

Stock Code: 2609



**Handbook for the 2024 Shareholders’
Meeting
YANG MING MARINE TRANSPORT CORP.**

May 24, 2024

This is an English translation of the Chinese text and serves for the sole purpose of reference.
Should there be any discrepancy, the Chinese version shall prevail.

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Meeting Procedures

Procedures for 2024 Shareholders' Meeting

- I. Calling the Meeting to Order
- II. Chairperson's Remarks
- III. Matters to Report
- IV. Matters for Recognition
- V. Election
- VI. Matters for Discussion
- VII. Extempore Motions
- VIII. Meeting Adjournment

Meeting Agenda

Agenda of 2024 Shareholders' Meeting

- I. Time: Friday, May 24, 2024, 09:00 a.m.
- II. Attendance: Hybrid shareholders meeting
- III. Place: No. 20, Sec. 1, Changsha St., Zhongzheng Dist., Taipei City, Taiwan (R.O.C.) (Taipei Hero House 1st Floor Banquet Hall)
Virtual meeting platform: Taiwan Depository & Clearing Corporation
“Stock Services Platform” (<https://stockservices.tdcc.com.tw>)
- IV. Calling the Meeting to Order
- V. Chairperson's Remarks
- VI. Matters to Report
 - A. 2023 Business Report
 - B. 2023 Audit Committee's Review Report
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- VII. Matters for Recognition
 - A. Adoption of 2023 Business Report and Financial Statements
 - B. Adoption of 2023 Surplus Earnings Distribution Proposal
- VIII. Election
 - A. The 21st Election of Directors (including Independent Directors)
- IX. Matters for Discussion
 - A. Proposal to Release the Prohibition on Directors (including Independent Directors) from Participation in Competitive Business
- X. Extempore Motions
- XI. Meeting Adjournment

Matters to Report

I. 2023 Business Report

Explanation: Please refer to p.9-16 of the Handbook for the 2024 Shareholders' Meeting.

YANG MING MARINE TRANSPORT CORP.

2023 Business Report

Following an extraordinary period of financial boom between 2021 and 2022, container shipping globally suffered a significant contraction in demand in 2023 and yet it was also confronted with a rapid growth of capacity in the supply chain. In the Shanghai Containerized Freight Index (SCFI), the abovementioned fluctuations were duly reflected. Accordingly, the lowest composite index in 2023 decreased by a substantial 83% from the peak in 2022. Looking ahead to 2024, this sluggishness is coming from an uncertain world economy caused by persistent geopolitical conflict and tight monetary policy against inflation imposed by central banks around the world. Given the normalization of deployed capacity and the delivery of numerous newly-built containerships, the gap between supply and demand will be wider. At the same time, blockage in the critical waterway caused by the Red Sea crisis and the low water levels in the Panama Canal transits will also create more uncertainties in the global shipping. A moderate growth in the dry bulk market is projected whereas the oversupply may still persist on account of the extent of economic recovery and China's uncertain demand for dry bulk. The Company will remain attentive to the changes in the shipping industry while improving business capability and service quality. With financial stability and sustainability as the goal, the Company is committed to strengthening cost control and providing quality and long-term services to customers.

As environmental issues are getting more attention in the shipping industry, the Company has established the YM Group's emissions reduction targets and phased implementation policies to fulfill its corporate social responsibilities, comply with environmental regulations, and ultimately achieve net zero or near-zero emissions by 2050. The Company will carefully respond to future industrial regulatory compliance from major governments such as the U.S. Federal Maritime Commission and the EU and continue to provide the best service as the highest standard. Upholding the principle of "teamwork, innovation, integrity, and pragmatism," Yang Ming will strive to improve operating efficiency and maintain sustainable management and social responsibility, in return for the support and expectations of all shareholders and the community.

I. Operational Profile-Changes in the External Environment

i. The Overall Economic Outlook

Given geopolitical tensions, inflation and interest rate hikes, slow market, and China's sluggish economic recovery, the growth rate of global GDP in 2023 was 3.1% down from 3.3% in 2022, according to the Organization for Economic Cooperation and Development (OECD). And according to the International Monetary Fund (IMF) forecast, global GDP growth in 2023 was 3.1% lower than 3.5% in 2022. In terms of the growth in global trade volume, the OECD and the IMF respectively reported a 1.1% and a 0.4% growth, slumping from 5.2% in the previous year. Economically, the growing tension between the United States and China is fragmenting the global supply chain model and fueling uncertainty in the economic outlook. The international crude oil prices seemed somewhat settled in a choppy market. This was the result of the ongoing sanctions against Russian oil, the oil production cut imposed by OPEC, a slowing global economy, and growing tensions in the Middle East. The average oil price stood at US\$78-82 per barrel in 2023.

ii. Industry Supply and Demand

According to Alphaliner, a professional shipping consulting agency, container shipping demand in 2023 contracted by 0.3%, which was 0.6 percentage points lower than the 0.3% in 2022. In terms of capacity supply, the 2023 growth rate was 8.2%, a 4.1% increase from 4.1% in 2022. The above figures all pointed to the supply far exceeding the demand in the shipping market. Given ongoing dip in freight rates, many shipping companies suffered losses in overall operation as recorded in their Q4 financial reports. As high inflation continues to impact demand, carriers are proactively performing the corresponding measures such as service layout optimization and schedule recovery plan to satisfy the demand. In the dry bulk market, the average BDI in 2023 was 1,378 points, down 29% from 2022. Overall, the shipping industry experienced the downward pressure.

II. Our Strategies

To increase the overall corporate strength in an increasingly competitive industry, Yang Ming is adjusting its business operation to optimize profitability. The Company's main development plans are summarized as follows.

- i. Stable and consistent service planning will continue to provide steady capacity and meet business demand; the medium to long-term vessel deployment planning will be made flexible and compatible with both joint and self-operation.
- ii. Business development
 1. Increase revenue by developing agile service configuration, maximizing loading factor, and balancing container flow.
 2. Enhance cost control by improving operating efficiency and container turnaround.
- iii. Digitalization development
 1. Achieve ESG objectives by promoting energy conservation and carbon reduction and enhance information security and system reliability.
 2. Optimize the workflow by introducing DCSA digital standards and pushing for the application of Robotic Process Automation (RPA) and AI technologies.
- iv. Investment
 1. Attentive to industry-related investment opportunities such as terminals and depots for diversification.
 2. Seek cooperation opportunities with logistics firms.
- v. GHG Emissions Reduction Targets

Using the 2018 GHG emissions as the baseline for the fleet's emissions reduction goals, the Company is aiming for 20% reduction by 2030, 70% by 2040, and net-zero or near-zero emissions by 2050.

III. Results of Implementing Business Plans

Due to the fluctuating supply and demand in the shipping market, ocean freight rates came much lower than in 2022. Against this backdrop, the Company carried out many business strategies to successful outcomes. The

net profit after tax was NT\$4.77 billion and the earning per share was NT\$1.37.

IV. Operating Income and Expenses

The consolidated operating income for 2023 was NT\$140.6 billion, a decrease of NT\$235.3 billion or 63% from NT\$375.9 billion in 2022.

The consolidated operating cost for 2023 was NT\$134.4 billion, a decrease of NT\$ 11.3 billion or 8% from NT\$145.7 billion in 2022.

V. Profitability Analysis

ROA: 1.57%

ROE: 1.63%

Net Profit Margin: 3.61%

EPS: NT\$ 1.37 per share

VI. Research and Development

i. Digitalization strategy

1. Establishment of DCSA digital standards and processes

Continue participation in the Digital Container Shipping Association (DCSA) and establish standards for paperless digital trade in the shipping industry. In addition to the fully-online cargo tracking, the electronic Bill of Lading (eBL) has also been launched and is scheduled for general use by 2030. In terminal operation, the DCSA-compliant IoT field for reefer containers is to be launched this year, a significant breakthrough in Taiwan's digital transformation for terminals.

2. Fulfillment of the ESG objectives by promoting energy conservation and carbon reduction and strengthening information security

Plans have been made for building a green energy data center and a carbon footprint cloud system, upgrading high-end server and storage devices, and introducing cybersecurity services (Cloud VPN, ZTA) to bolster the Group's cybersecurity measures.

3. Application of Robotic Process Automation (RPA) in workflow and AI-driven R&D

Promote the application of Robotic Process Automation (RPA) to

streamline workflow and enhance efficiency; utilize AI technology to develop applications such as data parsing and intelligent image recognition to improve customer experience; focus new research on AI Maritime Knowledge Base; and introduce innovative services such as smart customer service and rapid online import pick-up track.

ii. Environmentally-friendly Fleet

1. Environmentally-friendly fleet expansion plan

Ordered the construction of five new 15,500TEU LNG dual-fuel containerhips in 2023 to meet the latest energy efficiency (EEDI) standards of the International Maritime Organization (IMO) and reduce general operating costs.

2. Systematic

Yang Ming is committed to strengthening ship safety (ISM) and environmental management system (ISO14001). It is our mission to safeguard our fleet, seafarers, cargoes, and the environment.

3. Operational

The Company actively promotes the implementation of the Ship Energy Efficiency Management Plan (SEEMP) and the Carbon Intensity Indicator (CII) on its operating fleet. The “best trim” green operation measure has been adopted through inter-department cooperation by adopting optimal sailing, as well as adjusting water ballast and draft of the ships to achieve energy-saving navigation. Meanwhile, monitoring on ship energy efficiency for the large vessels enables timely improvements. In addition, the Company partnered with WNI Company to develop a fuel efficiency management system and establish a schedule monitoring module to reduce GHG emissions and waste.

4. Honoring Green Promises

Yang Ming began building an eco-friendly fleet in 2009 by enhancing vessel energy efficiency and reducing GHG emissions. As of 2023, Yang Ming's fleet's carbon emissions* were down from 5.479 million tons to 4.074 million tons, a 25.6% reduction from the base year (2018) level, therefore achieving the GHG emissions reduction goal. Yang

Ming will continue to optimize vessel design to achieve environmental objectives.

*Note: The fleet's carbon emissions are self-assessed and must undergo third-party verification before being published in the sustainability report.

iii. Awards & Performance

Focusing on marine transport and quality customer service, Yang Ming is dedicated to optimizing its service network and streamlining services through digital transformation. The key issues are addressed in short, medium, and long-term strategies for sustainable operations, including customer service, environmental sustainability, employee well-being, and social commitments. In all, we value the shareholders' feedback and will spare no effort to carry out our sustainability strategies.

1. Conferred the Sapphire Award of Protecting Blue Whales & Blue Skies program from the National Oceanic and Atmospheric Administration

Yang Ming is an active participant in the “Protecting Blue Whales & Blue Skies” program supervised by the National Oceanic and Atmospheric Administration (NOAA). The Company garnered the highest honor with the Sapphire award by decelerating, which saves blue whales and protects the environment.

2. Selected as the Best Shipping Line-Trans-Pacific by the *Asia Cargo News*, a well-known shipping media company

Selected as the Best Shipping Line–Trans-Pacific from *Asia Cargo News* in the Asian Freight, Logistics & Supply Chain Awards, AFLAS of 2023 by the readers of *Asia Cargo News*.

3. Conferred the Blue Circle Award

Since 2014, Yang Ming has been an active participant in the EcoAction Program, which was initiated by the Vancouver Fraser Port Authority. Recognized for implementing voluntary measures, the Company received the Blue Circle award for installing AMP (Alternative Maritime Power) on the operating fleet and using onshore power grid to reduce air pollution.

4. Conferred a Bronze Medal in 2023 Sports Promoter Award

Yang Ming sponsors up-and-coming local athletes with a fixed amount

of monetary support on a long-term basis. Given such efforts, the Company was awarded a Bronze Medal in 2023 Sports Promoter Award from the Sports Administration of the Ministry of Education.

5. Conferred the Top 100 Sustainable Taiwanese Companies Award and Corporate Sustainability Reports Award: Transportation Sector-Platinum

As a contender in Taiwan Corporate Sustainability Awards for three consecutive years, the Company in 2023 was honored with the Top 100 Sustainable Taiwanese Companies Award and Corporate Sustainability Reports Award-Transportation Sector-Platinum from the 16th Taiwan Corporate Sustainability Awards.

6. Conferred the Bronze Award of the National Enterprise Environmental Protection Awards

Yang Ming won the Bronze Award of the National Enterprise Environmental Protection Awards for actively promoting environmental policies and implementing energy-saving and carbon-reduction measures.

7. Conferred the Golden Award and Cultural Sustainability Award from the 16th Arts & Business Awards

Yang Ming promotes a sustainable oceanic culture through events held at the YM Oceanic Culture & Art Museum. For these efforts, the Company won the Golden Award and Cultural Sustainability Award at the 16th Arts & Business Awards.

8. Conferred the Best IT Employer Award - Transportation, Logistics, and Warehousing Category of the IT Matters Awards

Yang Ming regards talents as the foundation for business operation. The Company won the Best IT Employer Award - Transportation, Logistics, and Warehousing Category for cultivating digitalization talents and using smart tools for workflow reengineering and optimization, data analysis, and strategic recommendations.

9. Awarded the second prize in the 3rd Maritime and Port Big Data Creative Application Competition

Team Yang Ming was awarded the second prize for their project

“Integrating Long Short-Term Memory Neural Networks and Monte Carlo Models to Construct a Ship and Air Pollution Diagnosis Prediction Platform - A Case Study of Kaohsiung Port” in the 3rd Maritime and Port Big Data Creative Application Competition.

10. Granted an invention patent by the Taiwan Intellectual Property Office of the Ministry of Economic Affairs

Yang Ming was granted an invention patent for its invention titled “Information system for processing delivery order and method and servicing method thereof.”

II. 2023 Audit Committee's Review Report

Explanation: Please refer to p.18 of the Handbook for the 2024 Shareholders' Meeting.

2023 Audit Committee's Review Report

The Board of Directors has prepared and submitted to the Audit Committee the Company's 2023 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: 2024 Annual Shareholders' Meeting
YANG MING MARINE TRANSPORT CORP.

Chairman of the Audit Committee: Tar-Shing Tang



Independent Director: Tar-Shing Tang



Independent Director: Tan Ho-Cheng



Independent Director: Jr-Tsung Huang



April 12, 2024

III. Report of Distribution on Employees' and Directors' Compensation in 2023

Explanation:

1. In accordance with the Article 18 of the *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 profit, NT\$103,483,211.
 - (2) Directors' compensation is NT\$12,000,000.
2. The above compensations were distributed by cash and approved by the Board of Directors on March 7, 2024.

Matters for Recognition

**I. Adoption of 2023 Business Report and Financial Statements
(Proposed by the Board)**

Explanation:

1. The 2023 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 2023 business report and the financial statements have been examined by the independent directors.
2. The 2023 business report is on p.9-16 and the 2023 consolidated and stand-alone financial statements are on p.22-42 of the Handbook for the 2024 Shareholders' Meeting.

Resolution:

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, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (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, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of 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, 2023. 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.

The key audit matters of the consolidated financial statements of the Group for the year ended December 31, 2023 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 material 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 reports 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, 2023 and 2022 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, 2023, 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 7, 2024

Notice to Readers

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

For the convenience of readers, the independent auditors' 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, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4, 6 and 32)	\$ 69,921,565	18	\$ 149,427,959	30
Financial assets at fair value through profit or loss (FVTPL) - current (Notes 4 and 7)	94,795	-	4,302,945	1
Financial assets at amortized cost - current (Notes 4, 9, 31, 32 and 33)	115,208,702	29	133,484,952	26
Financial assets for hedging - current (Notes 4, 6, 31 and 32)	17,269,769	5	30,710,000	6
Contract assets, net (Notes 4, 25 and 32)	1,560,716	-	1,853,463	1
Notes receivable, net (Notes 4 and 10)	10,666	-	4,262	-
Trade receivables, net (Notes 4, 10 and 25)	6,150,777	2	10,298,914	2
Trade receivables from related parties (Notes 4, 10, 25, and 32)	214,168	-	339,219	-
Finance lease receivables, net (Notes 4 and 11)	20,747	-	766,403	-
Current tax assets (Notes 4 and 27)	1,578,957	1	110,543	-
Shipping fuel (Notes 4 and 12)	4,535,017	1	4,503,947	1
Prepayments (Note 32)	447,866	-	746,081	-
Prepayments to shipping agents (Note 32)	231,639	-	542,406	-
Other current assets (Note 32)	1,456,059	-	1,487,929	-
Total current assets	<u>218,701,443</u>	<u>56</u>	<u>338,579,023</u>	<u>67</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss (FVTPL) - non-current (Notes 4 and 7)	355,828	-	353,165	-
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 4 and 8)	491,901	-	506,847	-
Financial assets at amortized cost - non-current (Notes 4, 9, 31, 32 and 33)	4,742,457	1	2,138,776	-
Investments accounted for using equity method (Notes 4 and 14)	8,797,221	2	8,742,640	2
Property, plant and equipment (Notes 4, 15, 32, 33 and 34)	83,481,541	21	75,777,886	15
Right-of-use assets (Notes 4, 16 and 32)	56,044,654	15	73,362,475	15
Investment properties (Notes 4, 17 and 32)	7,220,132	2	7,146,807	1
Other intangible assets (Note 4)	142,842	-	133,157	-
Deferred tax assets (Notes 4 and 27)	899,525	-	784,153	-
Prepayments for equipment (Notes 32 and 34)	11,343,872	3	222,605	-
Refundable deposits	257,720	-	219,399	-
Finance lease receivables - non-current (Notes 4 and 11)	85,795	-	106,542	-
Other financial assets - non-current (Note 4)	26,058	-	23,744	-
Other non-current assets (Note 32)	19,564	-	51,561	-
Total non-current assets	<u>173,909,110</u>	<u>44</u>	<u>169,569,757</u>	<u>33</u>
TOTAL	<u>\$ 392,610,553</u>	<u>100</u>	<u>\$ 508,148,780</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 18 and 32)	\$ 1,955,000	-	\$ 2,430,000	-
Short-term bills payable (Notes 18 and 32)	1,098,357	-	1,098,548	-
Financial liabilities for hedging - current (Notes 4, 16 and 31)	10,380,140	3	8,371,948	2
Contract liabilities - current (Notes 4 and 25)	304,854	-	532,259	-
Notes payable (Note 32)	33,821	-	35,317	-
Trade payables (Note 20)	14,101,232	4	15,571,592	3
Trade payables to related parties (Notes 20 and 32)	676,812	-	347,105	-
Other payables (Notes 21 and 32)	5,950,080	2	8,651,744	2
Current tax liabilities (Notes 4 and 27)	9,783,057	2	29,771,775	6
Provisions - current (Notes 4 and 22)	36,018	-	-	-
Lease liabilities - current (Notes 4, 16 and 32)	4,666,192	1	5,157,412	1
Other advance account	89,129	-	178,512	-
Current portion of long-term liabilities (Notes 4, 18, 19, 32 and 33)	2,579,706	1	2,560,364	1
Other current liabilities	992,962	-	1,223,639	-
Total current liabilities	<u>52,647,360</u>	<u>13</u>	<u>75,930,215</u>	<u>15</u>
NON-CURRENT LIABILITIES				
Financial liabilities for hedging - non-current (Notes 4, 16 and 31)	21,401,129	6	36,816,306	7
Bonds payable (Notes 4, 19 and 32)	5,878,396	2	8,351,220	2
Long-term borrowings (Notes 4, 18, 32 and 33)	288,477	-	305,070	-
Provisions - non-current (Notes 4 and 22)	4,955	-	3,559	-
Deferred tax liabilities (Notes 4 and 27)	7,235,954	2	10,787,845	2
Lease liabilities - non-current (Notes 4, 16 and 32)	24,445,367	6	28,824,524	6
Other advance account - non-current	30,706	-	56,287	-
Net defined benefit liabilities - non-current (Notes 4 and 23)	1,762,453	-	1,971,067	-
Other non-current liabilities	1,214,547	-	1,316,724	-
Total non-current liabilities	<u>62,261,984</u>	<u>16</u>	<u>88,432,602</u>	<u>17</u>
Total liabilities	<u>114,909,344</u>	<u>29</u>	<u>164,362,817</u>	<u>32</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital - ordinary shares	34,921,043	9	34,921,043	7
Capital surplus	27,975,030	7	27,975,030	6
Retained earnings				
Legal reserve	34,991,933	9	16,907,064	3
Special reserve	3,988,772	1	3,713,230	1
Unappropriated earnings	176,009,020	45	259,456,948	51
Total retained earnings	214,989,725	55	280,077,242	55
Other equity	(907,886)	-	(13,577)	-
Total equity attributable to owners of the Company	276,977,912	71	342,959,738	68
NON-CONTROLLING INTERESTS	<u>723,297</u>	<u>-</u>	<u>826,225</u>	<u>-</u>
Total equity	<u>277,701,209</u>	<u>71</u>	<u>343,785,963</u>	<u>68</u>
TOTAL	<u>\$ 392,610,553</u>	<u>100</u>	<u>\$ 508,148,780</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, 2023 AND 2022

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

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 5, 16, 25 and 32)	\$ 140,623,713	100	\$ 375,899,874	100
OPERATING COSTS (Notes 4, 12, 16, 26 and 32)	<u>134,383,170</u>	<u>95</u>	<u>145,729,755</u>	<u>39</u>
GROSS PROFIT	<u>6,240,543</u>	<u>5</u>	<u>230,170,119</u>	<u>61</u>
OPERATING EXPENSES (Notes 4, 9, 10, 16, 25, 26, 31 and 32)				
Selling and marketing expenses	6,999,808	5	9,292,950	2
General and administrative expenses	1,130,065	1	2,160,903	1
Expected credit gain	<u>(20,247)</u>	<u>-</u>	<u>(78,035)</u>	<u>-</u>
Total operating expenses	<u>8,109,626</u>	<u>6</u>	<u>11,375,818</u>	<u>3</u>
OTHER OPERATING INCOME AND EXPENSES (Notes 4, 16, 26 and 32)	<u>203,389</u>	<u>-</u>	<u>1,903,866</u>	<u>1</u>
(LOSS) PROFIT FROM OPERATIONS	<u>(1,665,694)</u>	<u>(1)</u>	<u>220,698,167</u>	<u>59</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 16, 26 and 32)				
Interest income	12,260,223	9	4,032,635	1
Other income	97,696	-	86,800	-
Other gains and losses	2,435,667	2	9,967,164	3
Finance costs	(2,518,189)	(2)	(2,397,791)	(1)
Share of profit or loss of associates and joint ventures	<u>686,545</u>	<u>-</u>	<u>1,233,739</u>	<u>-</u>
Total non-operating income and expenses	<u>12,961,942</u>	<u>9</u>	<u>12,922,547</u>	<u>3</u>
PROFIT BEFORE INCOME TAX	11,296,248	8	233,620,714	62
INCOME TAX EXPENSE (Notes 4 and 27)	<u>(6,218,624)</u>	<u>(4)</u>	<u>(52,605,145)</u>	<u>(14)</u>
NET PROFIT FOR THE YEAR	<u>5,077,624</u>	<u>4</u>	<u>181,015,569</u>	<u>48</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	(29,567)	-	333,961	-
Unrealized (loss) gain on investments in equity instruments at FVTOCI	(14,946)	-	8,916	-

(Continued)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	2023		2022	
	Amount	%	Amount	%
Share of the other comprehensive loss of associates and joint ventures accounted for using the equity method	\$ (43,259)	-	\$ (402,171)	-
Income tax related to items that will not be reclassified subsequently to profit or loss	<u>5,866</u>	<u>-</u>	<u>(66,407)</u>	<u>-</u>
	<u>(81,906)</u>	<u>-</u>	<u>(125,701)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(608,404)	-	1,526,896	1
Gain (loss) on hedging instruments	396,833	-	(3,365,547)	(1)
Income tax related to items that may be reclassified subsequently to profit or loss	<u>207,701</u>	<u>-</u>	<u>451,869</u>	<u>-</u>
	<u>(3,870)</u>	<u>-</u>	<u>(1,386,782)</u>	<u>-</u>
Other comprehensive loss for the year, net of income tax	<u>(85,776)</u>	<u>-</u>	<u>(1,512,483)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 4,991,848</u>	<u>4</u>	<u>\$ 179,503,086</u>	<u>48</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 4,774,106	4	\$ 180,591,942	48
Non-controlling interests	<u>303,518</u>	<u>-</u>	<u>423,627</u>	<u>-</u>
	<u>\$ 5,077,624</u>	<u>4</u>	<u>\$ 181,015,569</u>	<u>48</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 4,755,146	4	\$ 179,110,549	48
Non-controlling interests	<u>236,702</u>	<u>-</u>	<u>392,537</u>	<u>-</u>
	<u>\$ 4,991,848</u>	<u>4</u>	<u>\$ 179,503,086</u>	<u>48</u>
EARNINGS PER SHARE (Note 28)				
Basic	<u>\$ 1.37</u>		<u>\$ 51.71</u>	
Diluted	<u>\$ 1.37</u>		<u>\$ 51.15</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, 2023 AND 2022
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Company											Total Equity	
	Share Capital (Notes 4 and 24)		Capital Surplus (Notes 4 and 24)	Retained Earnings (Note 24)			Exchange Differences on Translation of 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)		Total
	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)					
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 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	
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 year ended December 31, 2023	-	-	-	-	-	4,774,106	-	-	-	4,774,106	303,518	5,077,624	
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	(24,060)	(433,119)	(58,224)	496,443	(18,960)	(66,816)	(85,776)	
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	4,750,046	(433,119)	(58,224)	496,443	4,755,146	236,702	4,991,848	
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (loss) by associates	-	-	-	-	-	4,523	-	(4,523)	-	-	-	-	
Basis adjustment to loss on hedging instruments	-	-	-	-	-	-	-	-	(894,886)	(894,886)	-	(894,886)	
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(339,630)	(339,630)	
BALANCE AT DECEMBER 31, 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>\$ 176,009,020</u>	<u>\$ (346,936)</u>	<u>\$ (748,123)</u>	<u>\$ 187,173</u>	<u>\$ 276,977,912</u>	<u>\$ 723,297</u>	<u>\$ 277,701,209</u>	

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, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 11,296,248	\$ 233,620,714
Adjustments for:		
Depreciation expenses	20,450,140	20,010,747
Amortization expenses	77,773	66,984
Expected credit loss reversed	(20,247)	(78,035)
Net (gain) loss on fair value change of financial assets/liabilities at FVTPL	(54,719)	18,502
Finance costs	2,518,189	2,397,791
Interest income	(12,260,223)	(4,032,635)
Dividend income	(8,030)	(2,109)
Share of profit of associates and joint ventures	(686,545)	(1,233,739)
Gain on disposal of property, plant and equipment	(55,934)	(18,251)
Impairment loss recognized on associates	6,957	1,935,456
(Reversal gain) impairment loss recognized on right-of-use assets	(17,096)	98,036
Write-downs of shipping fuel	245,270	19,221
Net gain on foreign currency exchange	(1,045,745)	(2,060,281)
Gain on changes in fair value of investment properties	(73,325)	(152,739)
Loss (gain) on lease modification	17,593	(3,621)
Gain on sublease of right-of-use assets	-	(1,188,133)
Recognition of provisions	37,604	1,983
Ineffective portion of cash flow hedges	(67,770)	-
Other items	-	(329,828)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at FVTPL	4,260,206	(4,582,507)
Contract assets	305,972	3,656,389
Notes receivable	(6,404)	862
Trade receivables	4,266,696	11,853,833
Trade receivables from related parties	120,686	72,836
Shipping fuel	(274,608)	(1,115,029)
Prepayments	274,019	(209,150)
Prepayments to shipping agents	310,767	(79,966)
Other current assets	389,480	6,971
Financial liabilities held for trading	-	(2,186)
Contract liabilities	(227,405)	(371,194)
Notes payable	(1,496)	1,465
Trade payables	(1,596,491)	(5,128,720)
Trade payables to related parties	335,106	(29,849)
Other payables	(3,415,989)	1,358,901
Provisions	-	(56,307)
Other advance account	(114,964)	(68,343)
Other current liabilities	(225,423)	120,972
Net defined benefit liabilities	(238,181)	(523,318)
Cash generated from operations	24,522,111	253,975,723
Interest received	11,856,678	3,765,508

(Continued)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Dividends received	\$ 596,633	\$ 1,586,742
Interest paid	(2,479,602)	(2,479,525)
Income tax paid	<u>(31,116,621)</u>	<u>(46,781,188)</u>
Net cash generated from operating activities	<u>3,379,199</u>	<u>210,067,260</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(262,384,991)	(303,510,305)
Proceeds from sale of financial assets at amortized cost	281,085,370	308,794,751
Purchase of financial assets for hedging	-	(33,217,784)
Proceeds from sale of financial assets for hedging	12,018,168	3,608,784
Acquisition of associates and joint ventures	(473)	(2,431)
Payments for property, plant and equipment	(2,490,474)	(8,270,050)
Proceeds from disposal of property, plant and equipment	104,160	58,668
Increase in refundable deposits	(38,321)	(290)
Payments for intangible assets	(87,490)	(118,550)
Payments for investment property	-	(434,368)
Decrease in financial lease receivables	755,008	723,335
Increase in other financial assets	(2,314)	(2,040)
Decrease (increase) in other non-current assets	5,052	(24,988)
Increase in prepayments for equipment	<u>(12,238,961)</u>	<u>(184,129)</u>
Net cash generated from (used in) investing activities	<u>16,724,734</u>	<u>(32,579,397)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayments of) proceeds from short-term borrowings	(475,000)	1,036,240
Proceeds from short-term bills payable	-	662,500
Repayments of bonds payable	(2,500,000)	-
Proceeds from long-term borrowings	300,000	-
Repayments of long-term borrowings	(298,330)	(6,273,209)
Repayments of the principal portion of lease liabilities	(26,003,503)	(12,805,062)
(Decrease) increase in other non-current liabilities	(102,177)	465,648
Dividends paid to owners of the Company	(69,842,086)	(69,842,085)
Net change in non-controlling interests	<u>(339,630)</u>	<u>(197,704)</u>
Net cash used in financing activities	<u>(99,260,726)</u>	<u>(86,953,672)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	<u>(349,601)</u>	<u>1,445,090</u>

(Continued)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	\$ (79,506,394)	\$ 91,979,281
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>149,427,959</u>	<u>57,448,678</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 69,921,565</u>	<u>\$ 149,427,959</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 parent company only financial statements of Yang Ming Marine Transport Corporation (the "Company"), which comprise the parent company only balance sheets as of December 31, 2023 and 2022, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the "parent company only financial statements").

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2023 and 2022, and its parent company only financial performance and its parent company only 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 Financial Statement Audit and Attestation Engagements of 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 Parent Company Only 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 parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the parent company only financial statements of the Company for the year ended December 31, 2023 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 material accounting judgments and key sources of estimation uncertainty disclosed in Notes 5 and 24 to the accompanying parent company only financial statements.

We tested the accuracy of the timing of the revenue recognition. Through subsequent information on voyages, berthing reports, sailing schedules and reports 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 Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only 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 parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only 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 Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only 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 parent company only 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 parent company only 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 parent company only 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 parent company only financial statements, including the disclosures, and whether the parent company only 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 parent company only 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 parent company only financial statements for the year ended December 31, 2023, 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 7, 2024

Notice to Readers

The accompanying parent company only 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 parent company only financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying parent company only 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 parent company only financial statements shall prevail.

YANG MING MARINE TRANSPORT CORPORATION

PARENT COMPANY ONLY BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4, 6 and 31)	\$ 36,522,836	10	\$ 85,538,805	18
Financial assets at fair value through profit or loss (FVTPL) - current (Notes 4 and 7)	94,795	-	4,302,945	1
Financial assets at amortized cost - current (Notes 4, 9, 30, 31 and 32)	43,394,932	12	101,812,282	21
Financial assets for hedging - current (Notes 4, 6, 30 and 31)	17,269,769	5	30,710,000	6
Contract assets, net (Notes 4, 24 and 31)	374,916	-	485,005	-
Trade receivables, net (Notes 4, 10 and 24)	1,091,819	-	2,002,235	-
Trade receivables from related parties (Notes 4, 10, 24 and 31)	447,159	-	1,301,281	-
Finance lease receivables, net (Notes 4, 11 and 31)	63,013	-	68,308	-
Other receivables from related parties (Notes 4 and 31)	3,777,405	1	2,937,022	1
Current tax assets (Notes 4 and 26)	1,210,766	-	144	-
Shipping fuel (Notes 4 and 12)	1,089,399	-	1,763,179	-
Prepayments (Note 31)	219,325	-	348,248	-
Prepayments to shipping agents (Note 31)	231,638	-	609,703	-
Other current assets	346,836	-	658,230	-
Total current assets	<u>106,134,608</u>	<u>28</u>	<u>232,537,387</u>	<u>47</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss (FVTPL) - non-current (Notes 4 and 7)	355,828	-	353,165	-
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 4 and 8)	490,299	-	505,221	-
Financial assets at amortized cost - non-current (Notes 4, 9, 30, 31 and 32)	3,160,433	1	2,706,949	1
Investments accounted for using equity method (Notes 4 and 13)	126,366,593	34	106,683,195	22
Property, plant and equipment (Notes 4, 14, 31, 32 and 33)	47,266,853	13	47,335,513	10
Right-of-use assets (Notes 4, 15 and 31)	70,437,311	19	88,612,040	18
Investment properties (Notes 4, 16 and 31)	7,777,386	2	7,680,322	2
Other intangible assets (Note 4)	108,556	-	99,731	-
Deferred tax assets (Notes 4 and 26)	787,393	-	713,747	-
Prepayments for equipment (Notes 31 and 33)	11,343,475	3	222,346	-
Refundable deposits	70,951	-	80,236	-
Finance lease receivable - non-current (Notes 4, 11 and 31)	508,231	-	584,153	-
Long-term receivables from related parties (Note 31)	1,995,506	-	2,290,000	-
Other non-current assets	2,033	-	6,930	-
Total non-current assets	<u>270,670,848</u>	<u>72</u>	<u>257,873,548</u>	<u>53</u>
TOTAL	<u>\$ 376,805,456</u>	<u>100</u>	<u>\$ 490,410,935</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Financial liabilities for hedging - current (Notes 4, 15 and 30)	\$ 10,380,140	3	\$ 8,371,948	2
Contract liabilities - current (Notes 4 and 24)	170,373	-	314,304	-
Trade payables (Note 19)	4,093,475	1	5,314,665	1
Trade payables to related parties (Notes 19 and 31)	2,835,049	1	3,444,260	1
Other payables (Note 20)	4,213,952	1	5,834,811	1
Other payables to related parties (Notes 20 and 31)	251,592	-	278,570	-
Current tax liabilities (Notes 4 and 26)	9,520,099	2	29,508,092	6
Provision - current (Notes 4 and 21)	36,018	-	-	-
Lease liabilities - current (Notes 4, 15 and 31)	3,800,935	1	3,895,055	1
Other advance account	58,608	-	59,458	-
Current portion of long-term liabilities (Notes 4, 18, 31 and 32)	2,475,983	1	2,474,968	-
Other current liabilities	415,258	-	588,569	-
Total current liabilities	<u>38,251,482</u>	<u>10</u>	<u>60,084,700</u>	<u>12</u>
NON-CURRENT LIABILITIES				
Financial liabilities for hedging - non-current (Notes 4, 15 and 30)	21,401,129	6	36,816,306	8
Bonds payable (Notes 4, 18, 31 and 32)	5,878,396	1	8,351,220	2
Long-term borrowings (Notes 4, 17, 31 and 32)	-	-	198,750	-
Deferred tax liabilities (Notes 4 and 26)	7,034,539	2	10,662,276	2
Lease liabilities - non-current (Notes 4, 15 and 31)	25,404,164	7	29,219,630	6
Other advance account - non-current	30,706	-	56,287	-
Net defined benefit liabilities - non-current (Notes 4 and 22)	1,596,691	-	1,822,653	-
Other non-current liabilities	230,437	-	239,375	-
Total non-current liabilities	<u>61,576,062</u>	<u>16</u>	<u>87,366,497</u>	<u>18</u>
Total liabilities	<u>99,827,544</u>	<u>26</u>	<u>147,451,197</u>	<u>30</u>
EQUITY				
Share capital - ordinary shares	<u>34,921,043</u>	<u>9</u>	<u>34,921,043</u>	<u>7</u>
Capital surplus	<u>27,975,030</u>	<u>8</u>	<u>27,975,030</u>	<u>6</u>
Retained earnings				
Legal reserve	34,991,933	9	16,907,064	3
Special reserve	3,988,772	1	3,713,230	1
Unappropriated earnings	176,009,020	47	259,456,948	53
Total retained earnings	<u>214,989,725</u>	<u>57</u>	<u>280,077,242</u>	<u>57</u>
Other equity	(907,886)	-	(13,577)	-
Total equity	<u>276,977,912</u>	<u>74</u>	<u>342,959,738</u>	<u>70</u>
TOTAL	<u>\$ 376,805,456</u>	<u>100</u>	<u>\$ 490,410,935</u>	<u>100</u>

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

YANG MING MARINE TRANSPORT CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 5, 15, 24 and 31)	\$ 57,094,096	100	\$ 261,012,906	100
OPERATING COSTS (Notes 4, 12, 25 and 31)	<u>47,719,545</u>	<u>83</u>	<u>89,950,003</u>	<u>35</u>
GROSS PROFIT	<u>9,374,551</u>	<u>17</u>	<u>171,062,903</u>	<u>65</u>
OPERATING EXPENSES (Notes 4, 9, 10, 24, 25, 30 and 31)				
Selling and marketing expenses	2,039,032	4	4,338,921	2
General and administrative expenses	597,011	1	1,389,545	-
Expected credit gain	<u>(13,829)</u>	<u>-</u>	<u>(85,498)</u>	<u>-</u>
Total operating expenses	<u>2,622,214</u>	<u>5</u>	<u>5,642,968</u>	<u>2</u>
OTHER OPERATING INCOME AND EXPENSES (Notes 4 and 25)	<u>112,671</u>	<u>-</u>	<u>586,566</u>	<u>-</u>
PROFIT FROM OPERATIONS	<u>6,865,008</u>	<u>12</u>	<u>166,006,501</u>	<u>63</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 25 and 31)				
Interest income	7,309,050	13	3,316,354	1
Other income	106,735	-	93,865	-
Other gains and losses	2,532,197	4	10,269,245	4
Finance costs	(2,263,361)	(4)	(2,111,129)	(1)
Share of profits or loss of subsidiaries and associates	<u>(4,316,791)</u>	<u>(7)</u>	<u>52,913,463</u>	<u>21</u>
Total non-operating income and expenses	<u>3,367,830</u>	<u>6</u>	<u>64,481,798</u>	<u>25</u>
PROFIT BEFORE INCOME TAX	10,232,838	18	230,488,299	88
INCOME TAX EXPENSE (Notes 4 and 26)	<u>(5,458,732)</u>	<u>(10)</u>	<u>(49,896,357)</u>	<u>(19)</u>
NET PROFIT FOR THE YEAR	<u>4,774,106</u>	<u>8</u>	<u>180,591,942</u>	<u>69</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 6, 15, 22, 23 and 26)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(13,968)	-	316,260	-
Unrealized (loss) gain on investments in equity instruments at FVTOCI	(14,922)	-	9,571	-

(Continued)

YANG MING MARINE TRANSPORT CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	2023		2022	
	Amount	%	Amount	%
Share of the other comprehensive loss of subsidiaries and associates accounted for using the equity method	\$ (56,188)	-	\$ (391,715)	-
Income tax related to items that will not be reclassified subsequently to profit or loss	<u>2,794</u>	<u>-</u>	<u>(63,252)</u>	<u>-</u>
	<u>(82,284)</u>	<u>-</u>	<u>(129,136)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(537,896)	(1)	1,555,149	1
Gain (loss) on hedging instruments	396,833	1	(3,365,547)	(1)
Income tax related to items that may be reclassified subsequently to profit or loss	<u>204,387</u>	<u>-</u>	<u>458,141</u>	<u>-</u>
	<u>63,324</u>	<u>-</u>	<u>(1,352,257)</u>	<u>-</u>
Other comprehensive loss for the year, net of income tax	<u>(18,960)</u>	<u>-</u>	<u>(1,481,393)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 4,755,146</u>	<u>8</u>	<u>\$ 179,110,549</u>	<u>69</u>
EARNINGS PER SHARE (Note 27)				
Basic	<u>\$1.37</u>		<u>\$51.71</u>	
Diluted	<u>\$1.37</u>		<u>\$51.15</u>	

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

YANG MING MARINE TRANSPORT CORPORATION

**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)**

	Share Capital (Notes 4 and 23)		Capital Surplus (Notes 4 and 23)	Retained Earnings (Note 23)			Exchange Differences on Translation of 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, 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
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)
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
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)
Net profit for the year ended December 31, 2023	-	-	-	-	-	4,774,106	-	-	-	4,774,106
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	(24,060)	(433,119)	(58,224)	496,443	(18,960)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	4,750,046	(433,119)	(58,224)	496,443	4,755,146
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (loss) by associates	-	-	-	-	-	4,523	-	(4,523)	-	-
Basis adjustment to loss on hedging instruments	-	-	-	-	-	-	-	-	(894,886)	(894,886)
BALANCE AT DECEMBER 31, 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>\$ 176,009,020</u>	<u>\$ (346,936)</u>	<u>\$ (748,123)</u>	<u>\$ 187,173</u>	<u>\$ 276,977,912</u>

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

YANG MING MARINE TRANSPORT CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FORM OPERATING ACTIVITIES		
Income before income tax	\$ 10,232,838	\$ 230,488,299
Adjustments for:		
Depreciation expenses	18,169,245	17,291,561
Amortization expenses	65,989	58,727
Expected credit loss reversed	(13,829)	(85,498)
Net (gain) loss on fair value change of financial assets/liabilities at FVTPL	(54,719)	18,502
Finance costs	2,263,361	2,111,129
Interest income	(7,309,050)	(3,316,354)
Dividend income	(8,030)	(2,109)
Share of loss (profit) of subsidiaries and associates	4,316,791	(52,913,463)
Gain on disposal of property, plant and equipment	(55,508)	(17,671)
Impairment loss recognized on associates	2,321	1,924,980
Write-down of shipping fuel	121,459	-
Net gain on foreign currency exchange	(1,642,205)	(2,307,307)
Gain on change in fair value of investment properties	(97,064)	(170,632)
Ineffective portion of cash flow hedges	(67,770)	-
Loss on lease modification	14,306	285
Recognition of provisions	36,018	-
Others	-	(329,828)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at FVTPL	4,260,206	(4,582,507)
Contract assets	111,535	9,034,697
Trade receivables	1,046,218	4,938,570
Trade receivables from related parties	854,122	1,946,080
Other receivables from related parties	840,383	(2,881,682)
Shipping fuel	552,321	533,788
Prepayments	113,652	(46,950)
Prepayments to shipping agents	378,065	(102,395)
Other current assets	(1,321,788)	98,303
Financial liabilities held for trading	-	(2,186)
Contract liabilities	(143,931)	(380,569)
Trade payables	(1,400,869)	(7,985,373)
Trade payables to related parties	(609,211)	708,777
Other payables	(2,326,330)	1,104,345
Other payables to related parties	(25,305)	(97,635)
Provisions	-	(56,307)
Other advances account	(26,431)	(48,843)
Other current liabilities	(169,296)	112,619
Net defined benefit liabilities	(239,930)	(527,598)
Cash generated from operations	27,867,564	194,515,755
Interest received	7,226,426	3,041,932
Dividend received	621,036	19,273,497

(Continued)

YANG MING MARINE TRANSPORT CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Interest paid	\$ (2,228,346)	\$ (2,118,950)
Income tax paid	<u>(30,177,402)</u>	<u>(43,996,604)</u>
Net cash generated from operating activities	<u>3,309,278</u>	<u>170,715,630</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(216,114,114)	(279,887,742)
Proceeds from sale of financial assets at amortized cost	277,687,320	308,020,639
Purchase of financial assets for hedging	-	(33,217,784)
Proceeds from sale of financial assets for hedging	12,018,168	3,608,784
Acquisition of associates	-	(330)
Payments for property, plant and equipment	(2,213,464)	(8,091,263)
Proceeds from disposal of property, plant and equipment	10,302,905	15,766
Decrease in refundable deposits	9,285	11,542
(Increase) decrease in long-term receivables from related parties	(65,331)	61,668
Payments for intangible assets	(74,814)	(106,979)
Payments for investment properties	-	(434,368)
Decrease in financial lease receivables	66,911	65,735
Decrease in other non-current assets	3,695	13,817
Increase in prepayments for equipment	<u>(12,237,306)</u>	<u>(184,129)</u>
Net cash generated from (used in) investing activities	<u>69,383,255</u>	<u>(10,124,644)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bonds payable	(2,500,000)	-
Repayments of long-term borrowings	(198,750)	(3,803,574)
Repayments of the principal portion of lease liabilities	(24,264,550)	(10,686,462)
Decrease (increase) in other non-current liabilities	(8,938)	118,190
Cash dividends paid	(69,842,086)	(69,842,085)
Acquisition of additional interests in subsidiaries	<u>(25,209,600)</u>	<u>(34,919,976)</u>
Net cash used in financing activities	<u>(122,023,924)</u>	<u>(119,133,907)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	<u>315,422</u>	<u>2,025,201</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(49,015,969)	43,482,280
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>85,538,805</u>	<u>42,056,525</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 36,522,836</u>	<u>\$ 85,538,805</u>

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

II. Adoption of 2023 Earnings Distribution Proposal (Proposed by the Board)
Explanation:

1. The after-tax net profit for 2023 is NT\$4,774,106,451. To draft the 2023 Earnings Distribution Table in accordance with the *Company Act* and Articles of the *Incorporation of Yang Ming Marine Transport Corporation*. Please refer to p.44 of the Handbook for the 2024 Shareholders' Meeting.
2. The Company is planning to distribute cash dividend of NT\$6,984,208,540, that is, NT\$2 per share. The amount of cash dividends per share shall be calculated according to the distribution ratio and truncated to NT\$1. The fractional 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.

Resolution:

YANG MING MARINE TRANSPORT CORP.
EARNINGS DISTRIBUTION TABLE
2023

	Unit: NT\$
Items	Amount
Undistributed Retained Earnings of 2022	171,254,451,408
Net Profit after Taxes for the Period	4,774,106,451
Actuarial Gain (Loss) Arising from Defined Benefit Plans	(24,060,076)
Disposal of Investments at Fair Value through Other Comprehensive Income	4,522,929
Undistributed Retained Earnings after Adjusted	176,009,020,712
Less: Legal Reserves (Note 1)	(475,456,930)
Less: Special Reserves (Note 2)	(947,930,185)
Retained Earnings in 2023 Available Distribution	174,585,633,597
Shareholders' Dividends	(6,984,208,540)
Unappropriated Retained Earnings	167,601,425,057

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

Election

I. The 21st Election of Directors (including Independent Directors)

Explanation:

1. The three-year term of 20th Directors will come to an end on May 13, 2024. As such, the Company proposes to duly elect new Board members at this year's Annual Meeting of Shareholders.
2. According to the Articles of Incorporation, the shareholders' meeting shall elect 15 Directors (including 5 independent Directors). New Directors will take office right after the shareholders' meeting and their three-year term will begin on May 24, 2024 and end on May 23, 2027, while the current Directors will end their term of office.
3. According to the Articles of Incorporation, Directors (including independent Directors) shall be elected from the nomination list prepared by the Company. There are no candidates of directors or independent directors nominated by shareholders who hold more than 1% shares of the Company during the nomination period from March 11, 2024 to March 21, 2024.
4. The Board's election proposal and the nomination list have been reviewed and approved by the meeting of the Board of Directors. Please refer to p.47-51 for the nomination list.

Resolution:

Nomination List of Directors (including Independent Directors)

Name	Holding shares	Education/Experience
Representative of MOTC: Cheng-Mount Cheng		<p>Master's Degree in Economics, University of Wisconsin-Madison Bachelor's Degree in Economics, National Taiwan University</p> <p>Chairman, Yang Ming Chairman, Taiwan Strait Shipping Association Deputy Minister, National Development Council Vice Chairman, Financial Supervisory Commission R.O.C. General Manager, Agriculture Bank of Taiwan President, Taiwan Academy of Banking and Finance Adjunct Associate Professor, Department of Finance, National Chengchi University Chief Economist, CITIBANK Taiwan Assistant Researcher, Taiwan Institute of Economy Research</p>
Representative of MOTC: Tan Ho-Cheng	Directors herein as representatives of MOTC, and holding a total of 467,682,372 shares (13.39%)	<p>Master's Degree in Urban and Regional Planning, Virginia Polytechnic Institute and State University Bachelor's Degree in Department of Civil Engineering, National Chung Hsing University</p> <p>Director, Kedge Construction Co., Ltd. Director, Kindom Development Co., Ltd. Independent Director, PChome Online Inc. Independent Director, Groundhog Technologies Inc. Minister of MOTC Chairman, Chunghwa Telecom Co., Ltd. Deputy Minister of MOTC Commissioner, Department of Transportation, Taipei City Government THI Consultants Inc. Department of Rapid Transit Systems, Taipei City Government The Office of Urban Planning, Taipei City Government</p>
Representative of MOTC: Dzwo-Min Dai		<p>Ph.D. in Civil and Environmental Engineering, University of Maryland</p> <p>Associate Professor, Department of Transportation and Communication Management Science, Institute of Telecommunications Management, National Cheng Kung University Engineer, China Engineering Consultants, Inc.</p>
Representative of MOTC: Chun-Chun Chen		<p>Bachelor's Degree in Department of English Language and Literature, Fu Jen Catholic University</p> <p>Assistant Vice President, Yang Ming</p>
Representative of National Development Fund, Executive Yuan: Keh-Her Shih	Directors herein as representatives of National Development Fund, Executive Yuan	<p>Master's Degree in MSc Management, Imperial College, University of London (now Imperial College London) Master's Degree in MSc Regional and Urban</p>

Name	Holding shares	Education/Experience
	and holding a total of 460,000,000 shares (13.17%)	<p>Planning Studies, The London School of Economics and Political Science Bachelor's Degree in Political Science, National Taiwan University</p> <p>Deputy Minister, National Development Council Senior Secretary, Office of the President Deputy Secretary-General, Office of the President Political Deputy Minister, Ministry of Labor Consultant, Executive Yuan Deputy Secretary-General, Executive Yuan Deputy Magistrate, Yunlin County Government Director, Yunlin County Government Director-General, Yunlin County Government</p>
Representative of National Development Fund, Executive Yuan: Chien-Yi Chang		<p>Ph.D. in Economics, National Taipei University</p> <p>President, Taiwan Institute of Economic Research Director, Taiwan Institute of Economic Research's Research Division II Vice Executive Secretary, Industrial Development Advisory Council of Ministry of Economic Affairs ROC Vice Executive Secretary, Commercial Development Advisory Council of Ministry of Economic Affairs ROC Vice Chairman, Policy Research Commission of the Economic and Trade in ROCCOC Adjunct Associate Professor, Department of National Business of Soochow University</p>
Representative of National Development Fund, Executive Yuan: Wan-Chi Hsu		<p>Ph.D. in Department of Business Administration, National Central University Master's Degree in Business Administration, National Taipei University</p> <p>Associate Professor, Department of Marketing Management, Central Taiwan University of Science and Technology Independent Director, Teco Image Systems Co., Ltd. Director, YM Oceanic Culture & Art Museum Chairman, Small and Medium Enterprise Credit Guarantee Fund of Taiwan President, Taiwan Small & Medium Enterprise Counseling Foundation Director, Taiwan Incubator SME Development Corp. Vice President, Yang Ming CEO, YM Oceanic Culture & Art Museum Secretary and Congressional Relations, Department of General Affairs, MOTC Associate Researcher and Congressional Relations, Public Construction Commission, Executive Yuan Secretary, Department of Social Welfare, Taipei City Government</p>

Name	Holding shares	Education/Experience
<p>Representative of National Development Fund, Executive Yuan: Fang-Yuan Chen</p>		<p>Ph.D. in Department of Transportation and Communication Management Science, National Cheng Kung University MBA in Aviation, Embry-Riddle Aeronautical University, Florida, USA. Bachelor's Degree in Department of Soil and Water Conservation, National Chung Hsing University</p> <p>Associate Professor, Department of Transportation and Logistics, Feng Chia University Chair, Department of Transportation and Logistics, Feng Chia University Deputy Director, Sales Department, Far Eastern Air Transport Corp. Ground Staff/Flight Attendant, China Airlines Ltd. Members of Aviation Safety Council, Civil Aviation Administration, MOTC</p>
<p>Representative of Taiwan International Ports Corporation: Shao-Liang Chen</p>	<p>Taiwan International Ports Corporation: 160,438,579 shares (4.59%)</p>	<p>Master's Degree in Business Administration Program, Department of Business Administration of National Dong Hwa University</p> <p>President, TIPC Executive Vice President, TIPC and President, Port of Kaohsiung Vice President of Business, TIPC Vice President, TIPC and President, Port of Taichung Deputy Director-General, Hualien Harbor Bureau of MOTC Chief Secretary, Hualien Harbor Bureau of MOTC</p>
<p>Representative of Taiwan Navigation Co., Ltd.: Wen-Ching Liu</p>	<p>Taiwan Navigation Co., Ltd.: 37,290,858 shares (1.07%)</p>	<p>Master's Degree in Applied Biology and Chemical Technology, The Hong Kong Polytechnic University Bachelor's Degree in Chemistry, National Chung Hsing University</p> <p>Chairman, Taiwan Navigation Company Chairman, Kaohsiung Ammonium Sulfate Co., Ltd. Chairman, the CSLC Senior Consultant, CPC Corporation, Taiwan</p>
<p>Independent Director: Tar-Shing Tang</p>	<p>0</p>	<p>Bachelor's Degree in Economics (Minor in Law), National Taiwan University</p> <p>Attorney-in-Charge, Tar-Shing Tang Law Office Qualification in Bar Examination Completion in The Training Institute of Ministry of Finance Qualification in Senior Examination of Finance</p>
<p>Independent Director: Huang-Chuan Chiu</p>	<p>0</p>	<p>Master's Degree in Law, University of Cambridge Bachelor's Degree in Law, National Taiwan University</p> <p>Attorney-in-Charge, Kew & Lord Independent Director, Taiwan High Speed Rail Corporation Independent Director, Lungteh Shipbuilding Co., Ltd.</p>

Name	Holding shares	Education/Experience
		<p>Independent Director, Chunghwa Precision Test Tech. Co., Ltd. Director, Ju-Kao Engineering Co., Ltd. Executive Supervisor, Central News Agency Director, Nylon Cheng Liberty Foundation Director, Pumen Home of Philanthropy</p>
<p>Independent Director: Jr-Tsung Huang</p>	<p>0</p>	<p>Ph.D. in Economics, University of Washington Master's Degree in Economics, University of Washington Master's Degree in Economics, National Taiwan University Bachelor's Degree in Economics, National Taiwan University</p> <p>Professor, Distinguished Professor and Contracted Professor, National Chengchi University Promotion Review Board members for outsourcing or bidding projects of MOEA, MOND, Taoyuan City Government, New Taipei City Government Minister and Consultant of International Industry Academic Exchange and Cooperation Committee, Taiwan Chamber of Commerce & Industry Members of the Public Debt Management Committee, Ministry of Finance Members of the Board of Examiners, Examination Yuan (Public Finance of Special Examination for Local Governments in 2010 and 2016) Dean of School of Humanities and Social Sciences, Kainan University Director of in service Master program, Department of Public affairs and Management, Kainan University Director, Office of Education and Training in Taipei, Kainan University Vice President and Director of Research Center, The Prospect Foundation Contracted Assistant Professor, Contracted Associate Professor, Chair, National Chengchi University Assistant Research Fellow and Postdoctoral Research Fellow, The First Research Division, Chung-Hua Institution for Economic Research Second Lieutenant Supply Officer, Magong Base Squadron, Republic of China Air Force</p>
<p>Independent Director: Feng-Ming Tsai</p>	<p>0</p>	<p>Ph.D. in Transportation, New Jersey Institute of Technology Master's Degree in Transportation, New Jersey Institute of Technology Bachelor's Degree in Civil Engineering, Chung Yuan Christian University</p> <p>Professor and Chair of Department of Shipping & Transportation Management, National Taiwan Ocean University Professor (joint appointment), Bachelor Degree</p>

Name	Holding shares	Education/Experience
		<p>Program in Ocean Tourism Management, National Taiwan Ocean University Representative, APEC Maritime Experts Group (MEG), MOTC Education & Training Consultant, Academy of Maritime Development, TIPC Executive Director, Association for Cruises Development of Taiwan Assistant Researcher, National Center for Transportation and Industrial Productivity, New Jersey Institute of Technology Specialist, Operational Strategy Planning Department, Taiwan High Speed Rail Corporation</p>
<p>Independent Director: Zheng-Yi Shon</p>	<p>0</p>	<p>Ph.D. in Transportation and Communication Management Science, National Cheng Kung University Master's Degree in Graduate School in China Studies, Tamkang University Bachelor's Degree in Department of Information Management, Chinese Culture University</p> <p>Professor, Department of International Business Management, Tainan University of Technology Director, Taoyuan International Airport Corporation Ltd. Independent Director, AXIOMTEK Co., Ltd. Independent Director, Asia Pacific Telecom Co., Ltd. Dean of Research and Development/Dean of College of Management, Tainan University of Technology</p>

Matters for Discussion

I. Proposal to Release the Prohibition on Directors (including Independent Director) 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, as provided in the said Article, they do anything for themselves or on behalf of another person without prejudicing the Company.
3. Please refer to p.54 for the list of release of the non-compete prohibition on Directors (including Independent Director) Candidates.

Resolution:

**List of Release of the Non-Compete Prohibition on Directors
(including Independent Director) Candidates**

Name	Company Name	Job Title
Representative of MOTC: Cheng-Mount Cheng	Kao Ming Container Terminal Corp.	Chairman
	Yang Ming Line Holding Co.	Director
	Yang Ming Line (Singapore) Pte. Ltd.	Director
	Yang Ming Line (B.V.I.) Holding Co., Ltd.	Director
	Yang Ming Line B.V.	Director
	Young-Carrier Company Ltd.	Director
Representative of MOTC: Tan Ho-Cheng	PChome Online Inc.	Independent Director
Representative of Taiwan International Ports Corporation: Shao-Liang Chen	Taiwan International Ports Corporation, Ltd.	Director, General Manager
Representative of Taiwan Navigation Co., Ltd.: Wen-Ching Liu	Taiwan Navigation Co., Ltd.	Chairman
Independent Director: Huang-Chuan Chiu	Taiwan High Speed Rail Corporation	Independent Director
	Lungteh Shipbuilding Co., Ltd.	Independent Director
MOTC	Taiwan Navigation Co., Ltd.	Director, Supervisor
	Taiwan International Ports Corporation, Ltd.	Director
National Development Fund, Executive Yuan	China Airlines Ltd.	Director
	Taiwan High Speed Rail Corporation	Director
	Kaohsiung Rapid Transit Corp.	Director
	WeMo (Cayman) Corp.	Director
	CSBC Corporation, Taiwan	Director
	Lungteh Shipbuilding Co., Ltd.	Director
Taiwan International Ports Corporation, Ltd	TIPC Marine Corporation, Ltd.	Director, Supervisor
	Taiwan International Ports Logistics Corporation, Ltd.	Director
	PT. Formosa Sejati Logistics	Director, Supervisor
Taiwan Navigation Co., Ltd.	Tai Shing Maritime Co., S.A.	Director
	Shin Wang Maritime Inc.	Director

Extempore Motions

Meeting Adjournment

Appendix

Appendix I

Articles of Incorporation

(The 33rd Amendment)

Chapter 1 General Provisions

- Article 1 This company is organized according to the provisions for a limited liability company set forth in the *Company Act* of the Republic of China and is named 陽明海運股份有限公司 in Chinese and Yang Ming Marine Transport Corporation in English.
- Article 2 The line of business of this company is as follows:
- A. Domestic and overseas marine shipment service
 - B. Domestic and overseas marine passenger service
 - C. Warehouse, pier, tug boat, barge, container freight station and terminal operations
 - D. Maintenance and repairs, chartering, sales and purchase of ships
 - E. Maintenance and repairs, lease, sales and purchase of containers as well as chassis
 - F. Shipping agency
 - G. G402011 Ocean freight forwarding service
 - H. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3 The head office of this company is located in Keelung City, Taiwan, Republic of China. If necessary, it may establish branch or representative offices at other domestic or overseas locations.
- Article 4 This company may provide guarantee for other entities.
The total amount of investment made by this company is not restricted by Clause 13 of the *Company Act* of the Republic of China.

Chapter 2 Shares and Certificate

- Article 5 The total capitalization of this company is NT\$ 45 billion, divided into 4.5 billion shares, NT\$10 par value each share. The board of directors is authorized to issue them in installments depending on the actual requirements of the company, where a portion of the shares may be in the form of preferred shares.
- Article 6 The share certificates of this company shall carry the holder's full name and the way of their printing shall abide by the provisions of the *Company Act* of the Republic of China. The company may be exempted from printing any share certificate but the shares must be registered with Central Securities Depository Institution.
The securities affairs of this company shall be handled pursuant to the "Rules Governing Securities-related Matters of Publicly Listed Companies" promulgated by the competent

authority, and other related laws and regulations of the Republic of China.

Article 6-1 The rights, obligation, and other important issuance terms of the company's preferred shares are as follows:

- A. The fiscal year-end earnings of the company shall be applied to the following uses in order: payments of taxes, making-up of accumulated deficit, legal reserve, special reserve by law. If there are needs for increasing the equipment of transportation and improving financial structure, the Company may set aside or rotate a special reserve. If the legal duties as above are fulfilled, the remaining earnings shall be first distributed to preferred shareholders that may be distributed as the current year's dividends.
- B. The dividends of preferred shares are capped at 8% per annum on the issue price. Cash dividends will be distributed annually in arrears. Once the company's financial reports have been acknowledged in the regular meeting of shareholders, the board shall be authorized to set the payment date for the distribution of the payable preferred share dividends for the previous year. In the year of issuance and redemption, the distribution of the payable dividends shall be calculated based on the actual number of days the preferred shares remained outstanding in that year.
- C. The company has discretion over the dividend distribution of preferred shares. The company may decide not to distribute dividends of preferred shares if no earnings are posted in a fiscal year or earnings posted are insufficient to distribute dividends of preferred shares, the preferred shareholders shall not object. The undistributed dividends or the deficit of dividends are noncumulative, and the preferred shareholders do not have the right to claim any of the unpaid or deficit dividends in the subsequent years where there are earnings.
- D. Except for the dividends prescribed in subparagraph 2 of this paragraph, shareholders of preferred shares shall not participate in the distribution of cash and stock dividends of the common shares derived from earnings or capital reserve.
- E. Preferred shareholders have the same share options for new shares as shareholders of common shares when the company issue new shares in cash.
- F. Preferred shareholders have priority over shareholders of common shares for distribution of the company's residual property. All preferred shareholders rank are equal with each other for repayment, but subordinate to the holders of debts. The repayment of preferred shares shall be capped at the issue price.
- G. Preferred shareholders do not have voting rights or suffrage in shareholders' meeting, but have right to be elected as a director. Preferred shareholders have voting rights at preferred shareholders' meeting and at shareholders' meeting with respect to agendas related to the rights and obligations of preferred shareholders.
- H. Preferred shares cannot be converted to common shares and preferred shareholders

do not have the right to request the company to redeem preferred shares they hold.

- I. Preferred shares are perpetual. Preferred shares may be redeemed in whole or in part at issue price anytime after 5th anniversary of preferred shares issuance at the option of the company. Unredeemed preferred shares shall remain to have the rights and obligations of issuance terms prescribed in this Article 6-1. In the year of redemption of preferred shares, if the company resolves to distribute preferred share dividends, dividends to be distributed until the redemption date shall be calculated based on the actual number of days the preferred shares remained outstanding in that year.
- J. The distribution of the preferred share dividends shall be determined according to the order in which preferred shares were issued.

The board of directors is authorized to resolve preferred share matters including names, issuance date, and other pragmatic issuance terms based on capital market circumstances and willingness of investors and in accordance with the Charter and related laws and regulations.

Chapter 3 Shareholders' Meeting

Article 7 Shareholder's meetings of this company consist of regular and special meetings. Unless otherwise stipulated in the Company Act or the relevant laws and regulations of the Republic of China, such meetings shall all be convened by the board of directors. The preferred shareholders' meeting may be convened when it deemed necessary in accordance with applicable laws and regulations. This company's shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority. In case a shareholders' meeting is proceeded via visual communication network, then the shareholders taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

Article 8 Shareholders of this company shall have one vote for each share they hold, except non-vote or exercise restriction stipulated by Laws of the Republic of China and the Charter.

Chapter 4 Directors and managers

Article 9 This company shall have 7 to 15 directors to be elected by the shareholders' meeting according to the laws and regulations of the Republic of China. The aforesaid Board of Directors shall have at least three independent directors.

This company adopts candidates' nomination system, and the shareholders shall elect the directors from among the nominees listed in the roster of director candidates. The nomination and election of the directors shall comply with Company Act and related

laws and regulations of Republic of China. The election of independent directors and non-independent directors shall be held together, however, the number of independent directors and non-independent directors elected shall be calculated respectively and those candidates receiving more voting rights shall be elected as independent directors and non-independent directors.

Article 10 All capable persons are eligible to be elected directors.

In case the government or a juristic person is a shareholder, it may be elected director, provided that a natural person be designated as its proxy for the exercise of duties. In case the government or juristic person is a shareholder, its representative may be elected director on its behalf. In case there are several representatives, all of them may be separately elected.

The representatives referred to in the preceding two paragraphs may, on account of their respective duties, be replaced by other designated persons to fulfill their unfinished terms.

Article 11 The term of office for both directors is 3 years and they are eligible for re-election.

Article 11-1 The board of directors is authorized to determine the remuneration to the board chairman and directors according to the extent of their participation in daily operations, contributions to business achievements, and the payment standards of other marine companies.

To disperse the risks that directors and enhance corporate governance, this company may buy policy of "Directors & Officers Liability Insurance" for all its directors, and representatives and for those who are assigned to be the directors or supervisors of its invested companies for the period of their term of duty.

Article 12 The directors shall elect a chairman of the board from among themselves by a resolution adopted by a majority of the directors at a meeting attended by at least 2/3 of the directors.

Article 13 The board of directors shall meet at least once quarterly and, if necessary, may hold special meetings. All such meetings shall be convened and presided over by the chairman of the board. If the chairman of the board cannot attend the meeting, the directors shall elect one director among them to act for the chairman.

The company may use a written notice, e-mail, or facsimile to inform the directors on the holding of a meeting.

A director may appoint another director to represent him or her if he or she is unable to attend the meeting.

Article 14 The duties of the board of directors are as follows:

- A. Reviewing business guidelines
- B. Reviewing budget and financial reports
- C. Scrutinizing important rules and contracts
- D. Appointing and discharging important personnel
- E. Establishing and removing branch offices

F. Proposing to the meeting of shareholders revision of the Charter, change of capitalization, and dissolution or merger of this company.

G. Proposing to the meeting of shareholders allocation of profits and making up for losses.

H. Determining other important matters.

Article 15 From the 17th term of board of directors, this company shall establish an Audit Committee, which shall be composed of independent directors. The Audit Committee or the members of Audit Committee shall be responsible for those responsibilities of Supervisors specified under the Company Act, *Securities and Exchange Act* and other relevant laws and regulations of the Republic of China.

This Remuneration Committee, composed of all independent directors, propose the following matters and then submit its recommendation to the board of directors for deliberation.

A. Periodically reviewing the Remuneration Committee Charter and make recommendations for amendments.

B. Establishing and periodically reviewing the standards, annual and long-term goals of performance review for directors and managers and the remuneration policy, system, standards, and structure.

C. Periodically assessing the achievement of performance goals for the directors and managers, and setting the details and amounts of their individual remuneration in accordance with the performance review.

This company may set up all kinds of functional committees resolved by the board of directors according to the laws, regulations or principles or due to business needs. Functional committees shall adopt an organizational charter to be resolved by the board of directors and be responsible to the board of directors.

Article 16 This company shall have managerial officers including a president, senior executive vice presidents, executive vice presidents and chief officers of groups.

The appointment, relief of duty, and remuneration for the president and the aforesaid managerial officers should be proceeded in accordance with the Article 29 of the Company Act of the Republic of China.

Chapter 5 Financial Matters

Article 17 At the end of each fiscal year, the board of directors of this company shall prepare the following statements and records of accounts for examination by the Audit Committee of this company and submit report 30 days before the opening of the regular meeting of shareholders for submission to the regular meeting of shareholders for approval:

A. Business report;

B. Financial report;

C. Proposal for allocation of profits or making up losses.

Article 18-1 The annual net profits after tax of final accounts of the Company shall make up for loss carried over from previous years first, secondly appropriate reserve in accordance with

laws and regulation and make or reverse a special reserve for increasing the equipment of transportation and improving financial structure, to distribute dividend for preferred shares. While there are surpluses, the common stock dividends shall be allocated at least 25% of the current year's distributable earnings. The board of directors could include the undistributed earnings at the beginning of the period to contemplate company's long-term financial planning, industry competition, capital expenditure, working capital requirements and shareholders' interests into account, to draft an earnings distribution proposal to resolved by the shareholders' meeting. The common stock dividends could be distributed by cash dividends or stock dividends and the cash dividends shall account for no less than 20% of the total dividends.

Article 18-2 The company is required by law to appropriate special reserve from the balance of retained earnings of the prior period against the full amount of "the cumulative net increases in fair value of investment properties in the prior period" and "the cumulative net decrease of other equity in the prior period". If the amount of retained earnings of the prior period is not enough for such appropriation, the company should further make up the gap by the net profit after tax and the balances of other equity items of current period.

Chapter 6 Addendum

Article 19 The organic rules of this company shall be separately stipulated.

Article 20 Matters not stipulated in this Charter shall be handled according to the Company Act and other related laws and regulations of the Republic of China.

Article 21 This Charter was established on Dec. 28, 1972. The 1st amendment was made on Dec. 23, 1978. The 2nd amendment was made on Mar. 28, 1979. The 3rd amendment was made on June 28, 1979. The 4th amendment was made on Jan. 24, 1980. The 5th amendment was made on June 12, 1981. The 6th amendment was made on Feb. 28, 1983. The 7th amendment was made on Apr. 17, 1985. The 8th amendment was made on June 2, 1988. The 9th amendment was made on Dec. 26, 1990. The 10th amendment was made on Mar. 10, 1992. The 11th amendment was made on Sep. 30, 1992. The 12th amendment was made on Nov. 23, 1994. The 13th amendment was made on Nov. 25, 1995. The 14th amendment was made on Sep. 21, 1996. The 15th amendment was made on Dec. 6, 1997. The 16th amendment was made on Dec. 18, 1998. The 17th amendment was made on June 3, 2000. The 18th amendment was made on June 20, 2001. The 19th amendment was approved on June 21, 2002. The 20th amendment was approved on June 20, 2003. The 21th amendment was approved on June 23, 2005. The 22nd amendment was approved on June 23, 2006. The 23th amendment was approved on June 27, 2007. The 24th amendment was approved on June 18, 2009. The 25th amendment was approved on June 18, 2010.

The 26th amendment was approved on June 15, 2012. The 27th amendment was approved on June 14, 2013. The 28th amendment was approved on June 18, 2014. The 29th amendment was approved on June 22, 2016. The 30th amendment was approved on June 22, 2018. The 31st amendment was approved on June 17, 2020. The 32nd amendment was approved on May 14, 2021. The 33rd amendment was approved on May 27, 2022.

Appendix II

Rules of Procedure for Shareholders Meetings of Yang Ming Marine Transport Corporation

Created on June 21, 2002
Amendment was made on June 18, 2009
Amendment was made on June 17, 2020
Amendment was made on May 14, 2021
Amendment was made on May 27, 2022

- Article 1 To establish a strong governance system and sound supervisory capabilities for this Corporation's shareholders meetings and strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the *Corporate Governance Best-Practice Principles for Taiwan Stock Exchange Corporation/GreTai Securities Market (TWSE/GTSM) Listed Companies*.
- Article 2 The rules of procedures for this Corporation's shareholders meetings, except otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.
- Article 3 Unless otherwise provided by law or regulation, this Corporation's shareholders meetings shall be convened by the board of directors.
Changes to how this Corporation convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.
This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) no later than 30 days prior to the date of a regular shareholders meeting or no later than 15 days prior to the date of a special shareholders meeting. This Corporation shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS no later than 30 days prior to the date of the regular shareholders meeting or no later than 15 days prior to the date of the special shareholders meeting. In addition, no later than 15 days prior to the date of the shareholders meeting, this Corporation shall also prepare the shareholders meeting agenda and supplemental meeting materials and make them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at this Corporation and the professional shareholder services agent designated thereby as well as being distributed on-site at the meeting place.
This Corporation shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:
1. For physical shareholders meetings, to be distributed on-site at the meeting.
 2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
 3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.
- The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice

may be given in electronic form.

Election or dismissal of directors, amendments to the articles of incorporation, capital reduction, application of terminating public offering, releasing directors from non-competition restrictions, capital increasing by retained earnings, capital increasing by additional paid-in capital (APIC), the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Article 26-1 and 43-6 of the *Securities and Exchange Act*, and Article 56-1 and 60-2 of the *Regulations Governing the Offering and Issuance of Securities by Securities Issuers*, shall be set out in the notice with the reasons and the main content for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

If the overall re-election of directors and the effective date have been specified in the reasons for convening a shareholders meeting, after the overall re-election of directors, the effective date of directors shall not be changed by an extraordinary motion on the shareholders meeting or by other means in the same meeting.

A shareholder holding 1 percent or more of the total number of issued shares may submit to this Corporation a written proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder proposal urging the corporation to promote public interests or fulfill its social responsibilities may still be included in the agenda by the board of directors, and such proposal shall comply with Article 172-1 of the Company Act and be limited to one item only, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before a regular shareholders meeting is held, this Corporation shall publicly announce its acceptance of shareholder proposals in writing or by way of electronic transmission, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in the discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who have submitted proposals of the proposal scrutiny results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for not including any shareholder proposals in the agenda.

Article 4

For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Corporation no later than 5 days prior to the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to this Corporation, if the shareholder intends

to attend the meeting in person or online, or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Corporation no later than 2 days prior to the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5 The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting time may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.
The restrictions on the place of the meeting shall not apply when this Corporation convenes a virtual-only shareholders meeting.

Article 6 This Corporation shall specify in its shareholders meeting notices the time during which shareholder attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

The time of the shareholder attendance registrations is to be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the beginning of the meeting. The place where the attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel shall be assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

This Corporation shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with this Corporation two days before the meeting date. In the event of a hybrid shareholders meeting, shareholders already registered to attend online by the rule but would like to change to attend the physical meeting in person, shall cancel the registration through the same registration method two days before the meeting date. If the cancellation is submitted after that time, the shareholders shall only attend shareholders meeting online.

In the event of a virtual shareholders meeting, this Corporation shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

- Article 6-1 To convene a virtual shareholders meeting, this Corporation shall include the following particulars in the shareholders meeting notice:
1. How shareholders attend the virtual meeting and exercise their rights.
 2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
 - (1) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
 - (2) Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
 - (3) In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.
 - (4) Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.
 3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.

Article 7 If the shareholder meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the chairperson shall appoint one of the directors to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.

When a director serves as chair, as referred to in the preceding paragraph, the director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one independent director in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes. If a shareholder meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

This Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

Article 8 This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio or video recording of the registration

procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Where a shareholders meeting is held online, this Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by this Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by this Corporation during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

Article 9

Attendance at shareholders meetings shall be calculated based on number of shares. The number of shares in attendance shall be calculated according to the shares indicated by the sign-in cards handed in and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and announce the votes with no voting rights and the number of shares in attendance. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, are made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, this Corporation shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month.

In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to this Corporation in accordance with Article 6.

If, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 10

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Related proposals (including extraordinary motions and amendments to the original proposals) shall be voted on separately. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the

meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting. The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote and provide ample time for voting.

Article 11 Before speaking, a shareholder in attendance must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholder meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Discussion of the motions, Chairman may pronounce the end of discussion discretionally, or, may have the discussion suspended if it is necessary and ask to decide by vote.

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

Article 12 Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of this Corporation, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending

shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When this Corporation holds a shareholders meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means (in accordance with the proviso of Article 177-1 of the Company Act regarding companies that shall adopt electronic voting: When this Corporation holds a shareholders meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence). When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting. It is therefore advisable that this Corporation avoids the submission of extraordinary motions and amendments to original proposals.

When a shareholder attends the shareholders meeting online, and intend to exercise voting rights by correspondence or electronic means without canceling the declarations of intent, except the extraordinary motions, may not exercise voting rights to the original proposals, amendments to original proposals, or submit amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Corporation no later than 2 days prior to the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Corporation by the same means by which the voting rights have been exercised, no later than 2 days prior to the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the

number of abstentions, shall be entered into the MOPS. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

When this Corporation convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

Article 14 The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately, including the names and votes they received for every winning or losing candidate.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15 Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the date, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results (including the statistical tallies of the numbers of votes). Where there is an election of directors, the numbers of votes each candidate director has received shall be disclosed. And the record shall be retained for the duration of the existence of this Corporation.

Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only shareholders meeting, other than compliance with the

requirements in the preceding paragraph, this Corporation shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending shareholders meeting online.

- Article 16 On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, this Corporation shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.
- During this Corporation's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.
- If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under TWSE (or GTSM) regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.
- Article 17 Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.
- The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an armband or an identification card bearing the word "Proctor."
- In the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.
- When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.
- Article 18 When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed. When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.
- If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue. A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.
- Article 19 In the event of a virtual shareholders meeting, this Corporation shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

- Article 20 When this Corporation convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.
- Article 21 In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the *Regulations Governing the Administration of Shareholder Services of Public Companies*, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or For a meeting to be postponed or resumed under the first paragraph other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.
- For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.
- For a meeting to be postponed or resumed under the first paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.
- During a postponed or resumed session of a shareholders meeting held under the first paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.
- When this Corporation convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in first paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and no postponement or resumption under the first paragraph is required.
- Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.
- When postponing or resuming a meeting according to the first paragraph, this Corporation shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the *Regulations Governing the Administration of Shareholder Services of Public Companies*.
- For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of *Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies*, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the *Regulations Governing the Administration of Shareholder Services of Public Companies*, this Corporations hall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the first paragraph.

- Article 22 When convening a virtual-only shareholders meeting, this Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.
- Article 23 These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.

Appendix III

Rules for Election of Directors of Yang Ming Marine Transport Corporation

Approved by the shareholders meeting on June 21, 2002

Amendment was made on June 18, 2009

Amendment was made on June 14, 2013

- Article 1 Except as otherwise provided by law and regulation or by the articles of incorporation of this company, the elections of directors shall be conducted in accordance with these Rules.
- Article 2 The cumulative voting method shall be used for election of the directors at this company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates. The directors of this company shall be elected by adopting candidate nomination system, the election of independent and non-independent directors shall be held together; however, the number of independent and non-independent directors elected shall be calculated separately.
- Article 3 The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
- Article 4 The number of directors will be as specified in this company's articles of incorporation, with voting rights separately calculated for non-independent and independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.
- Article 5 Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the company and publicly checked by the vote monitoring personnel before voting commences.
- Article 6 If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder

shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.

Article 7 A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by the board of directors.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.
5. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.
6. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.
7. The requested information is not completely entered in Article 6.
8. The number of the candidates entered in the ballot exceeding the number of the seats to be elected.
9. The total votes cast by the voter exceeding the total voting rights of such voter.

Article 8 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors, shall be announced by the chair on the site.

Article 9 The board of directors of this company shall issue notifications to the persons elected as directors.

Article 10 These Rules, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Appendix IV

Shareholding of Current Directors

In accordance with relevant laws and regulations, the minimum required combined shareholding of all the directors on the book closure date, March 26, 2024: 83,810,502 shares (3.0%).

Position	Name	Shareholding on the book closure date
Chairman / Board of Directors	Corporate Representative of MOTC: Cheng-Mount Cheng	467,682,372
Director	Corporate Representative of MOTC: Jiang-Ren Chang	467,682,372
Director	Corporate Representative of MOTC: An-Chung Ku	467,682,372
Director	Corporate Representative of NDF: Keh-Her Shih	460,000,000
Director	Corporate Representative of NDF: Chien-Yi Chang	460,000,000
Director	Corporate Representative of NDF: Chih-Li Chen	460,000,000
Director	Corporate Representative of TIPC: Shao-Liang Chen	160,438,579
Director	Corporate Representative of TNC: Wen-Ching Liu	37,290,858
Independent Director	Tar-Shing Tang	0
Independent Director	Tan Ho-Cheng	0
Independent Director	Jr-Tsung Huang	0
The combined shareholding of all the directors (excluding independent directors)		1,125,411,809

Note 1: According to Article 26 of the *Securities and Exchange Act*, the minimum legally required combined shareholding of all the directors shall exclude the shareholding of independent directors.