

YANG MING MARINE TRANSPORT CORP.

Minutes of the 2023 Shareholders' Meeting

Time: 9:00 a.m., May 26, 2023, Friday

Type of Meeting: Hybrid shareholders' meeting (Physical shareholders' meeting with option to attend through virtual meeting platform)

Physical Meeting Place: No. 25, Dongsin St., Cidu Dist., Keelung City, Taiwan (R.O.C.) (The Changsingli Community Center)

Virtual Meeting Platform: Electronic voting system and virtual meeting platform for shareholders' meeting designed by Taiwan Depository & Clearing Corporation (TDCC) (website: <https://www.stockvote.com.tw>)

Number of shares represented: 1,806,140,135 (including 1,308,901,482 shares using electronic voting/ 10,180 shares attending through virtual meeting platform), or 51.72% of the total 3,492,104,270 shares issued

Directors present: Cheng-Mount Cheng, Chien-Yi Chan, Chih-Li Chen, An-Chung Ku, Tar-Shing Tang (Independent Director/Convener of Audit Committee)

Attendees: Chen-Hsiu Yang (Accountant) and Salina Chen (Lawyer)

Chairman: Cheng-Mount Cheng

Minute Taker: Tina Lu

I. Chairman's Address: (omitted)

II. Matters to Report:

Report I. 2022 Business Report

Explanation: Please refer to 2023 Shareholders' Meeting Handbook from page 9 to 15.

Report II. 2022 Independent Director's Review Report

Explanation: Please refer to Appendix 1.

Report III. Report of Distribution on Employees' and Directors' Compensation in 2022

Explanation: 1. In accordance with the Article 18 of Incorporation of Yang Ming Marine Transport Corporation, if there is a net profit at the year-end, about 1% to 5% of such profit shall be appropriated as employees' compensation and no more than 2% for the directors. But if there is an accumulated loss, the profit shall be used to make up for the losses. The distribution of compensation for employees and directors are as follows.

(1) Employees' compensation is 1% of the profits, NTD 2,328,972,723.

(2) Directors' compensation is NTD 80,000,000.

2. The above compensations were distributed by cash and approved by the Board of Directors on March 9, 2023.

Report IV. Report on the Amendment to the Ethical Corporate Management Best Practice Principles for the Company

- Explanation:** 1. Apply for an external corporate mailbox provided by Chunghwa Telecom (ymtarzantang88@hibox.biz) following the instructions and then obtain confirmation from the independent directors.
2. Please refer to 2023 Shareholders' Meeting Handbook from page 20 to 21.

Report V. Report on the Amendment to the Procedures for Ethical Management and Guidelines for Conduct for the Company

- Explanation:** 1. Apply for an external corporate mailbox provided by Chunghwa Telecom (ymtarzantang88@hibox.biz) following the instructions and then obtain confirmation from the independent directors.
2. Please refer to 2023 Shareholders' Meeting Handbook from page 23 to 26.

III. Matters for Recognition:

Proposal I. Adoption of 2022 Business Report and Financial Statements (Proposed by the Board)

- Explanation:** 1. The 2022 consolidated and stand-alone financial statements have been duly audited by the Certified Public Accountants, Cheng-Hsiu Yang and Yu-Mei Hung of Deloitte & Touche. The 2022 business report and the financial statements have been examined by the Independent Director.
2. The 2022 business report can be referenced from pages 9 to 15 of the 2023 Shareholders' Meeting Handbook and the 2022 consolidated and stand-alone financial statements can be referenced to Appendix 2.

Resolution: The eligible shares for voting are 1,806,139,135 with 1,698,532,231 shares (including 1,202,013,387 shares by electronic voting/ 5,002 shares attending through virtual meeting platform) voting for the proposal, 3,194,217 shares (including 3,194,217 shares by electronic voting/ no shares attending through virtual meeting platform) voting against it, 104,412,687 shares (including 103,693,878 shares by electronic voting/ 5,178 shares attending through virtual meeting platform) abstaining, and there are no invalid shares. With 94.04% of the eligible shares voting for this proposal, this motion is approved as proposed.

Proposal II. Adoption of 2022 Earnings Distribution Proposal (Proposed by the Board)

- Explanation:** 1. The after-tax net profit for 2022 is NT\$180,591,942,131. To draft the 2022 Earnings Distribution Table in accordance with the Company Act and Articles of Incorporation of the company. Please refer to Appendix 3.
2. The Company is planning to distribute cash dividend NT\$69,842,085,400, that is, NT\$20 per share. The amount of cash dividends per share shall be calculated according to the distribution ratio and truncated to NT\$1. The fractional amounts of dividends less than NT\$1 are summed to be recognized as other income of the Company. If the number of outstanding shares changes, the Chairman is authorized to adjust the cash dividend ratio per share based on the ex-dividend date.
3. Subject to the approval of the Annual General Shareholders' meeting, the

ex-dividend date for the cash dividend is proposed to authorize the Chairman to decide.

Shareholders No.304212 raised the concern about the dividend distribution for 2023.

The Chief Finance Officer clarified the dividend distribution for 2023 has been fully discussed after evaluating future investment plan of the company and condition of the shipping industry.

Resolution: The eligible shares for voting are 1,806,139,135 with 1,700,887,273 shares (including 1,204,368,429 shares by electronic voting/ 5,002 shares attending through virtual meeting platform) voting for the proposal, 3,930,228 shares (including 3,930,228 shares by electronic voting/ no shares attending through virtual meeting platform) voting against it, 101,321,634 shares (including 100,602,825 shares by electronic voting/ 5,178 shares attending through virtual meeting platform) abstaining, and there are no invalid shares. With 94.17% of the eligible shares voting for this proposal, this motion is approved as proposed.

IV. Election

Proposal I. By-Election of 2 Independent Directors to the 20th Board

- Explanation:**
- The term of the 20th Board began on May 14, 2021 until May 13, 2024. Independent director Mr. Tze-Chun Wang and Mr. Jei-Fuu Chen gave notice of resignation effective from September 3, 2022 to the Company on September 2, 2022; hence pursuant to the Securities and Exchange Act, a by-election shall be held at 2023 shareholders meeting to fill the vacancy when the number of independent directors falls short of what is required. The term of new independent director begins on May 26, 2023, after the by-election effectively, until May 13, 2024.
 - Elections of both directors and independent directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in the Corporation's articles of incorporation. No shareholders who hold more than 1% shares of the Corporation shall nominate an independent director during the nomination period from March 13, 2023 to March 22, 2023. The Board election proposal has been approved and the nomination list has been reviewed by the meeting of the Board of Directors. Please refer to 2023 Shareholders' Meeting Handbook from page 55 to 56 for the nomination list.

Voting Result:

The List of Independent Directors Elected

Title	Shareholder/ Personal ID Number	Name	Votes
Independent Director	D1011xxxxx	Tan Ho-Cheng	1,623,378,503
Independent Director	A1230xxxxx	Jr-Tsung Huang	1,623,201,182

V. Matters for Discussion

Proposal I. Proposal to Release the Prohibition on Directors (including Independent Director Candidates) from Participation in Competitive Business (Proposed by the Board)

- Explanation:**
1. According to Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business shall explain at the shareholders' meeting the essentials of such an act and seek its approval.
 2. The Board of Directors shall propose to release the prohibition on directors from participation in competitive business if the director does anything for himself or on behalf of another person as provided in the said Article without prejudicing the Company.
 3. Please refer to 2023 Shareholders' Meeting Handbook on page 59 for the list of release of the non-compete prohibition on Directors (including Independent Director candidates).

Resolution: For releasing the prohibition on Cheng-Mount Cheng, the representative of MOTC, from participation in competitive business, the eligible shares for voting are 1,806,139,135 with 1,652,246,701 shares (including 1,155,727,857 shares by electronic voting/ 5,002 shares attending through virtual meeting platform) voting for the proposal, 30,649,732 shares (including 30,649,732 shares by electronic voting/ no shares attending through virtual meeting platform) voting against it, 123,242,702 shares (including 122,523,893 shares by electronic voting/ 5,178 shares attending through virtual meeting platform) abstaining, and there are no invalid shares. With 91.47% of the eligible shares voting for this proposal, this motion is approved as proposed.

For releasing the prohibition on An-Chung Ku, the representative of MOTC, from participation in competitive business, the eligible shares for voting are 1,806,139,135 with 1,678,937,548 shares (including 1,182,418,704 shares by electronic voting/ 5,002 shares attending through virtual meeting platform) voting for the proposal, 4,815,062 shares (including 4,815,062 shares by electronic voting/ no shares attending through virtual meeting platform) voting against it, 122,386,525 shares (including 121,667,716 shares by electronic voting/ 5,178 shares attending through virtual meeting platform) abstaining, and there are no invalid shares. With 92.95% of the eligible shares voting for this proposal, this motion is approved as proposed.

For releasing the prohibition on independent director Tan Ho-Cheng, from participation in competitive business, the eligible shares for voting are 1,806,139,135 with 1,651,599,576 shares (including 1,155,080,732 shares by electronic voting/ 5,002 shares attending through virtual meeting platform) voting for the proposal, 31,238,880 shares (including 31,238,880 shares by electronic voting/ no shares attending through virtual meeting platform) voting against it, 123,300,679 shares (including 122,581,870 shares by electronic voting/ 5,178 shares attending through virtual meeting platform) abstaining, and there are no invalid shares. With 91.44% of the eligible shares voting for this proposal, this motion is approved as proposed.

Proposal II. Amendment to the Handling Procedures for Acquisition and Disposal of Assets (Proposed by the Board)

- Explanation:**
1. According to Article 5 of Handling Procedures for Acquisition and Disposal of Assets (hereinafter "Handling Procedure"), the total amount of investments in securities shall not exceed 200% of the Company's paid in capital (equivalent to NT\$69.8 billion). As of 31st Jan. 2023, the total

amount of investments in securities reached NT\$64.5 billion, which is close to the authorized quota from the original Handling Procedure.

2. In line with the needs of the Group's operating conditions, revise the calculation basis of the authorized quota of securities, non-business real property and right-of-use assets thereof.
3. Please refer to Appendix 4 for the comparison of the provisions.

Resolution: The eligible shares for voting are 1,806,139,135 with 1,637,395,194 shares (including 1,140,876,350 shares by electronic voting/ 5,002 shares attending through virtual meeting platform) voting for the proposal, 49,537,848 shares (including 49,537,848 shares by electronic voting/ no shares attending through virtual meeting platform) voting against it, 119,206,093 shares (including 118,487,284 shares by electronic voting/ 5,178 shares attending through virtual meeting platform) abstaining, and there are no invalid shares. With 90.65% of the eligible shares voting for this proposal, this motion is approved as proposed.

Shareholders participated through virtual meeting platform:

Shareholders No.777583 raised the concerns about the live stream condition.

The Chairman clarified that the webcam of virtual meeting mainly focused on the speaker's podium, to enable shareholders participated through virtual meeting platform to see the voting condition instantly, the equipment and devices will be adjusted and improved next year.

VI. Extempore Motions:

Shareholders No.103544 raised the concerns about the treasury stock implementation.

The Chief Finance Officer clarified the feasibility and benefits of implementing treasury stock will be evaluated based on the state of operation of the company, any resolution will be fully announced in accordance to the regulations.

Shareholders No.591399 raised the concerns about the future dividend distribution plan.

The Chairman clarified that considering shipping industry fluctuates violently, the company will try to maintain stable dividend distribution policy under solid performance.

VII. Adjournment: 9:59 a.m.

Chairman: Cheng-Mount Cheng

Minute Taker: Tina Lu

The minutes of this shareholders' meeting only record the major issues and the outcomes of the proposals. The actual progress, procedures, and the statement of the shareholders' meeting should be based on the audio and video recording of the meeting.

This translated document of the Chinese text is for reference only. If there is any discrepancy between the English version and the Chinese version, the Chinese version prevails.

2022 Independent Director's Review Report

The Board of Directors has prepared and submitted to the Audit Committee the Company's 2022 business report, stand-alone and consolidated financial statements, and proposal for distribution of earnings. The CPA firm of Deloitte & Touche, Taiwan, was retained to audit Yang Ming Marine Transport Corporation's financial statements and has issued an independent auditors' report relating to the financial statements. In accordance with Article 14-4 of Securities and Exchange Act and Article 219 of Company Act, the undersigned hereby certifies the business report, stand-alone and consolidated financial statements, and proposal for distribution of earnings after thorough examination.

To: 2023 Annual Shareholders' Meeting
YANG MING MARINE TRANSPORT CORP.

Independent Director: Tar-Shing Tang



March 9, 2023

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Yang Ming Marine Transport Corporation

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

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

Audit of the Percentage-of-completion

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

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

The judgment of cargo revenue recognition included critical accounting judgments and key sources of estimation uncertainty disclosed in Notes 5 and 25 to the accompanying consolidated financial statements.

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

Other Matter

We have audited the parent company only financial statements of Yang Ming Marine Transport Corporation as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for 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 Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 9, 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' 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' report and consolidated financial statements shall prevail.

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

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

ASSETS	2022		2021	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4, 6 and 34)	\$ 149,427,959	30	\$ 57,448,678	15
Financial assets at fair value through profit or loss (FVTPL) - current (Notes 4 and 7)	4,302,945	1	76,048	-
Financial assets at amortized cost - current (Notes 4, 9, 34 and 35)	133,484,952	26	136,068,631	35
Financial assets for hedging - current (Notes 4, 6, 33 and 34)	30,710,000	6	-	-
Contract assets, net (Notes 4, 25 and 34)	1,853,463	1	5,465,334	2
Notes receivable, net (Notes 4 and 10)	4,262	-	5,124	-
Trade receivables, net (Notes 4, 10 and 25)	10,298,914	2	21,642,929	6
Trade receivables from related parties (Notes 4, 10, 25, and 34)	339,219	-	412,055	-
Finance lease receivables, net (Notes 4 and 11)	766,403	-	20,204	-
Shipping fuel (Notes 4 and 12)	4,503,947	1	3,408,707	1
Prepayments (Notes 4 and 34)	746,081	-	545,143	-
Prepayments to shipping agents (Note 34)	542,406	-	462,440	-
Other current assets (Notes 4, 27 and 34)	1,598,472	-	1,001,626	-
Total current assets	<u>338,579,023</u>	<u>67</u>	<u>226,556,919</u>	<u>59</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss (FVTPL) - non-current (Notes 4 and 7)	353,165	-	13,871	-
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 4 and 8)	506,847	-	497,931	-
Financial assets at amortized cost - non-current (Notes 4, 9, 34 and 35)	2,138,776	-	33,461	-
Investments accounted for using equity method (Notes 4 and 14)	8,742,640	2	11,081,905	3
Property, plant and equipment (Notes 4, 15, 34, 35 and 36)	75,777,886	15	73,895,469	19
Right-of-use assets (Notes 4, 16 and 34)	73,362,475	15	63,139,955	17
Investment properties (Notes 4, 17 and 34)	7,146,807	1	7,083,726	2
Other intangible assets (Note 4)	133,157	-	80,847	-
Deferred tax assets (Notes 4 and 27)	784,153	-	1,341,237	-
Prepayments for equipment	222,605	-	295,430	-
Refundable deposits	219,399	-	219,109	-
Finance lease receivables - non-current (Notes 4 and 11)	106,542	-	127,016	-
Other financial assets - non-current (Note 4)	23,744	-	21,704	-
Other non-current assets	51,561	-	27,304	-
Total non-current assets	<u>169,569,757</u>	<u>33</u>	<u>157,858,965</u>	<u>41</u>
TOTAL	<u>\$ 508,148,780</u>	<u>100</u>	<u>\$ 384,415,884</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 18 and 34)	\$ 2,430,000	-	\$ 1,393,760	-
Short-term bills payable (Notes 18 and 34)	1,098,548	-	436,131	-
Financial liabilities for hedging - current (Notes 4, 16 and 33)	8,371,948	2	7,585,691	2
Contract liabilities - current (Notes 4 and 25)	532,259	-	903,453	-
Notes payable (Note 34)	35,317	-	33,852	-
Trade payables (Note 20)	15,571,592	3	19,106,729	5
Trade payables to related parties (Notes 20 and 34)	347,105	-	376,954	-
Other payables (Notes 21 and 34)	8,651,744	2	7,846,672	2
Current tax liabilities (Notes 4 and 27)	29,771,775	6	29,497,739	8
Provisions - current (Notes 4 and 22)	-	-	56,307	-
Lease liabilities - current (Notes 4, 16 and 34)	5,157,412	1	3,306,188	1
Current portion of long-term liabilities (Notes 4, 18, 19, 34 and 35)	2,560,364	1	1,400,430	1
Other advance account	178,512	-	218,711	-
Other current liabilities	1,223,639	-	1,074,266	-
Total current liabilities	<u>75,930,215</u>	<u>15</u>	<u>73,236,883</u>	<u>19</u>
NON-CURRENT LIABILITIES				
Financial liabilities for hedging - non-current (Notes 4, 16 and 33)	36,816,306	7	33,835,186	9
Bonds payable (Notes 4, 19, 34 and 35)	8,351,220	2	10,822,014	3
Long-term borrowings (Notes 4, 18, 34 and 35)	305,070	-	5,068,879	1
Provisions - non-current (Notes 4 and 22)	3,559	-	1,348	-
Deferred tax liabilities (Notes 4 and 27)	10,787,845	2	6,143,436	2
Lease liabilities - non-current (Notes 4, 16 and 34)	28,824,524	6	17,236,619	4
Other advance account - non-current	56,287	-	84,431	-
Net defined benefit liabilities - non-current (Notes 4 and 23)	1,971,067	-	2,828,346	1
Other non-current liabilities	1,316,724	-	836,076	-
Total non-current liabilities	<u>88,432,602</u>	<u>17</u>	<u>76,856,335</u>	<u>20</u>
Total liabilities	<u>164,362,817</u>	<u>32</u>	<u>150,093,218</u>	<u>39</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital - ordinary shares	34,921,043	7	34,921,043	9
Capital surplus	27,975,030	6	27,975,030	7
Retained earnings				
Legal reserve	16,907,064	3	166,092	-
Special reserve	3,713,230	1	1,494,827	-
Unappropriated earnings	259,456,948	51	167,409,719	44
Total retained earnings	280,077,242	55	169,070,638	44
Other equity	(13,577)	-	1,724,563	1
Total equity attributable to owners of the Company	342,959,738	68	233,691,274	61
NON-CONTROLLING INTERESTS	826,225	-	631,392	-
Total equity	<u>343,785,963</u>	<u>68</u>	<u>234,322,666</u>	<u>61</u>
TOTAL	<u>\$ 508,148,780</u>	<u>100</u>	<u>\$ 384,415,884</u>	<u>100</u>

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

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 5, 16, 25 and 34)	\$ 375,899,874	100	\$ 333,687,395	100
OPERATING COSTS (Notes 4, 12, 16, 26 and 34)	<u>145,729,755</u>	<u>39</u>	<u>120,556,335</u>	<u>36</u>
GROSS PROFIT	<u>230,170,119</u>	<u>61</u>	<u>213,131,060</u>	<u>64</u>
OPERATING EXPENSES (Notes 4, 10, 16, 25, 26 and 34)				
Selling and marketing expenses	9,292,950	2	8,209,836	2
General and administrative expenses	2,160,903	1	1,615,424	1
Expected credit (gain) loss	<u>(78,035)</u>	<u>-</u>	<u>150,499</u>	<u>-</u>
Total operating expenses	<u>11,375,818</u>	<u>3</u>	<u>9,975,759</u>	<u>3</u>
OTHER OPERATING INCOME AND EXPENSES (Notes 4, 16 and 26)	<u>1,903,866</u>	<u>1</u>	<u>229,215</u>	<u>-</u>
PROFIT FROM OPERATIONS	<u>220,698,167</u>	<u>59</u>	<u>203,384,516</u>	<u>61</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 16, 26 and 34)				
Interest income	4,032,635	1	308,249	-
Other income	86,800	-	94,730	-
Other gains and losses	9,967,164	3	(357,118)	-
Finance costs	(2,397,791)	(1)	(2,572,605)	(1)
Share of profit of associates and joint ventures	<u>1,233,739</u>	<u>-</u>	<u>1,518,973</u>	<u>1</u>
Total non-operating income and expenses	<u>12,922,547</u>	<u>3</u>	<u>(1,007,771)</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	233,620,714	62	202,376,745	61
INCOME TAX EXPENSE (Notes 4 and 27)	<u>(52,605,145)</u>	<u>(14)</u>	<u>(36,774,864)</u>	<u>(11)</u>
NET PROFIT FOR THE YEAR	<u>181,015,569</u>	<u>48</u>	<u>165,601,881</u>	<u>50</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 6, 16, 23, 24 and 27)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	333,961	-	(58,881)	-
Unrealized gain on investments in equity instruments at FVTOCI	8,916	-	2,845,465	1

(Continued)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

	2022		2021	
	Amount	%	Amount	%
Share of the other comprehensive loss of associates and joint ventures accounted for using the equity method	\$ (402,171)	-	\$ (170,960)	-
Income tax related to items that will not be reclassified subsequently to profit or loss	<u>(66,407)</u>	<u>-</u>	<u>11,776</u>	<u>-</u>
	<u>(125,701)</u>	<u>-</u>	<u>2,627,400</u>	<u>1</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	1,526,896	1	(1,027,307)	(1)
(Loss) gain on hedging instruments	(3,365,547)	(1)	641,742	-
Income tax related to items that may be reclassified subsequently to profit or loss	<u>451,869</u>	<u>-</u>	<u>(456,534)</u>	<u>-</u>
	<u>(1,386,782)</u>	<u>-</u>	<u>(842,099)</u>	<u>(1)</u>
Other comprehensive (loss) income for the year, net of income tax	<u>(1,512,483)</u>	<u>-</u>	<u>1,785,301</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 179,503,086</u>	<u>48</u>	<u>\$ 167,387,182</u>	<u>50</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 180,591,942	48	\$ 165,268,628	50
Non-controlling interests	<u>423,627</u>	<u>-</u>	<u>333,253</u>	<u>-</u>
	<u>\$ 181,015,569</u>	<u>48</u>	<u>\$ 165,601,881</u>	<u>50</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 179,110,549	48	\$ 167,177,697	50
Non-controlling interests	<u>392,537</u>	<u>-</u>	<u>209,485</u>	<u>-</u>
	<u>\$ 179,503,086</u>	<u>48</u>	<u>\$ 167,387,182</u>	<u>50</u>
EARNINGS PER SHARE (Note 28)				
Basic	<u>\$ 51.71</u>		<u>\$ 48.73</u>	
Diluted	<u>\$ 51.15</u>		<u>\$ 48.28</u>	

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

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company											Total Equity
	Share Capital (Notes 4, 19 and 24)		Capital Surplus (Notes 4, 19 and 24)	Retained Earnings (Note 24)			Exchange Differences on Translating the Financial Statements of Foreign Operations (Notes 4 and 24)	Other Equity		Gain (Loss) on Hedging Instruments (Notes 4 and 24)	Non-controlling Interests (Note 24)	
	Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings		Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income (Notes 4 and 24)	Total			
BALANCE AT JANUARY 1, 2021	3,167,662	\$ 31,676,622	\$ 384,106	\$ -	\$ -	\$ 1,660,919	\$ (713,510)	\$ (785,730)	\$ 3,455,825	\$ 35,678,232	\$ 656,620	\$ 36,334,852
Appropriation of 2020 earnings												
Legal reserve	-	-	-	166,092	-	(166,092)	-	-	-	-	-	-
Special reserve	-	-	-	-	1,494,827	(1,494,827)	-	-	-	-	-	-
Net profit for the year ended December 31, 2021	-	-	-	-	-	165,268,628	-	-	-	165,268,628	333,253	165,601,881
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	(47,336)	(540,488)	2,674,664	(177,771)	1,909,069	(123,768)	1,785,301
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	165,221,292	(540,488)	2,674,664	(177,771)	167,177,697	209,485	167,387,182
Issuance of ordinary shares for cash	160,000	1,600,000	27,520,000	-	-	-	-	-	-	29,120,000	-	29,120,000
Convertible bonds converted to ordinary shares	164,442	1,644,421	19,551	-	-	-	-	-	-	1,663,972	-	1,663,972
Share-based payments (Note 29)	-	-	51,373	-	-	-	-	-	-	51,373	-	51,373
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (loss) by the Group, associates and joint ventures	-	-	-	-	-	2,188,427	-	(2,188,427)	-	-	-	-
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(234,713)	(234,713)
BALANCE AT DECEMBER 31, 2021	3,492,104	34,921,043	27,975,030	166,092	1,494,827	167,409,719	(1,253,998)	(299,493)	3,278,054	233,691,274	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 distributed by the Company - NT\$20 per share	-	-	-	-	-	(69,842,085)	-	-	-	(69,842,085)	-	(69,842,085)
Net profit for the year ended December 31, 2022	-	-	-	-	-	180,591,942	-	-	-	180,591,942	423,627	181,015,569
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	264,487	1,340,181	(393,623)	(2,692,438)	(1,481,393)	(31,090)	(1,512,483)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	180,856,429	1,340,181	(393,623)	(2,692,438)	179,110,549	392,537	179,503,086
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (loss) by associates	-	-	-	-	-	(7,740)	-	7,740	-	-	-	-
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(197,704)	(197,704)
BALANCE AT DECEMBER 31, 2022	3,492,104	\$ 34,921,043	\$ 27,975,030	\$ 16,907,064	\$ 3,713,230	\$ 259,456,948	\$ 86,183	\$ (685,376)	\$ 585,616	\$ 342,959,738	\$ 826,225	\$ 343,785,963

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

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

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

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 233,620,714	\$ 202,376,745
Adjustments for:		
Depreciation expenses	20,010,747	17,454,705
Amortization expenses	66,984	55,923
Expected credit (reversed) loss recognized	(78,035)	150,499
Net loss (gain) on fair value change of financial assets/liabilities at FVTPL	18,502	(12,704)
Finance costs	2,397,791	2,572,605
Interest income	(4,032,635)	(308,249)
Dividend income	(2,109)	(4,969)
Compensation cost of employee share options	-	51,373
Share of profit of associates and joint ventures	(1,233,739)	(1,518,973)
Gain on disposal of property, plant and equipment	(18,251)	(81,870)
Impairment loss recognized on associates	1,935,456	623,259
Impairment loss (reversal gain) recognized on right-of-use assets	98,036	(593,059)
Write-down of (reversal of) shipping fuel	19,221	(179,027)
Net gain on foreign currency exchange	(2,060,281)	(576,714)
Gain on changes in fair value of investment properties	(152,739)	(329,065)
Gain on lease modification	(3,621)	(9,524)
Gain on sublease of right-of-use assets	(1,188,133)	-
Gain from bargain purchase	-	(3,171)
Recognized of provisions	1,983	56,307
Other items	(329,828)	-
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at FVTPL	(4,582,507)	1,655,002
Contract assets	3,656,389	(2,626,976)
Notes receivable	862	3,121
Trade receivables	11,853,833	(10,717,841)
Trade receivables from related parties	72,836	(238,232)
Shipping fuel	(1,115,029)	(1,038,236)
Prepayments	(209,150)	(107,307)
Prepayments to shipping agents	(79,966)	(359,830)
Other current assets	6,971	26,399
Financial liabilities held for trading	(2,186)	-
Contract liabilities	(371,194)	768,455
Notes payable	1,465	8,448
Trade payables	(5,128,720)	3,426,646
Trade payables to related parties	(29,849)	(48,434)
Other payables	1,270,858	3,136,508
Provisions	(56,307)	-
Other advance account	(68,343)	(78,018)

(Continued)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

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

	2022	2021
Other current liabilities	\$ 120,972	\$ 481,750
Net defined benefit liabilities	<u>(523,318)</u>	<u>(258,244)</u>
Cash generated from operations	253,887,680	213,757,302
Interest received	3,765,508	264,959
Dividends received	1,586,742	909,805
Interest paid	(2,391,482)	(2,503,211)
Income tax paid	<u>(46,781,188)</u>	<u>(2,571,567)</u>
Net cash generated from operating activities	<u>210,067,260</u>	<u>209,857,288</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at FVTOCI	-	(20,000)
Proceeds from sale of financial assets at FVTOCI	-	282
Purchase of financial assets at amortized cost	(303,510,305)	(137,386,246)
Proceeds from sale of financial assets at amortized cost	308,794,751	3,471,642
Purchase of financial assets for hedging	(33,217,784)	-
Proceeds from sale of financial assets for hedging	3,608,784	-
Acquisition of associates and joint ventures	(2,431)	(891)
Net cash inflow on acquisition of subsidiary (Note 30)	-	8,442
Payments for property, plant and equipment	(8,270,050)	(7,028,669)
Proceeds from disposal of property, plant and equipment	58,668	134,724
Increase in refundable deposits	(290)	(19,657)
Payments for intangible assets	(118,550)	(56,376)
Payments for investment properties	(434,368)	(3,074)
Decrease in financial lease receivables	723,335	19,938
(Increase) decrease in other financial assets	(2,040)	41,498
Increase in other non-current assets	(24,988)	(13,570)
Increase in prepayments for equipment	<u>(184,129)</u>	<u>(256,237)</u>
Net cash used in investing activities	<u>(32,579,397)</u>	<u>(141,108,194)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (repayments) of short-term borrowings	1,036,240	(678,396)
Proceeds from (repayments) of short-term bills payable	662,500	(11,702,500)
Proceeds from issuance of bonds payable	-	5,900,000
Proceeds from long-term borrowings	-	2,977,100
Repayments of long-term borrowings	(6,273,209)	(50,228,138)
Repayments of the principal portion of lease liabilities	(12,805,062)	(10,125,691)
Increase in other non-current liabilities	465,648	240,937
Dividends paid to owners of the Company	(69,842,085)	-
Proceeds from issuance of ordinary shares	-	29,120,000
Net change in non-controlling interests	<u>(197,704)</u>	<u>(234,713)</u>
Net cash used in financing activities	<u>(86,953,672)</u>	<u>(34,731,401)</u>

(Continued)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

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

	2022	2021
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	\$ <u>1,445,090</u>	\$ <u>(1,087,736)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	91,979,281	32,929,957
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>57,448,678</u>	<u>24,518,721</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 149,427,959</u>	<u>\$ 57,448,678</u>

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

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Yang Ming Marine Transport Corporation

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

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

Audit of the Percentage-of-completion

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

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

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 9, 2023

Notice to Readers

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

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

YANG MING MARINE TRANSPORT CORPORATION

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

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

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

YANG MING MARINE TRANSPORT CORPORATION

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

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

(Continued)

YANG MING MARINE TRANSPORT CORPORATION

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

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

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

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION

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

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

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

YANG MING MARINE TRANSPORT CORPORATION

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

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

(Continued)

YANG MING MARINE TRANSPORT CORPORATION

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

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

(Continued)

YANG MING MARINE TRANSPORT CORPORATION

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

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

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

(Concluded)

YANG MING CORP.
EARNINGS DISTRIBUTION TABLE
2022

Unit : NT \$

Items	Amount
Undistributed Retained Earnings of 2021	78,608,258,714
Net Profit after Taxes for the Period	180,591,942,131
Actuarial Gain (Loss) Arising from Defined Benefit Plans	264,486,480
Disposal of Investments at Fair Value through Other Comprehensive Income	(7,739,624)
Undistributed Retained Earnings after Adjusted	259,456,947,701
Less: Legal Reserves (Note 1)	(18,084,868,899)
Less: Special Reserves (Note 2)	(275,541,994)
Retained Earnings in 2022 Available Distribution	241,096,536,808
Shareholders' Dividends	(69,842,085,400)
Unappropriated Retained Earnings	<u>171,254,451,408</u>

Note 1 : Under Article 237 issued by the Company Act, a company shall allocate surplus profits, first set aside ten percent of such profits as a legal reserve.

Note 2 : Under Rule No.10901500221 Issued by the FSC on March 31st 2021, a public company measuring the investment properties based on fair value model shall set aside the increase in fair value of investment properties of its profits as special reserves. Under Rule No.1090150022 Issued by the FSC on March 31st 2021, when a public company distributes distributable surplus, it shall allocate special reserve with respect to the book net amount of other deductions from equity for the period in which it arises.

負責人: 鄭貞茂

經理人: 杜書勤

會計主管: 傅冠昇

Comparison Table of Handling Procedures for Acquisition and Disposal of Assets of Yang Ming Marine Transport Corporation

Amended version	Original version	Remark
<p>Article 5 Operation procedures for acquiring or disposing assets The Company acquires or disposes assets defined in Article 3 shall be assessed by department in charge, report to the management for authorization or approved by one-half or more of all audit committee members and report to the board of directors for approval according to the following authorized quota and then be executed by related departments.</p> <p>When the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.</p> <p>Third paragraph of the terms "all audit committee members" and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</p> <p>1. Authorized quota for the Company</p> <p>(1). The total amount of acquiring non-business real property or right-of-use assets thereof shall not exceed <u>5% of the Company's total assets of the individual financial statement for the most recent period, certified or reviewed by a certified public accountant.</u></p>	<p>Article 5 Operation procedures for acquiring or disposing assets The Company acquires or disposes assets defined in Article 3 shall be assessed by department in charge, report to the management for authorization or approved by one-half or more of all audit committee members and report to the board of directors for approval according to the following authorized quota and then be executed by related departments.</p> <p>When the procedures for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.</p> <p>Third paragraph of the terms "all audit committee members" and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</p> <p>1. Authorized quota for the Company</p> <p>(1). The total amount of acquiring non-business real property or right-of-use assets thereof shall not exceed <u>40% of the Company's paid-in capital.</u></p> <p>(2). The total amount of investments in securities shall not exceed <u>200% of the Company's paid-in capital</u> and the total amount of</p>	<p>In line with the needs of the Group's operating conditions, the calculation basis of the limited amount of securities, non-business real property and right-of-use assets thereof are revised so as to retain flexibility.</p>

Amended version	Original version	Remark
<p>(2). The total amount of investments in securities shall not exceed <u>50% of the Company's total assets of the individual financial statement for the most recent period, certified or reviewed by a certified public accountant</u> and the total amount of investments in each security shall not exceed <u>25% of the Company's total assets of the individual financial statement for the most recent period, certified or reviewed by a certified public accountant.</u></p> <p>2. Authorized quota for the management</p> <p>(1). Investments in securities: The total amount <u>shall not exceed</u> TWD3 billion. <u>In case it is essential to adjust the above-mentioned authorized investment quota, the management shall draw up the available investment quota by considering the company's operating capital and financial market conditions, and adjustment should be approved by one-half or more of all audit committee members and reported to board of directors for approval and then implement.</u> However, acquiring or disposing monetary funds and repurchase or reverse repo of bonds or bills for the purpose of funds dispatching is not subject to this limit.</p> <p>(2). Real property, equipment and other assets or right-of-use assets thereof besides right-of-use of vessels for the purpose of conducting business:</p>	<p>investments in each security shall not exceed <u>100% of the Company's paid-in capital.</u></p> <p>2. Authorized quota for the management</p> <p>(1). Investments in securities: The <u>total amount</u> is within TWD3 billion. However, acquiring or disposing monetary funds and repurchase or reverse repo of bonds or bills for the purpose of funds dispatching is not subject to this limit.</p> <p>(2). Real property, equipment and other assets or right-of-use assets thereof besides right-of-use of vessels for the purpose of conducting business: The amount for each transaction is within TWD100 million.</p> <p>(3). Right-of-use assets of vessels for the purpose of conducting business: The amount for each transaction is within TWD 600 million. If there are special timeliness considerations, the amount is TWD 800 million.</p> <p>(4). Non-business real property and right-of-use assets thereof: The amount for each transaction is within TWD10 million.</p> <p>(5). Memberships and intangible assets and right-of-use assets thereof: The amount for each transaction is within TWD10 million.</p> <p>3. Once the amount for acquisition or disposal of assets exceeds the authorized quota for the management or the Company acquires or disposes long-term equity investments whether the</p>	

Amended version	Original version	Remark
<p>The amount for each transaction is within TWD100 million.</p> <p>(3). Right-of-use assets of vessels for the purpose of conducting business: The amount for each transaction is within TWD 600 million. If there are special timeliness considerations, the amount is TWD 800 million.</p> <p>(4). Non-business real property and right-of-use assets thereof: The amount for each transaction is within TWD10 million.</p> <p>(5). Memberships and intangible assets and right-of-use assets thereof: The amount for each transaction is within TWD10 million.</p> <p>3. Once the amount for acquisition or disposal of assets exceeds the authorized quota for the management or the Company acquires or disposes long-term equity investments whether the amount is compiled in annual budget, should be approved by one-half or more of all audit committee members and reported to board of directors for approval and then implement, and shall be subject to mutatis mutandis application of Article 5, paragraphs 2 and 3.</p> <p>4. <u>The total amount of the investment in securities is calculated based on the original cost of the investment</u></p>	<p>amount is compiled in annual budget, should be approved by one-half or more of all audit committee members and reported to board of directors for approval and then implement, and shall be subject to mutatis mutandis application of Article 5, paragraphs 2 and 3.</p>	<p>Adding New Paragraph</p>