulgaria	Cargo consolidation service and forwarding agency	\$ 740	\$ 740	500	100.00	\$ (1,487) (Note C)	\$ 530	\$ —	Subsidiary

Notes:

- A. This is translated into New Taiwan dollars at the exchange rate prevailing at the time of investment acquisition.
- B. This is an adjustment to the remainder investment of investment income or loss recognized at fair value on the date of losing control.
- C. Investees had negative net assets. Thus, the negative carrying values of the investments were presented as liability.
- D. This is equivalent to US\$3,800 thousand, and no shares were issued.
- E. This is equivalent to US\$1,000 thousand, and no shares were issued.
- F. This equivalent to EUR818 thousand and no shares were issued.
- G. This equivalent to US\$92 thousand and no shares were issued.
- H. This is equivalent to EUR6 thousand, and no shares were issued.
- I. This is equivalent to US\$7,700 thousand, and no shares were issued.
- J. This is equivalent to AED245 thousand, and no shares were issued.
- K. This equivalent to US\$300 thousand and no shares were issued.
- L. This is equivalent to EUR1,025 thousand, and no shares were issued.
- M. This is equivalent to EUR290 thousand, and no shares were issued.
- N. This is equivalent to EUR35 thousand, and no shares were issued.
- O. This equivalent to US\$102 thousand and no shares were issued.
- P. The original investment amount did not deduct the amount of offsetting the deficit of \$3,000,000 thousand and \$4,701,339 thousand in May 2021 and May 2017, respectively.
- Q. The original investment amount did not deduct the amount of offsetting the deficit of \$2,139,659 thousand in June 2017.
- R. The original investment amount did not deduct the amount of offsetting the deficit of \$1,457 thousand in May 2020.
- S. The Group's board of directors resolved in August 2021 to liquidate Yang Ming Line N.V. and completed the liquidation in April 2023.
- T. The information on investments in mainland China is provided in Table H.

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

TABLE H

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

Company Name	Investee Company	Main Business and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023 (Note J)	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2023 (Note J)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note E)	Carrying Amount as of September 30, 2023 (Note E)	Accumulated Repatriation of Investment Income as of September 30, 2023
						Outflow	Inflow						
Yang Ming Marine	Huan Ming (Shanghai) International Shipping Agency (Note G)	Shipping agency, forwarding agency and shipping managers	US\$ 1,000 thousand (Note H)	Indirect investment through Singapore-based subsidiary's direct investment in Mainland China	\$ —	\$ —	\$ —	\$ 67,509	100.00% (Note I)	\$ 67,509	\$ (190,491)	\$ —	
	Sino Trans PFS Cold Chain Logistics Co., Ltd. (Note D)	Storage facilities construction and operation as well as providing supporting services related	US\$ 46,242 thousand	The Company direct investment in Mainland China	23,033	—	23,033	6,256	6.67%	417	20,976	—	
					(CNY 5,209 thousand)		(CNY 5,209 thousand)						
YES Logistics Corp.	Yes Logistics (Shanghai) Corp. (Note A)	Forwarding agency	US\$ 4,300 thousand	Investee's direct & indirect investment through US based subsidiary's direct investment in Mainland China	258,160	—	258,160	11,734	96.36%	11,307	470,682	—	
					(US\$ 8,000 thousand)		(US\$ 8,000 thousand)						
	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	300,143	—	300,143	2,103	47.22%	993	282,097	—	
					(US\$ 9,301 thousand)		(US\$ 9,301 thousand)						
	Sino Trans PFS Cold Chain Logistics Co., Ltd.	Storage facilities construction and operation as well as providing supporting services related	US\$ 46,242 thousand	Investee's direct investment in Mainland China	198,912	—	198,912	6,256	12.85%	804	42,077	—	
					(US\$ 6,164 thousand)		(US\$ 6,164 thousand)						
	Shanghai United Cold Chain Logistics Co., Ltd. (Note F)	Storage facilities construction and operation as well as providing supporting services related	CNY 50,000 thousand	Investee's direct investment in Mainland China	44,218	—	44,218	(64,494)	19.27%	(12,428)	29,222	—	
					(CNY 10,000 thousand)		(CNY 10,000 thousand)						

Company Name	Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2023 (Note J)	Investment Amounts Authorized by Investment Commission, MOEA (Note J)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Yang Ming Marine Transport Corporation (Note D)	\$23,033 (CNY 5,209 thousand)	\$250,117 (US\$ 7,037 thousand) (CNY 5,209 thousand)	\$169,780,589
YES Logistics Corp. (Note C)	779,393 (US\$ 17,301 thousand) (CNY 50,000 thousand)	779,393 (US\$ 17,301 thousand) (CNY 50,000 thousand)	1,026,477

Notes:

- A. Yes Logistics Corp. (the subsidiary of the Company) was authorized to invest in mainland China by the Investment Commission, Ministry of Economic Affairs on June 3, 2004, July 4, 2006, December 26, 2006 and August 31, 2016.
- B. Yes Logistics Corp. (the subsidiary of the Company) was authorized to invest in mainland China by the Investment Commission, Ministry of Economic Affairs on April 11, 2005, August 22, 2006, November 29, 2006 and December 2, 2008.
- C. Yes Logistics Corp. (the subsidiary of the Company) was authorized to invest in mainland China by the Investment Commission, Ministry of Economic Affairs on December 16, 2013.
- D. The Company was authorized to invest in mainland China by Investment Commission, Ministry of Economic Affairs on August 25, 2021.
- E. Calculated by the % ownership of direct or indirect investment.

- F. Yes Logistics Corp. (the subsidiary of the Company) was authorized to invest in mainland China by the Investment Commission, Ministry of Economic Affairs on May 12, 2017.
- G. The Company was authorized to invest in mainland China by Investment Commission, Ministry of Economic Affairs on December 25, 2019
- H. Investing by the unappropriated earnings of Yang Ming Line (Singapore) Pte Ltd.
- I. The Group contributed 51% of capital in terms of cash input, but de facto holds 100% of the equity based on terms stipulated in the joint venture agreement.
- J. United States dollars and Chinese Yuan translated into New Taiwan dollars at the exchange rates of US\$1=NT\$32.27 and CNY1=NT\$4.4218 as of September 30, 2023.

YANG MINT MARINE TRANSPORT CORPORATION AND SUBSIDIARIES
INFORMATION OF MAJOR SHAREHOLDERS
SEPTEMBER 30, 2023

TABLE I

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

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

Note B: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.