

# YANG MING MARINE TRANSPORT CORP.

## Minutes of the 2024 Shareholders' Meeting

Time: 9:00 a.m., May 24, 2024, Friday

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

Physical Meeting Place: No. 20, Sec. 1, Changsha St., Zhongzheng Dist., Taipei City, Taiwan (R.O.C.) (Taipei Hero House 1<sup>st</sup> Floor Banquet Hall)

Virtual Meeting Platform: Electronic voting system and virtual meeting platform for shareholders' meeting designed by Taiwan Depository & Clearing Corporation (TDCC)

(website: <https://stockservices.tdcc.com.tw>)

Number of shares represented: 1,860,233,374 (including 1,223,475,948 shares using electronic voting/ 17,300 shares attending through virtual meeting platform), or 53.26% of the total 3,492,104,270 shares issued

Directors present: Cheng-Mount Cheng, Chien-Yi Chang, Jiang-Ren Chang, An-Chung Ku, Tar-Shing Tang (Independent Director/Convener of Audit Committee), Jr-Tsung Huang (Independent Director)

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

Chairman: Cheng-Mount Cheng

Minute Taker: Tina Lu

### I. Chairman's Address: (omitted)

### II. Matters to Report:

#### Report I. 2023 Business Report

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

Shareholder No.329 raised the concern about the cross-strait relation issue.

#### Report II. 2023 Audit Committee's Review Report

**Explanation:** Please refer to Appendix 1.

Shareholders No.329, 864548 raised the concern about the Company's profit in 2023 and energy saving and carbon reduction.

Shareholder No.314725 raised the concern about the souvenir distribution of shareholders' meeting, operating conditions in the second half of 2024, the difference of earnings per share and the company's stock price.

The President's clarifications:

1. The Company has actively implemented energy saving and carbon reduction measures in both office environments and fleets. The progress of greenhouse gas emission reduction is ahead of the IMO standard.
2. Despite challenges (such as geopolitics, inflation and new vessel deliveries) in the

international shipping market in the second half of 2024, the Red Sea crisis leads to increase of voyage transit time and consumption of vessel capacity, operation status in the second half of 2024 are expected to be on the optimistic side.

3. The international shipping market fluctuates drastically due to various factors, the earnings per share in 2021 and 2022 were unprecedented, but returned to normal state in 2023.

### **Report 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.

Shareholders No.329, 314725 raised the concern about the distribution on employees' and directors' compensation and the attendees of the shareholders' meeting.

The Chief Administrative Officer clarified that the employees' and directors' compensation are allocated in accordance with the Article 18 of the Incorporation of the Company and current number of employees is 1,550.

### **III. Matters for Recognition:**

#### **Proposal 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 can be referenced from p.9-16 of the Handbook for the 2024 Shareholders' Meeting and the 2023 consolidated and stand-alone financial statements can be referenced to Appendix 2.

Shareholders No.329, 327569 raised the concern about the geopolitics, selling and marketing expenses, the installation ratio of scrubbers and CII ratings.

Shareholder No.314725 raised the concern about the difference between directors' remuneration and compensation, data in the annual report (cash equivalents, personnel costs, changes exceeding 20%, bank fixed deposit interest rates, outsourcing valuation, and related party credit loans), and rules of procedure for shareholders' meeting.

The Chairman clarified that the Company will install scrubbers on suitable vessels based on cost-benefit analysis.

The Chief Strategy Officer clarified that the scrubber installation ratio in 2023 was 49% and is expected to reach 55% in 2024.

The Chief Marine Technical Officer clarified that the Company dynamically modifies

vessels of C rating by month to comply with CII regulations.

The Chief Financial Officer's clarifications:

1. Director remuneration includes monthly payments, while director compensation is allocated based on the Incorporation of the Company and annual profit.
2. Regarding the annual report:
  - (1) Please refer to p.161 of the annual report for the explanations for changes exceeding 20%; Changes in cash equivalents are related to the distribution of cash dividends in 2023; Selling and marketing expenses decreased due to profit decrease in 2023.
  - (2) While we provide service globally, some emerging countries with high inflation have relatively higher deposit rates.
  - (3) Many of the directors are representatives of government or public entities, transactions with financial institutions with a state-owned background are considered as related parties.
  - (4) Real estate requires regular fair value reporting, therefore the company commissioned external professional institutions to issue reports, which are audited by accountants.

The Chief Administrative Officer's clarifications:

1. Director compensation is only allocated to the 8 directors (excluding independent directors).
2. The operating revenue in 2022 was higher than 2023 due to significant increase in ocean freight, while personnel costs are related to the operating volume and service deployment, there were no significant personnel changes over the past 2 years.

The lawyer clarified that according to Article 11 of the Company's Rules of Procedure for Shareholders' Meetings, each shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes.

**Resolution:** The eligible shares for voting are 1,860,226,674 with 1,588,651,437 shares (including 954,780,061 shares by electronic voting/ 2,300 shares attending through virtual meeting platform) voting for the proposal, 1,446,387 shares (including 1,421,835 shares by electronic voting/ no shares attending through virtual meeting platform) voting against it, 270,128,850 shares (including 267,274,052 shares by electronic voting/ 15,000 shares attending through virtual meeting platform) abstaining, and there are no invalid shares. With 85.40% of the eligible shares voting for this proposal, this motion is approved as proposed.

**Proposal 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 Appendix 3.
  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.

Shareholders No.329, 1299429, 314725 raised the concern about the earnings distribution and cash dividend for next year.

Shareholder No.1279547 raised the concern about the General Rate Increase (GRI) collection, long-term contract rates in North America, loss recognition of vessel retirement, and the impact of the US dollar depreciation on operations.

The Chairman clarified that the Board of Directors has resolved to distribute cash dividends higher than the earnings per share as reward to the shareholders. If the Company maintains stable profitability, we will continue to distribute dividends. However, considering high uncertainty in shipping market, the Company must retain earnings for capital expenditures and fleet improvement to ensure stable service and profitability.

The President clarified that the Red Sea crisis leads to a shortage of vessels and containers, all GRIs are announced to customers in accordance with relevant regulations. The average ship age of company's fleet are relatively younger, and no retirement loss recognition was required in the past year.

The Chief Financial clarified that the main functional currency of the Company is US dollar, and maintained certain US dollar position to meet future capital expenditure plans. The changes in the US dollar exchange rate have little impact on operations, and the Company will minimize the short-term impact on earnings per share as well.

**Resolution:** The eligible shares for voting are 1,860,226,674 with 1,584,267,603 shares (including 950,396,227 shares by electronic voting/ 2,300 shares attending through virtual meeting platform) voting for the proposal, 5,895,093 shares (including 5,870,541 shares by electronic voting/ no shares attending through virtual meeting platform) voting against it, 270,063,978 shares (including 267,209,180 shares by electronic voting/ 15,000 shares attending through virtual meeting platform) abstaining, and there are no invalid shares. With 85.16% of the eligible shares voting for this proposal, this motion is approved as proposed.

#### **IV. Election**

##### **Proposal I. The 21<sup>st</sup> Election of Directors (including Independent Directors)**

- Explanation:**
1. The three-year term of 20<sup>th</sup> 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.

Shareholder No.329 raised the concern about the necessities to elect labor director.

**Voting Result:**

The List of Directors and Independent Directors Elected

Title	Shareholder/ Personal ID Number	Name	Votes
Director	1	Representative of MOTC: Cheng-Mount Cheng	2,513,972,235
Director	1	Representative of MOTC: Tan Ho-Cheng	1,320,997,513
Director	1	Representative of MOTC: Dzwo-Min Dai	1,330,686,933
Director	1	Representative of MOTC: Chun-Chun Chen	1,333,031,718
Director	626257	Representative of National Development Fund, Executive Yuan: Keh-Her Shih	1,770,175,644
Director	626257	Representative of National Development Fund, Executive Yuan: Chien-Yi Chang	1,765,323,512
Director	626257	Representative of National Development Fund, Executive Yuan: Wan-Chi Hsu	1,771,436,362
Director	626257	Representative of National Development Fund, Executive Yuan: Fang-Yuan Chen	1,769,049,140
Director	585382	Representative of Taiwan International Ports Corporation: Shao-Liang Chen	1,237,319,675
Director	585383	Representative of Taiwan Navigation Co., Ltd.: Wen-Ching Liu	2,511,987,092
Independent Director	C1010xxxxx	Tar-Shing Tang	906,978,943
Independent Director	E1005xxxxx	Huang-Chuan Chiu	870,745,605
Independent Director	A1230xxxxx	Jr-Tsung Huang	873,345,440
Independent Director	J1215xxxxx	Feng-Ming Tsai	871,705,333
Independent Director	F1202xxxxx	Zheng-Yi Shon	1,784,446,022

**V. Matters for Discussion**

**Proposal 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.

Shareholder No.329 raised the concern about the qualifications of the candidates and the release of the prohibition from participation in competitive business.

**Resolution:** For releasing the prohibition on Director Cheng-Mount Cheng, the representative of MOTC, from participation in competitive business, the eligible shares for voting are 1,860,226,674 with 1,526,855,673 shares (including 893,856,028 shares by electronic voting/ 2,300 shares attending through virtual meeting platform) voting for the proposal, 19,985,544 shares (including 19,094,261 shares by electronic voting/ no shares attending through virtual meeting platform) voting against it, 313,385,457 shares (including 310,525,659 shares by electronic voting/ 15,000 shares attending through virtual meeting platform) abstaining, and there are no invalid shares. With 82.07% of the eligible shares voting for this proposal, this motion is approved as proposed.

For releasing the prohibition on Director Tan Ho-Cheng, the representative of MOTC, from participation in competitive business, the eligible shares for voting are 1,860,226,674 with 1,539,166,586 shares (including 905,523,410 shares by electronic voting/ 2,300 shares attending through virtual meeting platform) voting for the proposal, 9,481,827 shares (including 9,234,075 shares by electronic voting/ no shares attending through virtual meeting platform) voting against it, 311,578,261 shares (including 308,718,463 shares by electronic voting/ 15,000 shares attending through virtual meeting platform) abstaining, and there are no invalid shares. With 82.74% of the eligible shares voting for this proposal, this motion is approved as proposed.

For releasing the prohibition on Director Shao-Liang Chen, the representative of Taiwan International Ports Corporation, Ltd. from participation in competitive business, the eligible shares for voting are 1,860,226,674 with 1,477,433,484 shares (including 843,625,756 shares by electronic voting/ 2,300 shares attending through virtual meeting platform) voting for the proposal, 71,009,721 shares (including 70,929,521 shares by electronic voting/ no shares attending through virtual meeting platform) voting against it, 311,783,469 shares (including 308,920,671 shares by electronic voting/ 15,000 shares attending through virtual meeting platform) abstaining, and there are no invalid shares. With 79.42% of the eligible shares voting for this proposal, this motion is approved as proposed.

For releasing the prohibition on Director Wen-Ching Liu, the representative of Taiwan Navigation Co., Ltd., from participation in competitive business, the eligible shares for voting are 1,860,226,674 with 1,536,539,986 shares (including 903,492,810 shares by electronic voting/ 2,300 shares attending

through virtual meeting platform) voting for the proposal, 11,904,894 shares (including 11,061,142 shares by electronic voting/ no shares attending through virtual meeting platform) voting against it, 311,781,794 shares (including 308,921,996 shares by electronic voting/ 15,000 shares attending through virtual meeting platform) abstaining, and there are no invalid shares. With 82.59% of the eligible shares voting for this proposal, this motion is approved as proposed.

For releasing the prohibition on Independent Director Huang-Chuan Chiu from participation in competitive business, the eligible shares for voting are 1,860,226,674 with 1,530,507,041 shares (including 897,724,675 shares by electronic voting/ 2,300 shares attending through virtual meeting platform) voting for the proposal, 16,084,828 shares (including 14,988,745 shares by electronic voting/ no shares attending through virtual meeting platform) voting against it, 313,634,805 shares (including 310,762,528 shares by electronic voting/ 15,000 shares attending through virtual meeting platform) abstaining, and there are no invalid shares. With 82.27% of the eligible shares voting for this proposal, this motion is approved as proposed.

For releasing the prohibition on Director MOTC, from participation in competitive business, the eligible shares for voting are 1,860,226,674 with 1,539,479,227 shares (including 905,635,330 shares by electronic voting/ 2,300 shares attending through virtual meeting platform) voting for the proposal, 9,036,483 shares (including 8,997,731 shares by electronic voting/ no shares attending through virtual meeting platform) voting against it, 311,710,964 shares (including 308,842,887 shares by electronic voting/ 15,000 shares attending through virtual meeting platform) abstaining, and there are no invalid shares. With 82.75% of the eligible shares voting for this proposal, this motion is approved as proposed.

For releasing the prohibition on Director National Development Fund, Executive Yuan from participation in competitive business, the eligible shares for voting are 1,860,226,674 with 1,526,776,040 shares (including 893,789,674 shares by electronic voting/ 2,300 shares attending through virtual meeting platform) voting for the proposal, 19,930,985 shares (including 19,039,702 shares by electronic voting/ no shares attending through virtual meeting platform) voting against it, 313,519,649 shares (including 310,646,572 shares by electronic voting/ 15,000 shares attending through virtual meeting platform) abstaining, and there are no invalid shares. With 82.07% of the eligible shares voting for this proposal, this motion is approved as proposed.

For releasing the prohibition on Director Taiwan International Ports Corporation, Ltd. from participation in competitive business, the eligible shares for voting are 1,860,226,674 with 1,498,949,027 shares (including 865,178,130 shares by electronic voting/ 2,300 shares attending through virtual meeting platform) voting for the proposal, 49,515,347 shares (including 49,435,147 shares by electronic voting/ no shares attending through virtual meeting platform) voting against it, 311,762,300 shares (including 308,862,671 shares by electronic voting/ 15,000 shares attending through virtual meeting platform) abstaining, and there are no invalid shares. With 80.57% of the eligible shares voting for this proposal, this motion is approved as proposed.

For releasing the prohibition on Director Taiwan Navigation Co., Ltd. from participation in competitive business, the eligible shares for voting are 1,860,226,674 with 1,539,514,613 shares (including 905,675,716 shares by electronic voting/ 2,300 shares attending through virtual meeting platform) voting for the proposal, 9,047,443 shares (including 9,008,691 shares by electronic voting/ no shares attending through virtual meeting platform) voting against it, 311,664,618 shares (including 308,791,541 shares by electronic voting/ 15,000 shares attending through virtual meeting platform) abstaining, and there are no invalid shares. With 82.75% of the eligible shares voting for this proposal, this motion is approved as proposed.

**There are no comments raised by Shareholders participated through virtual meeting platform.**

**VI. Extempore Motions:**

Shareholder No. 413829 raised the concern about the dividend distribution in the second half of the year, the decarbonization pathways, and the SBTi emissions reduction targets.

The Chairman clarified that the economic conditions of 2024 will be reflected in next year's dividend distribution. The average ship age of Company's fleet is younger compared to the competitors, while new vessels could assist carbon reduction, but current technologies enable older vessels to use new fuels. The Company will adjust flexibly to comply with regulations in various countries and enhance carbon reduction targets based on the operational and financial status.

**VII. Adjournment: 11:38 a.m.**

Chairman: Cheng-Mount Cheng

Minute Taker: Tina Lu

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

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



## 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

## **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	%
<b>CURRENT ASSETS</b>				
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>
<b>NON-CURRENT ASSETS</b>				
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>
<b>TOTAL</b>	<u>\$ 392,610,553</u>	<u>100</u>	<u>\$ 508,148,780</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
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>
<b>NON-CURRENT LIABILITIES</b>				
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>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>				
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
<b>NON-CONTROLLING INTERESTS</b>	723,297	-	826,225	-
Total equity	<u>277,701,209</u>	<u>71</u>	<u>343,785,963</u>	<u>68</u>
<b>TOTAL</b>	<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>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>\$ 4,991,848</u>	<u>4</u>	<u>\$ 179,503,086</u>	<u>48</u>
<b>NET PROFIT ATTRIBUTABLE TO:</b>				
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>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>				
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>
<b>EARNINGS PER SHARE (Note 28)</b>				
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											
	Equity Attributable to Owners of the Company						Other Equity			Total	Non-controlling Interests (Note 24)	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)	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income (Notes 4 and 24)	Gain (Loss) on Hedging Instruments (Notes 4 and 24)			
Shares (In Thousands)	Amount	Legal Reserve		Special Reserve	Unappropriated Earnings							
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
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
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>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
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>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(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>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES</b>		
	<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)

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	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	%
<b>CURRENT ASSETS</b>				
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>
<b>NON-CURRENT ASSETS</b>				
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>
<b>TOTAL</b>	<u>\$ 376,805,456</u>	<u>100</u>	<u>\$ 490,410,935</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
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>
<b>NON-CURRENT LIABILITIES</b>				
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>
<b>EQUITY</b>				
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	<u>176,009,020</u>	<u>47</u>	<u>259,456,948</u>	<u>53</u>
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>
<b>TOTAL</b>	<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
<b>CASH FLOWS FORM OPERATING ACTIVITIES</b>		
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>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
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>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
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>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES</b>		
	<u>315,422</u>	<u>2,025,201</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(49,015,969)	43,482,280
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>85,538,805</u>	<u>42,056,525</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<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)

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		<u>167,601,425,057</u>

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

Note 2 : Under Rule No.10901500221 Issued by the FSC on March 31<sup>st</sup> 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 31<sup>st</sup> 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