



長榮海運股份有限公司  
EVERGREEN MARINE CORP. (TAIWAN) LTD.

TSE: 2603

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# 2020

## ANNUAL REPORT

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# Contents

Chapter 01	1-1 2020 Business Report	004
<b>Letter to Shareholders</b>	1-2 2021 Business Plan	014
	1-3 External Competitive Environment, Regulatory Environment and Overall Operating Environment	016
	1-4 Future Strategy	017
	Chapter 02	2-1 Registration Date of the Company
<b>Company Profile</b>	2-2 A Chronology of Evergreen Marine Corporation (Taiwan) Ltd.	018
	Chapter 03	3-1 Organization
<b>Corporate Governance Report</b>	3-2 Directors and Management Team	027
	3-3 Implementation of Corporate Governance	060
	3-4 Information Regarding the Company's Audit Fee and Independence	128
	3-5 Replacement of CPA	129
	3-6 Audit Independence	130
	3-7 Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders	131
	3-8 Relationship Among the Top Ten Shareholders	137
	3-9 Ownership of Shares in Affiliated Enterprise	140
	Chapter 04	4-1 Capital and Shares
<b>Capital Overview</b>	4-2 Bonds	150
	4-3 Preferred Stock	153
	4-4 Global Depository Receipts	153
	4-5 Employee Stock Options	153
	4-6 Status of New Shares Issuance in Connection with Mergers and Acquisitions	153
	4-7 Financing Plans and Implementation	154
	Chapter 05	5-1 Business Highlights
<b>Business Development Outline</b>	5-2 Market and Industry Analysis	164
	5-3 Human Resources	169
	5-4 Expenses for Environmental Protection	169
	5-5 Labor Relations	172
	5-6 Important Agreement	179

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## TABLE OF CONTENTS

Chapter 06	6-1 Five-Year Financial Summary	186
<b>Financial Information</b>	6-2 Five-Year Financial Analysis	190
	6-3 The Company should disclose the financial impact to the Company if the Company and its affiliated companies have incurred any financial or cash flow difficulties in 2020 and as of the date of this Annual Report	194
	6-4 Audit Committee's Review Report	195
	6-5 Consolidated Financial Statements and Report of Independent Accountants	196
	6-6 Parent Company Only Financial Statements and Report of Independent Accountants	322
	Chapter 07	7-1 Comparison of Financial Positions in the Last Two Years
<b>Review of Financial Conditions, Financial Performance, and Risk Management</b>	7-2 Comparison of Financial Performance in the Last Two Years	447
	7-3 Analysis of Cash Flow	448
	7-4 Effects of Major Capital Expenditure on Finance and Business Operations	449
	7-5 Investment Policy in the Last Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year	450
	7-6 Analysis of Risk Management	450
	7-7 Other Important Issues	460
	Chapter 08	8-1 Summary of Affiliated Companies
<b>Special Disclosure</b>	8-2 Securities Issuance through Private Placement	478
	8-3 Holdings and Sale of Shares by Subsidiaries	478
	8-4 Other Necessary Supplementary Information	478
	8-5 Any events in 2020 and as of the date of this annual report had significant impacts on shareholders' right or security prices as stated in item 3 paragraph 2 of Article 36	478

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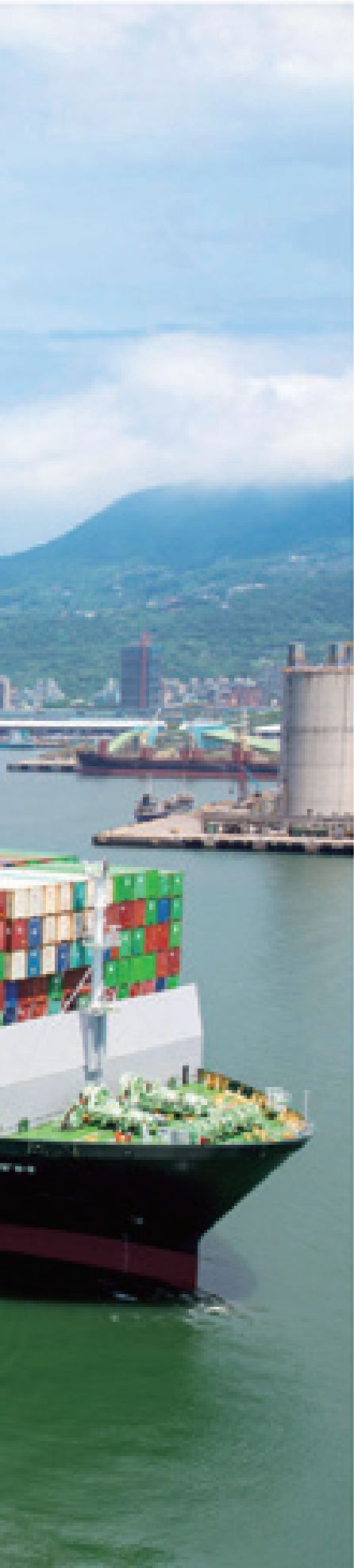
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## Dear Shareholders,

The global economy faced many challenges in 2020. The long-lasting China-US trade war escalated at the beginning of the year, followed by an outbreak of COVID-19 that swept across the world. Responding to the ferocious outbreak, countries have taken quarantine, lockdowns and other measures, resulting in a rare cliff-like sharp decline in the global economy. Fortunately, with the joint efforts of governments around the world, through quantitative easing monetary policy and proactive fiscal actions, the world can be able to stabilize the global economy, and revive consumption, investment willingness and business confidence.

The International Monetary Fund has repeatedly revised its assessment and forecasts of the global economy, as the COVID-19 pandemic and the global economic outlook are highly uncertain. Severe outbreaks not only have a serious impact on the supply side of the economy, but also hurt the demand side of the market. For the shipping industry, the outbreak has directly affected restaurants, tourism and indirectly lead to a reduction in consumer spending and imports; A poor financial situation will result in less investment in equipment and market volume. Although the volume of the market generally fell, freight rates still maintain at a certain level. On the other hand, the sharp drop in the price of oil in the market also reduced the burden of fuel costs for the industry. In the second half of the year, the world's major economies implemented proactive financial measure, loose fiscal policy, and the governments around the world are also well prepared than initial period. With the considerable progress of vaccine research and medical treatment, the global economic recovery accelerated and the shipping industry made timely adjustments to its capacity in response to the changes of the industrial supply chain to overcome the poor terminal efficiency caused by the lack of labor, poor container ship scheduling and other difficulties. Finally, the shipping industry has turn around in the crisis, making the year of 2020, to be the most challenging and profitable year.

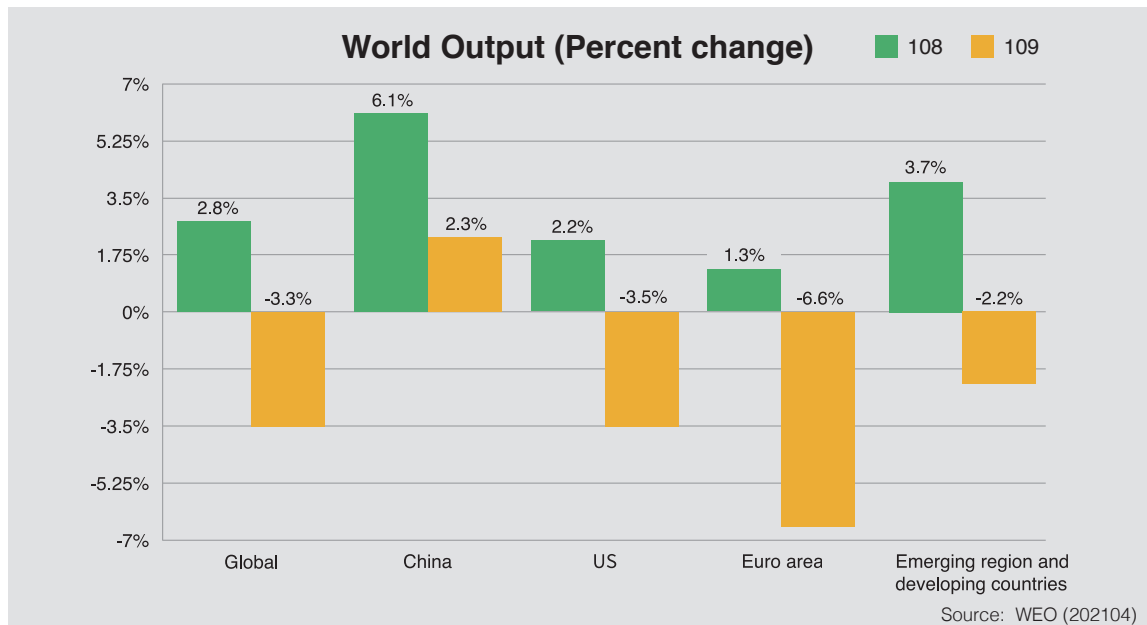
The global shipping industry still confront a highly uncertain operating environment, such as the volatility of fuel costs, increasingly stringent environmental regulations, a highly competitive e-commerce sector, urgent improvement on terminal operating efficiency, and regional economic integration development. We need to work together to build a more advanced fleet, optimize the route network, strive to improve operating efficiency, strengthen information security measures, and provide quality customer service to confront the challenges and to seize opportunities.

## 1-1 2020 Business Report

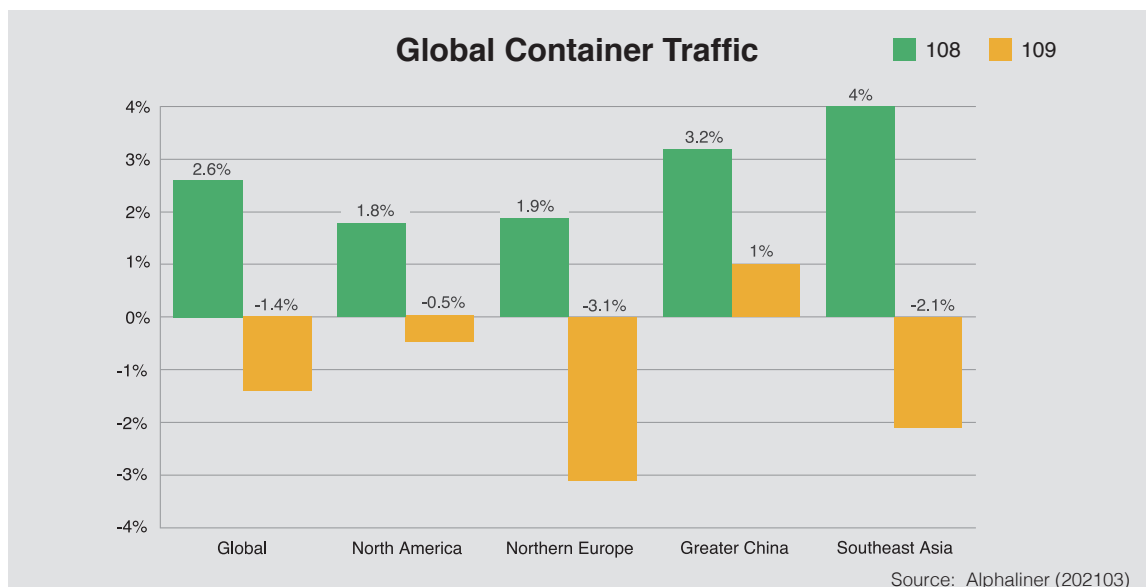
### 1. Container Shipping Market Overview

#### (1) Cargo Volume Growth

According to the World Economic Outlook report, WEO, published by the International Monetary Fund in April 2021, the global economic growth is projected at -3.3% in 2020, lower than that of 2019 (2.8% in 2019) due to the outbreak of COVID-19 pandemic. With the exceptions of China, estimated to grow by 2.3% growth (6.1% in 2019), the major economies are projected to experience setbacks compared to that of 2019. For example, the US is projected to decline by 3.5% (2.2% in 2019), the Euro area a decline of 6.6% (1.3% in 2019), emerging regions and developing countries a decline of 2.2% (3.7% in 2019), which affects the global container shipping market.



According to Alphaliner, published in March 2021, a specialist shipping agency, global container traffic is expected to decline by 1.4% in 2020, (2.6% in 2019). Volume growth rates saw a decline in major regions, with a decline of 0.5% in North America (1.8% in 2019), a decline of 3.1% in northern Europe (1.9% in 2019), 1.0% in Greater China (3.2% in 2019) and a decline of 2.1% in Southeast Asia (4.0% in 2019).



## (2) Capacity Supply

According to Alphaliner, published in March 2021, the total global container fleet growth of 2.6% in 2020 (about 23.89 million TEU).

New deliveries totaled 135 units of 0.86 million TEU in 2020. The new ship orders consisted of 53 units of 18 thousand TEU, 120 units of 10 thousand~18 thousand TEU and above, and there are 173 large ships in total with a size of 10 thousand TEU and above, and the total capacity totaled 2.948 million TEU, accounting for 86.4% of the order-yet-undelivered global total capacity. The trend in the market for new shipbuilding is moving toward Ultra Large Container Vessels (ULCV).

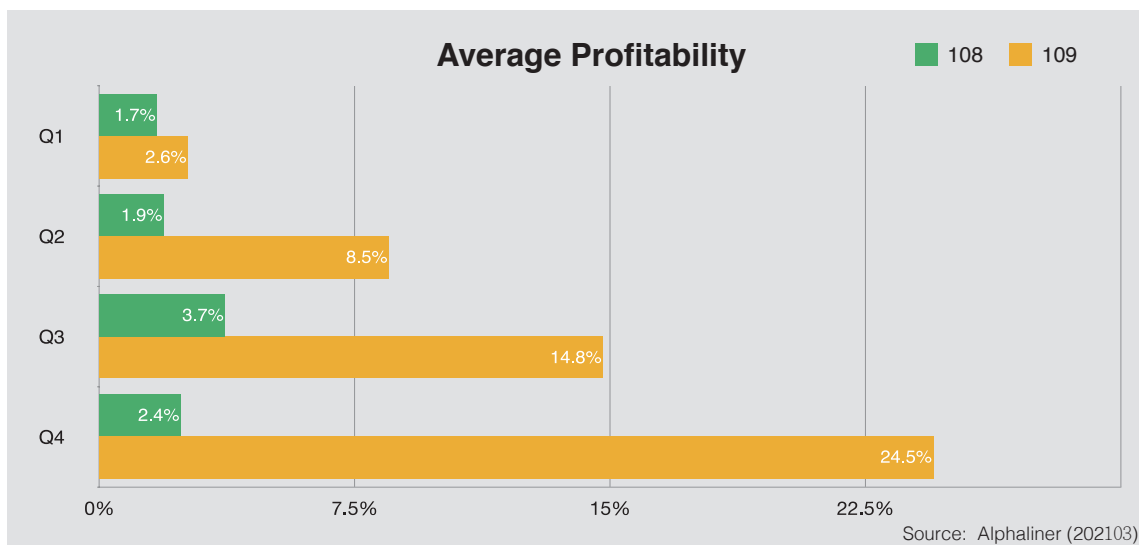
Idle capacity stood at 0.23 million TEU, 64 vessels, accounting for 1.0% of the global total capacity. In comparison, idle capacity was 238 vessels at the end of 2019, totaling 1.37 million TEU, accounting for 5.9% of the global total at the time.

There were 132 ships over 18 thousand TEU in 2020, accounting for 11.4% of the global total capacity, 305 ships of 12.5 thousand~18 thousand TEU, accounting for 18.1% of the global total capacity, 172 ships of 10 thousand ~12.5 thousand TEU, accounting for 7.7% of the global total capacity. There were total of 609 ships over 10 thousand TEU, accounting for 37.3% of the global total capacity.

## (3) Freight Market Status

In 2020, the global economy was hit by the COVID-19 epidemic, the escalating China-US trade war and other geopolitical tensions, which severely damaged the normal functions of global industrial chain and logistics supply chain. Alphaliner's statistics show that global cargo volume declined by 1.4% in 2020, well below the positive growth rate of 2.6% in 2019, while the market capacity supply was up by 2.6% in 2020, suggesting that the market capacity supply was greater than the market volume growth.

The sudden outbreak of the COVID-19 at the beginning of the year caused a sharp contraction in the volume of the market, which had a great impact on the industry. Fortunately, fuel prices have plummeted, reducing operating costs, and on the other hand, carriers have also rapidly adjusted their capacity to respond to the market demand. And as the epidemic slows down, activity normalized faster than expected after most of the countries reopened, where the market volume increased sharply, and combined with unmatched supply of space, shipping operators' profits increased quarter by quarter. Alphaliner's information shows that the average profit rate of the industry in Q1 was 2.6% (1.7% in 2019), Q2 was 8.5% (1.9% in 2019), Q3 was 14.8% (3.7% in 2019) and Q4 was 24.5% (2.4% in 2019).

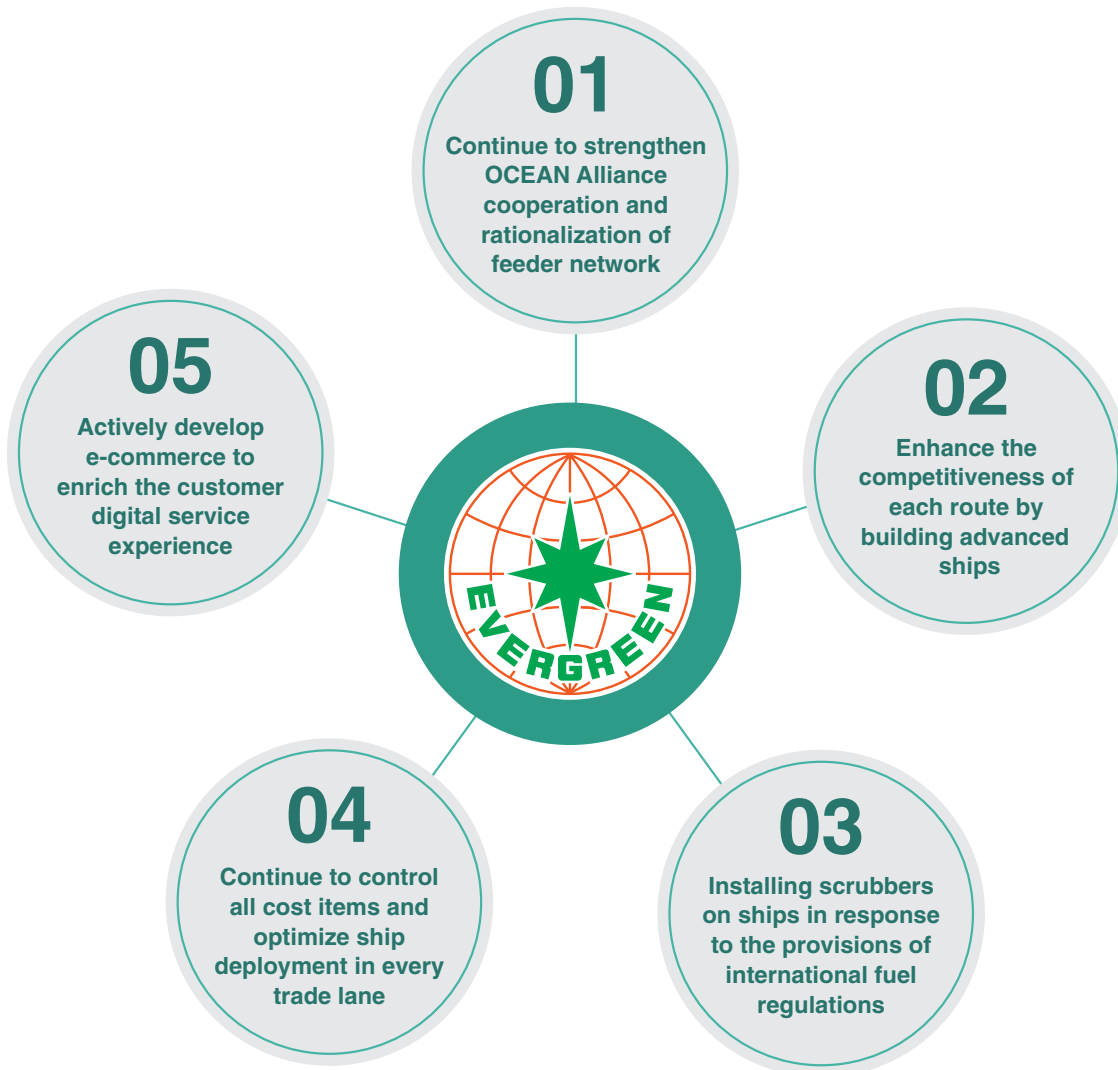






## 02. Company Operational Strategy

In response to the rapid changes in the operating environment, the company has timely adjusted its operating strategy to strengthen the company's core competitiveness. The operating strategy is summarized as follows:



## 03. Results vs. Projections

In 2020, the estimated total consolidated operating income was TWD 201.11 billion and the actual consolidated operating income was TWD 207.08 billion, with an achievement rate of 102.97%.

## 04. Annual Accounts & Profitability Analysis

### (1) Annual Accounts

In 2020, actual consolidated operating income totaled TWD 207.08 billion, an increase of TWD 16.489 billion compared to TWD 190.59 billion in 2019. In 2020, actual consolidated operating costs were TWD 161.59 billion, a decrease by TWD 14.48 billion compared to TWD 176.07 billion in 2019.

### (2) Profitability Analysis

ROA: 10.11 %

ROE: 32.86 %

Net Profit Margin: 13.89 %

EPS: TWD 5.06 per share

## 05. Research & Development

### (1) Green Fleet

Evergreen observes all international and local environmental protection conventions. We are committed to preventing pollution, saving energy and carbon reduction, and procedures are set for environmental protection and pollution prevention matters aboard ships at sea.

Providing quality services to deliver goods safely and timely to the port of destination and environmental protection, energy conservation, and reducing greenhouse gas emissions and air pollution have always been the principles Evergreen adheres to. The Shipbuilding Dept. is responsible for the design of new ships, and new ship designs stay ahead of international laws and conventions. Evergreen adopts advanced marine technology to optimize each ship type in order to maximize operational efficiency and energy conservation results.

The Evergreen newly built vessels meet the Company's demand for efficiency and sustainability. All environmental protection designs comply with relevant international regulations, such as using double-bottom oil tank to effectively reduce the risk of oil spills, reduce air pollution, mitigate the consequence of climate change (for example, Montreal, Kyoto and Paris agreements to reduce GWP, ODP, SO<sub>x</sub>, NO<sub>x</sub> emissions, etc.) and account for biodiversity issues like ballast water treatment.

The newly built B-type and F-type ships have improved energy efficiency and reduced greenhouse gas emissions. The newly delivered F-type ships are the first large container ships to use the latest selective catalytic reduction (SCR) to achieve a significant reduction in NO<sub>x</sub> emissions. The newly delivered B-type ships will be deployed on the short-distance near-ocean trade lane, while the larger F-type ships will be deployed on the U.S. service line with stricter environmental protection requirements.

Ships are designed to further optimize the interactive strength of the Evergreen fleet according to the fleet revitalization plan. These new ships are expected to be delivered between 2021 and 2022. In addition to adopting an engine with ultra-long stroke, this type of ship has further optimized linear design and has been equipped with energy-saving facilities (Hybrid type SO<sub>x</sub> scrubber) to meet the energy efficiency standard. The introduction of this type of ship will significantly reduce the carbon emissions per transport unit. We have also obtained ISO 14001:2015 environmental certification to implement environmental protection management systems in a responsible manner to prevent environmental accidents and minimize environmental risks.



▲ Selective Catalytic Reduction Reactor (SCR)



▲ SOx Scrubber system

## (2) Maritime Training

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Evergreen upholds the spirit and vision of sustainable development and firm commitment to professional maritime training. Evergreen Seafarer Training Center has comprehensive training equipment and we rigorously organize training courses to continuously improve the professional knowledge and skills of our crews so as to prevent maritime accidents and environmental pollution.

### Training Courses



In 2020, Evergreen Seafarer Training Center organized a total of 90 professional training courses in 26 categories for 641 trainees, which was a decrease of 55.9% compared with 1,455 trainees in 2019 due to the pandemic of COVID-19.

In June 2020, the NIPPON KAIJI KYOKAI (ClassNK) carried out the certificate renewal audit of ISO 9001:2015 quality management system and Maritime Training Center for Evergreen Seafarer Training Center.

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### Cooperation Project



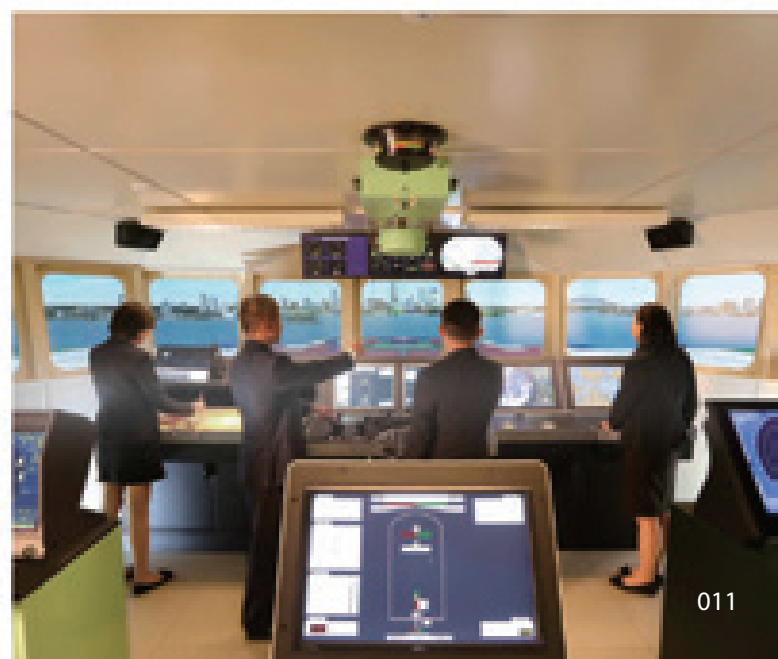
To expand the cultivation of maritime professionals, Evergreen has been stepping up the cooperation with National Taiwan Ocean University and National Kaohsiung University of Science and Technology. Starting from the post-bachelor program of maritime transportation and engineering for cultivating respective professional knowledge and skill, we encourage non-maritime undergraduates to engage in maritime work. Evergreen also subsidizes full tuition and part of the accommodation cost to qualified students and they are given opportunities to intern onboard the Evergreen fleet. Vacancies are offered to cadets with excellent performance.

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### Practice Training



In 2020, one set of fuel pump and fuel injector of WIN GD X62 engine and disassembly tool have been introduced for training.



### (3) E-Commerce

Companies around the world are moving towards home-connected work mode due to the COVID-19 pandemic, Evergreen provides cargo owners i-B/L (Bill of Lading), i-Dispatch, and digital integration services known as GreenX for e-commerce purposes to help cargo owners simplify trade processes and improve the efficiency of shipping operations. At the same time, Evergreen actively participates in the Digital Container Shipping Association (DCSA), working with international carriers to promote the digitization and standardization of container transportation information so that data of the shipping industry and that of related sectors can be exchanged more efficiently.

**GREEN**  
4 Features

- 01** Instant Quotes: Quote in minutes, not days.
- 02** Fast Bookings: Reserve your space immediately.
- 03** Secured Space: Enjoy secured space and empty equipment pick-up priority.
- 04** No Contract Needed: Make bookings without spending time negotiating contracts or the need to commit to shipping a fixed amount of cargo each week, month, or year.

**GREEN** | EVERGREEN'S NEW  
DIGITAL BOOKING SOLUTION  
Powered by **BLUEX**

**EVERGREEN**

## (4) Quality Recognition

Evergreen has been constantly improving the quality of service. In addition to retaining customers' trust and affirmation, we have also garnered recognition and certifications from international media and organizations:



## 1-2 2021 Business Plan

According to the Alphaliner forecast in the latest report released in March, 2021, global capacity will increase by 3.7%, while demand for growth will increase by 3.4% in 2021. Due to uncertainties of COVID-19, China-US trade war, international trade protectionism, and geopolitical tensions, the global container transport market still faces considerable challenges.

### 01. Business Strategy

#### (1) Continuously Strengthen the Alliance Collaboration

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The OCEAN Alliance was kicked off officially in April 2017, which is comprised of the French CMA CGM, China Ocean (COSCO), Hong Kong Orient Overseas (OOCL), and Evergreen. In 2020, it had 39 service routes, 333 vessels, and a total operating capacity of nearly 3.91 million TEU. In 2021, it plans to continue its cooperation to provide 39 service routes, 334 vessels, and a total operating capacity of nearly 4.03 million TEU to develop a better service network.

#### (2) Accelerated Fleet Upgrade Plan

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Evergreen is upgrading our green ship features to fulfill policy and efficiency by ordering ships ranging from 1,800 TEU, 2,500 TEU, 2,800 TEU, 12,000 TEU, and 24,000 TEU, deploying most competitive vessels into the relevant routes, fully taking advantage of the Alliance network, and adjusting capacity timely to reduce the cost of transshipment. At the same time, the introduction of big data software on our ships to analyze the latest weather and navigation information would reduce fuel costs and improve navigation safety.

### 02. Industry Outlook

#### (1) Capacity Supply

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According to Alphaliner, the global fleet capacity will be 24.78 million TEU in 2021, an increase of 3.9% over 2020. It is expected that 161 new ships at 1.08 million TEU will be added in 2021.

#### (2) The Growth of Cargo Volume

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Alphaliner has projected the global volume of goods is estimated to be increased by 3.4%. (2.6% in 2019, -1.4% in 2020)





## 1-3 External competitive environment, regulatory environment and overall operating environment

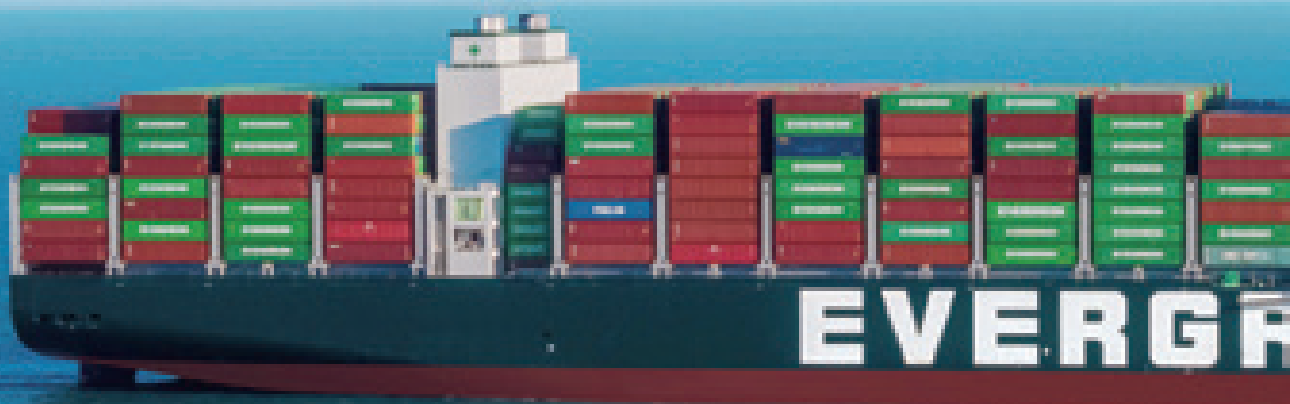
### 01. External Competitive Environment

Effective January 1, 2020, low Sulphur fuel is required in all waters of the world except for vessels equipped with scrubbers. In response to the IMO2020 Sulphur Limit regulations, we have completed scrubber installation on a total of 84 vessels by the end of 2020. Since fuel costs are one of the shipping company's important cost items, changes in fuel prices affect the company's control over related costs.

### 02. Regulatory Impact

With the impact of greenhouse effect and global warming becoming more significant, the increasingly serious impact of climate change is undoubtedly an inevitable subject of consideration for the sustainable operation of each company. The International Maritime Organization (IMO) has followed the footsteps of the Paris Agreement by developing a medium-term and long-term greenhouse gas reduction strategy for the entire shipping industry. In 2020 the Marine Environmental Protection Committee (MEPC 75) have passed the Energy Efficiency Ship Index (EEXI) and Carbon Intensity Indicator (CII) drafts, which are expected to take effect in 2023 aiming to reduce greenhouse gas emissions.

Evergreen committed to the principles of a sustainable business. In order to pursue an environmentally sustainable operation, Evergreen's green fleet reduces energy consumption through various operational management measures, such as emission reduction strategies, optimized ship design, and continuously introduces new generation vessels to reduce pollution and greenhouse gas emissions. Evergreen's fleet energy saving and fuel consumption, greenhouse gas emissions and carbon reduction efforts over the years have made considerable progress, and the annual emission data are also verified by a third party (ClassNK).



Evergreen website also has a sustainability page indicating the full contingent of emission control measures, certification results, and instantly responds to customers' enquires on the company's environmental projects.

### 03. Macro Business Environment

It is expected that the COVID-19 pandemic and international trade protectionism will continue to affect the operation of the global industrial chain and supply chain. Uncertainties such as uneven economic recovery and geopolitical tensions around the world will trigger the integration of relevant countries and regions in the regional economy, and will also dominate future global economic trends. Alphaliner estimates global volume growth of 3.4% in 2021, slightly below market capacity growth of 3.7%. However, under the impact of the COVID-19 epidemic, inefficient terminal operations and capacity shortage, manufacturers will continue to replenish inventories. After lifting lockdown, market supply and demand are expected to be better than last year.

#### 1-4 Future strategy

Looking ahead, countries having begun vaccination inoculation, the U.S. presidential election has come to an end, and the United States is expected to revitalize the world economy in good order. Although the COVID-19 pandemic still affects the pace of recovery in the global economy, we believe that the pandemic will eventually be contained and that the global economy will gradually regain momentum for growth. And the capability of shipping industry to respond quickly to the changes of the market is becoming increasingly reliable. We will continue to carry out fleet upgrade plan, full utilization of the space under the operation of the Alliance to enhance efficiency, and better control of costs and expenses. All employees of the company will also go the extra mile in offering more quality services to the customers, and generating more profits in order to achieve our goals.



## 2-1 Registration Date of the Company

**Evergreen Marine Corporation (Taiwan) Ltd.**  
**Registration Date of the Company: September 25, 1968**

## 2-2 A Chronology of Evergreen Marine Corporation (Taiwan) Ltd.



### 1968-1976

1. Established with a capital of TWD 2 million.
2. Evergreen Shipping Agency (Japan) Corporation was founded.
3. Evergreen Shipping Agency (America) Corporation was founded.



### 1977-1986

1. Evergreen Marine (UK) Limited was founded.
2. Launching of unprecedented round-the-world eastbound services and westbound regular full container services and construction of twenty-four G-type container vessels.
3. Evergreen Shipping Agency (Deutschland) GmbH was founded.



### 1987-1996

1. Listed on the Taiwan Stock Exchange with a capital of TWD 10 billion. (Stock Code: 2603)
2. Launching of the Far East/US West Coast refrigerated container service.
3. Evergreen Marine (Hong Kong) Ltd. was founded.
4. Issuance of Global Depository Receipts of a total value of USD115 million on the London Stock Exchange.



### 1997-2001

1. Evergreen Shipping Agency Philippines Corporation was founded.
2. Colon Container Terminal S.A. in Panama became fully operational as a common user facility.
3. Evergreen Shipping Agency (Poland) SP.Z.O.O. was founded.
4. Taiwan's Customs authorities approved the implementation of an "overall self-management" system to improve and upgrade Evergreen's services to shippers.
5. Evergreen Shipping Agency (France) S.A.S. was founded.
6. Evergreen Container Terminal No. 5, Berths 79, 80 and 81 in Kaohsiung Port becomes fully operational.
7. Evergreen Shipping Agency (Korea) Corporation, Evergreen Marine Corp. (Malaysia) Sdn. Bhd., Evergreen Shipping Agency (Netherlands) B.V., Evergreen Shipping Agency (Thailand) Co., Ltd. Founded and Evergreen Marine (Singapore) Pte. Ltd. were founded.  
 Evergreen Shipping Agency (Netherlands) B.V. was founded.



8. Taranto Container Terminal in the south of Italy, with Evergreen Group as one of the investors, opened for business with a comprehensive feeder network serving other Italian ports, the western and eastern Mediterranean, the Adriatic Sea and the Black Sea.
9. The Evergreen Seafarer Training Center is awarded ISO-9001:2000 for quality systems, marine simulator equipment, and training centers by DNV. The training center, an Evergreen Group investment opened in 1999, aims to boost the professional skills of the Group crew, reduce the risk of accidents and environmental pollution at sea and conform to international regulations.
10. Chang Yang Development Co., Ltd. is established as a joint venture with Tesco Taiwan for investment and construction of the Tesco Chingkuo Store in Taoyuan City.



## 2002-2006

1. Evergreen Shipping Agency (Australia) Pty. Ltd. was founded.
2. Certified for "Safety, Quality & Environmental Management" by the American Bureau of Shipping.
3. PT. Evergreen Shipping Agency Indonesia was founded.
4. The Evergreen Seafarer Training Center was awarded an Occupational Training Institution certificate by the Council of Labor Affairs of the Executive Yuan.
5. Investment in Taipei Port Container Terminal Corp.
6. Evergreen Shipping Agency (Vietnam) Corporation was founded.
7. Evergreen Group ordered ten S-type container vessels from Mitsubishi Heavy Industries Ltd.
8. Evergreen Shipping Agency (India) Private Ltd. was founded.
9. Inauguration of a new state-of-the-art Pierce County Terminal at the Port of Tacoma, invested by Evergreen Group.
10. Evergreen Shipping Agency (Italy) S.P.A. was founded.



## 2007-2011

1. Evergreen Shipping Spain, S.L. was founded.
2. Evergreen Shipping Agency (Switzerland) AG was founded.
3. Evergreen Shipping South Africa was founded.
4. Evergreen Group ordered twenty L-type container vessels from Samsung Heavy Industries.



## 2012-2016

1. Launching of "ShipmentLink Mobile," an e-commerce app for mobile devices.
2. Honored with the AEO certificate by Customs Administration.
3. Launching of West Coast of Central America (WCA) service with X-Press.
4. The Evergreen Seafarer Training Center passed ClassNK Certification.
5. Launching of South China–Philippines–East Malaysia (CPM) service.
6. Launching of China–Pacific South West (CPS2) service.
7. Launching of China–Australia–Taiwan (CAT) service.
8. Launching of New Ho Chi Minh Service (NHS).





9. Evergreen Line signed agreements with Costamare and Shoei Kisen Kaisha for the lease of five 14,000 TEU container ships each.
10. Evergreen teamed up with COSCO, “K” Line, Yang Ming and Hanjin to establish the CKYHE Alliance.
11. Ever Living, Evergreen’s first L-type container ship built by CSBC Corporation was selected as “Ship of the Year” by Taiwan Society of Naval Architects and Marine Engineers.
12. Evergreen Group signed time charter agreements with Shoei Kisen Kaisha in January to charter eleven 20,000 TEU container ships, including six units chartered by Evergreen Marine Corp. (EMC) and its subsidiary.
13. Evergreen Line launched a new Taiwan–Shekou–Malacca Strait (TSS) service in March and introduced a dedicated Taiwan–Hong Kong (THK) service. GHG emissions generated by land transport arde reduced through a “Blue Highway” for containers in Northern, Central, and Southern Taiwan.
14. Evergreen Line launched its new China–Surabaya Express (CSX) service and Vietnam–Singapore–Malaysia (VSM) service in May.
15. Evergreen Group signed an agreement with CSBC Corporation in July to build ten 2800 TEU B-type container vessels and signed an agreement with Japanese shipbuilder Imabari in September for another ten 2800 TEU B-type container vessels.
16. Evergreen Group’s Colon Container Terminal, S.A. (CCT) completed the construction of its Berth No. 4 in December. The facility can accommodate large container vessels of up to 14,000 TEU.
17. Evergreen Line signed a Memorandum of Understanding with CMA CGM, COSCO Container Lines and OOCL to form the OCEAN Alliance, which provides a comprehensive service network covering Asia–Europe, Asia–Mediterranean, Asia–Red Sea, Asia–Middle East, Trans–Pacific, Asia–North America East Coast, and Trans–Atlantic trade routes. Subject to regulatory approval of the competent authority, the new Alliance planned to begin operations in April 2017.
18. In order to train more marine professionals, Evergreen Marine Corporation concluded a cooperation agreement with National Kaohsiung Marine University, offering marine technology classes for students who previously have no relevant background.
19. Evergreen Line named “Best Shipping Line – Trans-Pacific” by Asia Cargo News at the 2016 Asian Freight, Logistics and Supply Chain Awards (AFLAS).
20. Evergreen’s 8,000 TEU container vessel passed through the expanded Panama Canal in July. In light of the business opportunities offered by the expansion of the Canal, Evergreen upgraded the size of ships utilized for Far East–US East Coast services.
21. In a move designed to significantly enhance China-Indian Subcontinent trade, Evergreen Line teamed up with Wan Hai, COSCO, “K” Line and PIL to offer two joint services.
22. In response to the reorganization of Hanjin (a CKYHE Alliance member), Evergreen Line added new functions to its on-line e-commerce system, offering customers real-time cargo status updates, and providing detailed service plans within its own networks as an effective substitute to cover the services impacted by Hanjin’s reorganization.
23. Evergreen Line worked with COSCO in operating a joint Adriatic–Israel service, providing direct and rapid service to customers.
24. Evergreen teamed up with Yang Ming, OOCL, MOL & “K” Line to offer a new joint North East Asia–Australia Express service.
25. Evergreen Line and OCEAN Alliance partners signed a document entitled “The Day One Product” that set out the proposed OCEAN Alliance’s network, including port rotation for each service loop.



## 2017

1. For an unprecedented third consecutive year, Evergreen Line received the E-Commerce Excellence Award from LOG-NET, a leading information systems integrator of ocean carriers and customers. Striving to create efficient information system and reliable service chain, Evergreen continued its pursuit of growth and success for our valued customers.
2. For the cultivation of maritime talents and sustainable development of the local shipping industry, Evergreen teamed up with National Taiwan Ocean University to provide a special seafarer training program. The 18-month program is designed to offer professional engineering classes to those who have a bachelor's degree and passion for ship maintenance but without a mechanical engineering background of maritime colleges.
3. Rolled out online price inquiry and booking platform with Alibaba.com to offer guaranteed and more convenient sea freight services by relying on the Evergreen Professional Logistics and Supply Chain Management.
4. Evergreen Line was named "Best Shipping Line – Asia-Africa" by Asia Cargo News at the 2017 Asian Freight, Logistics and Supply Chain Awards (AFLAS).
5. OCEAN Alliance officially commenced operations, with service networks covering Asia–Europe/ Mediterranean, Trans-Pacific, Asia–North America East Coast, Trans-Atlantic trades and Far East–Middle East trades.
6. Evergreen Shipping Agency (Deutschland) Gmbh renamed to Evergreen Shipping Agency (Europe) Gmbh, and merged with Evergreen shipping agencies in the Netherlands, Belgium, France, Poland, Switzerland and Austria as branch offices.
7. Evergreen and its subsidiary, Peony Investment S.A. acquired 80% shares of Evergreen Marine (Hong Kong) Ltd.



## 2018

1. Evergreen Line signed an agreement with Samsung Heavy Industries and Shoeni Kisen Kaisha to order eight and charter twelve 12,000 TEU container vessels, totaling twenty units.
2. Introducing paperless Bill of Lading and dispatch documentation via ShipmentLink digital portal, Evergreen partnered with Bolero International to provide advanced e-commerce solution.
3. Evergreen Shipping Services (Cambodia) Company Limited was founded.
4. Evergreen Line received the E-Commerce Excellence Award from LOG-NET for the fourth time. Striving to create efficient information system and reliable service chain, Evergreen continues to work for the growth and success of our valued customers.
5. Evergreen teamed up with National Taiwan Ocean University again to provide a special seafarer training program.
6. Acquired and merged with Hatsu Marine (Hong Kong) Ltd.
7. Evergreen Shipping Agency (Peru) S.A.C. was founded.
8. Evergreen Shipping Agency (Chile) SPA was founded.
9. Evergreen Shipping Agency Mexico S.A.DE C.V. was founded.
10. Ordered four 2,500 TEU and chartered ten 2,500 TEU and twenty-four 1,800 TEU container vessels.





## 2019

1. Evergreen Shipping Agency (Colombia) S.A.S. was founded.
2. Announced the optimization and improvement of “The Day Three Product” network and extended OCEAN Alliance agreement to ten years until 2027, providing unmatched services to customers.
3. Ever Boomy, Evergreen’s B-type container ship built by CSBC Corporation is the first domestic ship to have an open loop SOx scrubber system installed, which is selected as “Ship of the Year” by Taiwan Society of Naval Architects and Marine Engineers.
4. Evergreen teamed up with National Taiwan Ocean University again to provide a special seafarer training program.
5. Evergreen Shipping Agency (Greece) Societe Anonyme was founded.
6. Evergreen Shipping Agency (Israel) Ltd. was founded.
7. Evergreen Shipping Agency Lanka (Private) Limited was founded.
8. Evergreen ordered ten 23,000 TEU container vessels from Samsung Heavy Industries, Hudong-Zhonghua Shipbuilding and Jiangnan Shipyard.
9. Evergreen ordered four 1,800 TEU container vessels from Hyundai Mipo Dockyard.



## 2020

1. Ranked among the top five percent of TWSE-listed companies for the sixth Corporate Governance Evaluation.
2. Evergreen launched GreenX, providing frictionless customer experience with instant quotes, secured space booking and online payment services on one single digital platform.
3. Evergreen teamed up with National Taiwan Ocean University once again to provide a special seafarer training program.  
Evergreen joined Ship Recycling Transparency Initiative, sharing the aged vessels’ green recycling policy on the platform as the commitment to plan for a completely sustainable life cycle for the vessels.
4. Evergreen Shipping Agency (Brazil) S.A. was founded.

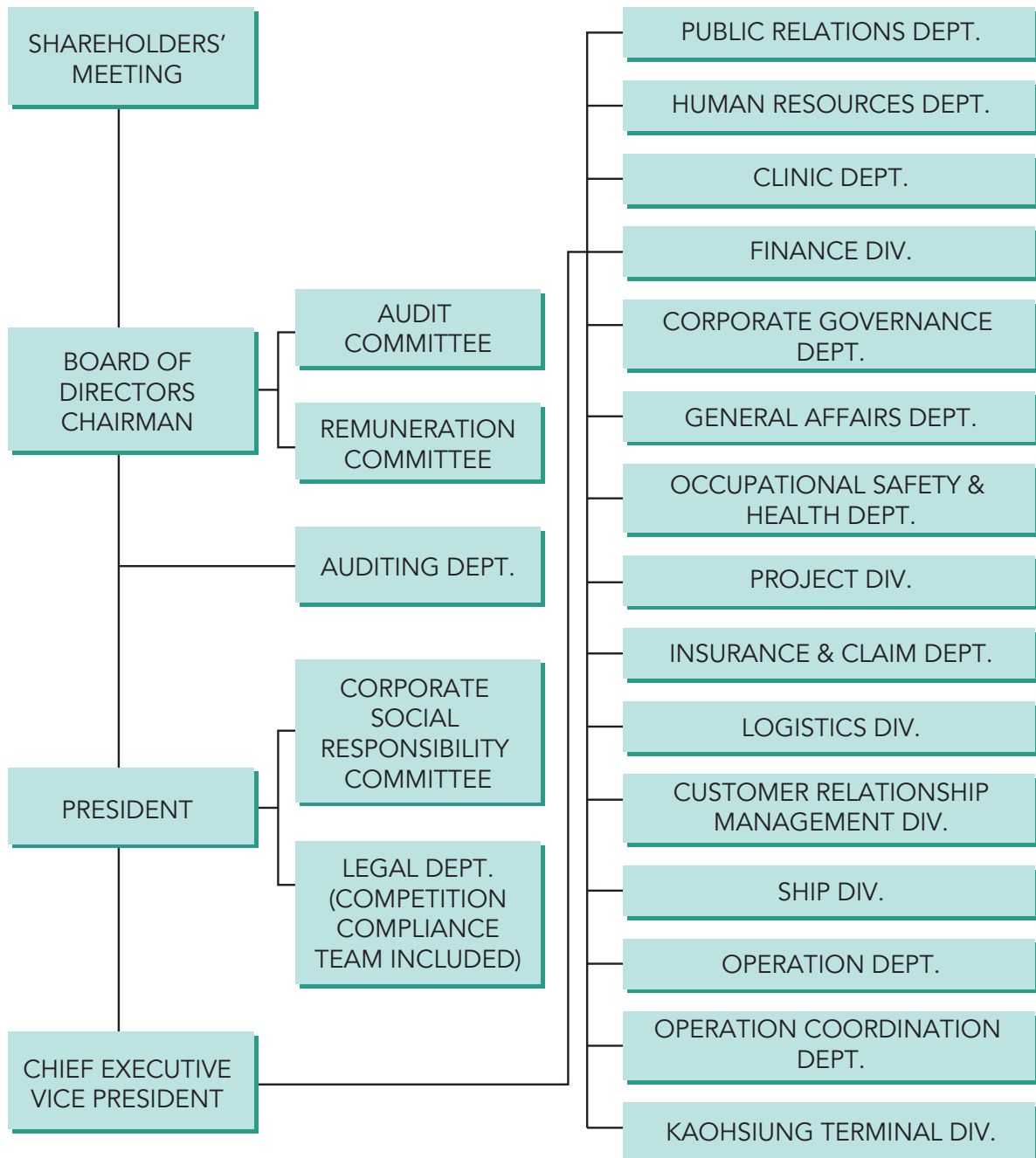


## 2021

1. Evergreen teams up with National Taiwan Ocean University to provide a special seafarer training program.
2. Evergreen Marine (Asia) Pte. Ltd. was founded.
3. Evergreen orders twenty 15,000 TEU container vessels from Samaung Heavy Industries.

## 3-1 Organization

## 1. Organizational Chart



## 2. Major Corporate Functions

- (1) According to the company's articles of association, there are seven to nine directors (including three independent directors) who are elected by the Shareholders' Meeting according to law, and whose term of office is three years. The directors organize the Board of Directors and are responsible for the resolution of the Company's business. The matter is attended by more than two-thirds of the directors and more than half of the directors' consent. One person is elected as the chairman and another is the vice chairman. The chairman of the Board represents the Company in all aspects of business. In order to improve corporate governance and strengthen the functions of the Board of Directors, the Board of Directors has an "Audit Committee" consisting of all independent directors. The number of the directors shall not be less than three, one of whom shall be the convener and at least one shall have accounting or financial expertise. In addition, according to the "Remuneration Committee Charter" of the Company, the Remuneration Committee is under the Board of Directors. The members of the Committee shall not be less than three and all members shall be appointed by the Board of Directors, and one of them is the convener.
- (2) The Company has set up a general manager, and the appointment and dismissal are approved by more than half of the Board of Directors. The general manager must have a number of deputy general managers and other managers.
- (3) Chief Executive Vice President: Assists the top management with monitoring and achieving goals for businesses and operations.
- (4) Corporate Social Responsibility Committee: The President, serving as the Chairperson of the Committee, is responsible for the formulation of CSR policies. Promote the implementation of CSR, and supervise all departments to achieve the long-term and short-term goals set by the Company.
- (5) Auditing Dept.: Internal audit, inspection and review of the internal control system to enhance effectiveness in operation.
- (6) Legal Dept. (Competition Compliance Team included): Corporate legal affairs including consultation, contracts and litigation. Establish the Company's regulatory compliances, provide training and ensure compliance with competition regulations.
- (7) Public Relations Dept.: Promote and protect the Company's image and its products. Create and disseminate press releases.
- (8) Human Resources Dept.: Human resources management, talent recruitment and retention, employees' training and organizational development.
- (9) Clinic Dept.: Regular physical exams, health services and health management including the provision of suitable health advice and fitness of work for both sea and land crew.

## Corporate Governance Report

- (10) Finance Div.: Corporate finance and accounting, agency account assessment, trade performance analysis and investor relations.
- (11) Corporate Governance Dept.: Corporate governance affairs, e.g. handling matters about board of directors and shareholders' meeting.
- (12) General Affairs Dept.: General affairs, equipment and engineering maintenance and staff canteen.
- (13) Occupational Safety & Health Dept.: Occupational safety and health management and supervision.
- (14) Project Div.: Monitor global business strategy and performance, alliances, chartered vessels, fleet deployment, agency management, IT integration, industry research and establish pricing guidelines and space control for all services.
- (15) Insurance & Claim Dept.: Handle marine incidents and settlement of insurance claims, vessel insurance planning, and provide legal counseling on marine insurance.
- (16) Logistics Div.: Deployment of empty global containers, management of terminal contracts, planning of inland transportation and container procurement, replacement, repair, leasing and other container-related affairs.
- (17) Customer Relationship Management Div.: Ecommerce websites development, design, promotion and management, global agency customer service supervision, document management system maintenance, customer data processing, bill of lading processing and ocean freight rating.
- (18) Ship Div.: Shipbuilding supervision, vessel repair and maintenance supervision, supplies arrangement, fuel and lubricating oil procurement, fleet audits, marine technology enhancement, vessel energy efficiency management and seamen's human resources management.
- (19) Operation Dept.: Global short term sailing schedule, port cargo handling, examination of out of gauge and dangerous cargoes.
- (20) Operation Coordination Dept.: Global long term sailing schedule, fleet fuel consumption monitor and analysis, terminal/depot contract review and owned terminal operation management.
- (21) Kaohsiung Terminal Div.: Terminal container storage, transportation and handling operation, machinery and equipment maintenance.

### 3-2 Directors and Management Team

## 1. Directors

### (1) Director information

April 2, 2021

Title	Name	Gender	Nationality	Date First Elected	Date Elected	Tenure	Shareholding When Elected		Current Shareholding		Spouses & Minor Shareholding		Shares Held by Nominee Arrangement		Experience & Education	Concurrent Positions in Other Companies	Executives Directors or Supervisors who are Spouses or Within Second Degree of Kinship			
							Number	(%) (Note 1)	Number	(%) (Note 2)	Number	(%) (Note 2)	Number	(%) (Note 2)			Title	Name	Relation	
	HUI Corporation	-	R.O.C.	2020.06.24	2020.06.24	3 Years	1,000,000	0.020	1,000,000	0.018	-	-	0	0.000	-	-	-	-	-	
Chairman	Representative: Chang, Yen-I	Male	R.O.C.	2020.10.07	2020.10.07	2.71 Years	0	0.000	0	0.000	0	0.000	0	0.000	Chairman, Chang Yang Development Corp. Director: Evergreen International Storage & Transport Corp., Taipei Port Container Terminal Corp., Ever Ecove Corporation. Director and Manager: Greencompass Marine S.A., Gaining Enterprise S.A.	Chairman: Chang Yang Development Corp. Director: Evergreen International Storage & Transport Corp., Taipei Port Container Terminal Corp., Ever Ecove Corporation. Director and Manager: Greencompass Marine S.A., Gaining Enterprise S.A.				
Director	Chang, Kuo-Hua	Male	R.O.C.	1976.09.02 (Note 3)	2020.06.24	3 Years	319,646,157	6.641	319,646,157	6.064	47,176,327	0.895	0	0.000	Vice Chairman, Evergreen Marine Corp. (Taiwan) Ltd. Taipei College of Maritime Technology in Marine Engineering(Now called Taipei University of Marine Technology)	Director: Evergreen International Storage & Transport Corp., Evergreen International Corp., Evergreen Steel Corp., Ever Reward Logistics Corp., Evergreen Marine (Hong Kong) Ltd. Director and Manager: Evergreen International S.A.				

## Corporate Governance Report

Title	Name	Gender	Nationality	Date First Elected	Date Elected	Tenure	Shareholding When Elected		Current Shareholding		Spouses & Minor Shareholding		Shares Held by Nominee Arrangement		Experience & Education	Concurrent Positions in Other Companies	Executives Directors or Supervisors who are Spouses or Within Second Degree of Kinship		
							Number	(%) (Note 1)	Number	(%) (Note 2)	Number	(%) (Note 2)	Number	(%) (Note 2)			Title	Name	Relation
Director	Evergreen International S.A.	-	Panama	1988.03.25 (Note 4)	2020.06.24	3 Years	391,786,816	8.140	391,786,816	7.432	-	-	0	0.000	-	-	-	-	-
	Representative: Ko, Lee-Ching	Female	R.O.C.	1982.06.12 (Note 5)	2020.06.24	3 Years	0	0.000	92,563	0.001	0	0.000	0	0.000	Vice Group Chairman, Evergreen Group Keelung Girls' National Keelung Girls' Senior High School	Chairman: Evergreen International Corp., Evergreen (Shanghai)Hotel Limited Director: EVA Airways Corp., Evergreen International Storage &Transport Corp., Taiwan High Speed Rail Corp., Evergreen Steel Corp., Evergreen Security Corp., Shun An Enterprise Corp., Charing Yang Development Corp., Greencompass Marine S.A., Gaining Enterprise S.A. Supervisor: Ever Reward Logistics Corp., Evergreen Air Cargo Services Corp., Evergreen Airline Services Corp., Hsin Yung Enterprise Corp., Ever Ecove Corporation. Director and Manager: Evergreen International S.A.	-	-	-

Title	Name	Gender	Nationality	Date First Elected	Date Elected	Tenure	Shareholding When Elected		Current Shareholding		Spouses & Minor Shareholding		Shares Held by Nominee Arrangement		Experience & Education	Concurrent Positions in Other Companies	Executives Directors or Supervisors who are Spouses or Within Second Degree of Kinship		
							Number	(%) (Note 1)	Number	(%) (Note 2)	Number	(%) (Note 2)	Number	(%) (Note 2)			Title	Name	Relation
Director	Representative: Hsieh, Huey-Chuan	Male	R.O.C.	2016.03.18	2020.06.24	3 Years	0	0.000	229,752	0.004	0	0.000	0	0.000	Vice Chairman, Italia Marittima S.p.A. Bachelor of Transportation Engineering and Management, National Chiao Tung University	President: Evergreen Marine Corporation (Taiwan) Ltd. Director: Taipei Port Container Terminal Corp., Chang Yang Development Corp. Director and Manager: Greencross Marine S.A., Gaining Enterprise S.A.	-	-	-
	HUI Corporation	-	R.O.C.	2020.06.24	2020.06.24	3 Years	1,000,000	0.020	1,000,000	0.018	-	-	0	0.000	-	-	-	-	-
Director	Representative: Tai, Jlin-Chyuan	Male	R.O.C.	2011.06.24 (Note 6)	2020.06.24	3 Years	0	0	92,436	0.001	0	0	0	0	Executive Vice President, Legal Dept., Evergreen International Corp. Master of Maritime Law, National Taiwan Ocean University	Director & President: Evergreen International Corp. Director: EVA Airways Corp., Evergreen International Storage & Transport Corp., Central Reinsurance Corp., Uni Airways Corp., Evergreen Sky Catering Corp., Evergreen Security Corp., Shun An Enterprise Corp., Taipei Port Container Terminal Corp., Evergreen Aviation Technologies Corp., Ever Ecove Corp., Super Max Engineering Enterprise Corp., Evergreen (Shanghai) Hotel Limited, Colon Container Terminal S.A., Evergreen Container Terminal (Thailand) Ltd.	-	-	-

## Corporate Governance Report

Title	Name	Gender	Nationality	Date First Elected	Date Elected	Tenure	Shareholding When Elected		Current Shareholding		Spouses & Minor Shareholding		Shares Held by Nominee Arrangement		Experience & Education	Concurrent Positions in Other Companies	Executives Directors or Supervisors who are Spouses or Within Second Degree of Kinship		
							Number	(%) (Note 1)	Number	(%) (Note 2)	Number	(%) (Note 2)	Number	(%) (Note 2)			Title	Name	Relation
	Evergreen Steel Corp.	-	R.O.C.	2014.06.18	2020.06.24	3 Years	38,261,703	0.794	38,261,703	0.725	-	-	0	0.000	-	-	-	-	-
Director	Representative: Wu, Kuang-Hui	Male	R.O.C.	2020.06.24	2020.06.24	3 Years	102,219	0.001	102,219	0.001	0	0.000	0	0.000	Executive Vice President, Finance Department of Evergreen Marine Corporation (Taiwan) Ltd. Master of Business Administration, National Sun Yat-Sen University	Chief Executive Vice President: Evergreen Marine Corp. (Taiwan) Ltd. Director: Central Reinsurance Corp., Taipei Port Container Terminal Corp., Evergreen Marine (Hong Kong) Ltd. Supervisor: UNI Airways Corp. Evergreen Security Corp. Taiwan Terminal Services Corp. Ltd., Chang Yang Development Co., Ltd., Hsiang-Li Investment Corp., Evergreen (Shanghai) Hotel Limited	-	-	-



Title	Name	Gender	Nationality	Date First Elected	Date Elected	Tenure	Shareholding When Elected		Current Shareholding		Spouses & Minor Shareholding		Shares Held by Nominee Arrangement		Experience & Education	Concurrent Positions in Other Companies	Executives Directors or Supervisors who are Spouses or Within Second Degree of Kinship		
							Number	(%) (Note 1)	Number	(%) (Note 2)	Number	(%) (Note 2)	Number	(%) (Note 2)			Title	Name	Relation
Independent Director	Yu, Fang-Lai	Male	R.O.C.	2017.06.22	2020.06.24	3 Years	0	0.000	0	0.000	0	0.000	0	0.000	Chairman, Chunghwa Post Co., Ltd. Political Deputy Minister, Ministry of Transportation & Communications Independent Director, Evergreen Marine Corporation (Taiwan) Ltd. MBA of Institute of Management Science, National Chiao Tung University	-	-	-	
Independent Director	Li, Chang-Chou	Male	R.O.C.	2017.06.22	2020.06.24	3 Years	0	0.000	0	0.000	0	0.000	0	0.000	Partner, Pricewaterhouse Coopers, Taiwan Master of Accounting, University of Illinois at Urbana-Champaign	Partner, CPA, Zhi Cheng CPA Firm Independent Director: Silicon Optronics, Inc., Axcen Photonics Corp., Kuerling refrigerating machinery Co., LTD. (Taiwan), Hotel Insurance Co., Ltd.	-	-	-
Independent Director	Chang, Chia-Chee	Male	R.O.C.	2014.06.18	2020.06.24	3 Years	0	0.000	0	0.000	0	0.000	0	0.000	Attorney-in-Charge, Tai-Yang Life Science Business Law Office Master degree: School of Law of National Taiwan University College of Medicine Institute of Molecular Medicine of National Taiwan University	Tai-Yang Life Science Business Law Office Attorney-in-Charge	-	-	-

## Corporate Governance Report

Note 1: The Company had issued 4,812,973,786 shares when current Board of Directors was elected on 06/24/2020.

Note 2: As of 04/02/2021, the Company has issued 5,270,935,971 shares.

Note 3: Mr. Chang, Kuo-Hua has served as a director of the Company from 09/02/1976 to 12/31/1998, 06/20/2001 to 06/24/2004, 06/19/2008 to 06/24/2011, and from 06/18/2014 till present.

Note 4: Evergreen International S.A. has appointed representatives to serve as directors or supervisors of the Company from 03/25/1988 to 10/27/1989, 06/20/2001 to 06/27/2007, and from 06/19/2009 till present.

Note 5: Ms. Ko, Lee-Ching has served as a director or supervisor of the Company from 06/12/1982 to 03/31/1983, 06/12/1983 to 06/12/1984, and from 05/09/1992 till present.

Note 6: Mr. Tai, Jiin-Chyuan has served as a director of the Company from 06/24/2011 to 06/23/2014, and from 06/24/2020 till present.

Note 7: To fill in the “Experience” of director and supervisor, detailed job titles and work responsibilities should also be described if he/she previously worked for the auditing and accounting firm or the Company’s affiliates.

Note 8: The chairman of the Board of Directors and the general manager or person of an equivalent post (the highest-level manager) of a company are the same person, spouses, or the first-degree relatives, an explanation shall be given of the reason for, reasonableness, necessity and the corresponding measures: None. (e.g. increasing the number of seats of independent directors, and more than half of the directors shall not be employees or managers at the same time).

**(2) Major shareholders of the institutional shareholders**

April 2, 2021

Name of Institutional Shareholder	Major Shareholders of Institutional Shareholder
HUI Corporation	Yang, Mei-Chen (72.86%) Chang, Chien-Hui (27.14%)
Evergreen Steel Corp.	Evergreen International Corp. (22.81%) EVA Airways Corp. (9.56%) Continental Engineering Corp. (6.42%) Chang, Kuo-Hua (6.26%) Chang, Kuo-Ming (6.26%) Chang, Kuo-Cheng (6.26%) Chang Yung-Fa Foundation (6.26%) Cathay Life Insurance Co., Ltd. (3.77 %) Wei-Dah Development Co., Ltd. (3.21%) TSRC Corp. (3.04%)
Evergreen International S.A.	Chang, Yung-Fa (20%) Chang, Kuo-Hua (20%) Chang, Kuo-Ming (20%) Chang, Kuo-Cheng (20%) Pieca Corp. (20%)

Note1: If the directors and supervisors are institutional shareholders, please disclose the name of institute.

Note2: For the institutional shareholder which is not belong to the Company's organization, its name and shareholding ratio should be disclosed, i.e., the name of the contributor or donor and its contribution or donation ratio.

Note3: The data is provided by institutional shareholders, and from public information on Ministry of Economic Affairs website or MOPS.

Note4: When the institutional shareholder is not company organization, the mentioned name of institution and its shareholding ratio, which shall be disclosed, are defined as name of endower and its endowment ratio.

## (3) Major shareholders of the Company's major institutional shareholders

April 2, 2021

Legal Entity (Note 1)	Name of Institutional Shareholders (Note 2)	Major Shareholders of Institutional Shareholders (Note 3)
Evergreen Steel Corp.	Evergreen International Corp.	Chang Yung-Fa Foundation (28.86%) Sheng Shi Corp. (18%) Chang, Kuo-Hua (12.90%) Chang, Kuo-Ming (12.17%) Lee, Yu-Mei (7.14%) Chen, Hui-Chu (5.81%) Chang Yung-Fa Charity Foundation (5%) Chang, Yung-Fa (5%) Tseng, Chiung-Hui (1.33%) Yang, Mei-Chen (4.6%) Scept Corp. (0.5%)
	EVA Airways Corp.	Evergreen Marine Corp. (Taiwan) Ltd. (16%) Evergreen International Corp. (11.32%) Falcon Investment Services Ltd. (10.64%) Evergreen Steel Corp. (4.96%) Chang, Yung-Fa (2.72%) Chang, Kuo-Cheng (1.90%) Chang, Kuo-Ming (1.15%) New Labor Pension Fund (1.09%) Evergreen International Storage & Transport Corp. (1.01%) Paolyta Co., Ltd. (0.94%)
	Continental Engineering Corp.	Continental Holdings Corp. (100%)
	Chang Yung-Fa Foundation (Note 6)	Chang, Yung-Fa Chang, Shu-Hua Chang, Kuo-Hua Chang, Kuo-Ming Chang, Kuo-Cheng Evergreen International Corp. Evergreen Marine Corp. (Taiwan) Ltd. Everglory Transport Corp. Evergreen Investment Corp. Eversaftey Container Terminal Corp. Evermaster Industrial Corp. Evergenius Computer Information Corp. Everlaural Trading Corp. Ltd. Uniglory Marine Corp.

Legal Entity (Note 1)	Name of Institutional Shareholders (Note 2)	Major Shareholders of Institutional Shareholders (Note 3)
Evergreen Steel Corp.	Cathay Life Insurance Co., Ltd.	Cathay Financial Holding Co., Ltd. (100%)
	Wei-Dah Development Co., Ltd.	Maoshi Corp. (99.8%)
	TSRC Corp.	Panama Banco Industrial Company (8.4%) Hao Ran Foundation (7.3%) Wei Dah Development Co., Ltd. (6.5%) Formosa Plastics Marine Corp. (5.0%) CITI bank Taiwan branch in custody for Government of Singapore Investment Fund (4.3%) Tamerton Group Limited (4.2%) Metacity Development Corp. (3.8%) Cathay Life Insurance Co., Ltd. (3.4%) Fubon Life Insurance Co., Ltd. (2.5%) CITI Bank Taiwan branch in custody for Government of Norges Bank investment account (1.7%)
Evergreen International S.A.	Pieca Corp.	Chang, Kuo-Wei (100%)

Note 1: Name of Institutional Shareholders of Table 1.

Note 2: Name of Major Shareholders of Institutional Shareholders of Table 1.

Note 3: Fill in the name and shareholding ratio of the major shareholders (with the top-ten shareholding ratio) of the institutional shareholders.

Note 4: The data is provided by institutional shareholders, and from public information on Ministry of Economic Affairs website and MOPS.

Note 5: When the institutional shareholder is not company organization, the mentioned name of institution and its shareholding ratio, which shall be disclosed, are defined as name of endower and its endowment ratio.

Note 6: The endowers are the endowers listed in the Charter of Endowment of Chang Yung-Fa Foundation.

## (4) Professional qualifications and independence analysis of directors

April 2, 2021

Criteria	Meet One of the Following Professional Qualification Requirements, Together with at Least Five Years Work Experience			Independence Criteria (Note)												Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
	An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Business Needs of the Company in a Public or Private Junior College, College or University	A Judge, Public Prosecutor, Attorney, Certified Public Accountant, or Other Professional or Technical Specialist Who has Passed a National Examination and been Awarded a Certificate in a Profession Necessary for the Business of the Company	Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company	1	2	3	4	5	6	7	8	9	10	11	12	
Name																
HUI Corporation Representative: Chang, Yen-I			✓	✓		✓	✓	✓	✓		✓	✓	✓	✓		0
Chang, Kuo-Hua			✓	✓		✓		✓	✓	✓		✓	✓	✓		0
Evergreen International S.A. Representative: Ko, Lee-Ching			✓	✓		✓	✓		✓	✓	✓		✓	✓		0
Evergreen International S.A. Representative: Hsieh, Huey-Chuan			✓			✓	✓	✓	✓	✓	✓	✓	✓	✓		0
HUI Corporation Representative: Tai, Jiin-Chyuan			✓	✓		✓	✓		✓	✓	✓		✓	✓		0
Evergreen Steel Corp. Representative: Wu, Kuang-Hui			✓			✓	✓	✓	✓	✓	✓		✓	✓		0
Yu, Fang-Lai			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Li, Chang-Chou		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	3
Chang, Chia-Chee		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0

Note: Please tick the corresponding boxes that apply to the directors or supervisors during the two years prior to being elected or during the term of office.

1. Not an employee of the Company or any of its affiliates.

2. Not a director or supervisor of any affiliates of the Company. Not applicable in cases where the person is an independent director of the parent company, or any subsidiary which is regulated by local legislations.
3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.
4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.
5. Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act.
6. If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: Not a director, supervisor, or employee of that other company.
7. If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: Not a director (or governor), supervisor, or employee of that other company or institution.
8. Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company.
9. A professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
10. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.
11. Not been a person of any conditions defined in Article 30 of the Company Law.
12. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.

## Corporate Governance Report

April 2, 2021

## 2. Management Team

Title	Nationality	Name	Gender	Date Effective	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Current Positions in Other Companies	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
President	R.O.C.	Hsieh, Huey-Chuan	Male	2019.04.15	229,752	0.00	0	0.00	0	0.00	Exp: Italia Marittima S.P.A. Vice Chairman Edu: National Chiao Tung University Transportation And Logistics Management	Director: Taipei Port Container Terminal Corp., Charrng Yang Development Corp., Green-compass Marine S.A., Gaining Enterprise S.A.	-	-	-
Chief Executive Vice President (Finance Officer)	R.O.C.	Wu, Kuang-Hui	Male	2018.07.01	102,219	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Finance Div. Executive Vice President Edu: National Sun Yat-Sen University Business Management	Director: Central Reinsurance Corp., Taipei Port Container Terminal Corp. Supervisor: UNI Airways Corp., Evergreen Security Corp., Taiwan Terminal Services Corp. Ltd., Charrng Yang Development Co., Ltd., Hsiang-Li Investment Corp., Evergreen (Shanghai)Hotel Limited	-	-	-
Finance Div. Executive Vice President	R.O.C.	Tsai, I-Jung	Male	2014.07.01	0	0.00	0	0.00	0	0.00	Exp: Italia Marittima S.P.A. Finance Dept. Senior Vice President Edu: Tamkang University Accounting	-	-	-	-



Title	Nationality	Name	Gender	Date Effective	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Current Positions in Other Companies	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Project Div. Executive Vice President	R.O.C.	Wang, Pei-Chun	Male	2021.01.01	7,956	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Marketing Div. Executive Vice President Edu: university Of Hertfordshire Business Administration	-	-	-	
Project Div. Business Coordination Dept. Executive Vice President	R.O.C.	Wei, Wei-Der	Male	2021.01.01	150,291	0.00	0	0.00	0	0.00	Exp: Evergreen Shipping Agency(Europe) Gmbh President Edu: National Chung Hsing University Finance And Cooperative Management	-	-	-	
Project Div. Business Coordination Dept. Executive Vice President	R.O.C.	Tang, Chia-Sheng	Male	2021.01.01	0	0.00	0	0.00	0	0.00	Exp: Evergreen Shipping Agency(Europe) Gmbh France Branch President Edu: Tamkang University International Business	-	-	-	
Project Div. North America Dept. Executive Vice President	R.O.C.	Chang, Da-Chih	Male	2021.03.20	0	0.00	0	0.00	0	0.00	Exp: Evergreen Shipping Agency (America) Corp. President Edu: Soochow University Business Administration	-	-	-	
Logistics Div. Executive Vice President	R.O.C.	Lin, Wen-Kuei	Male	2017.02.25	230	0.00	0	0.00	0	0.00	Exp: Evergreen Shipping Agency (Netherlands) B.V. President Edu: National Taiwan Ocean University Merchant Marine	-	-	-	

## Corporate Governance Report

Title	Nationality	Name	Gender	Date Effective	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Current Positions in Other Companies	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Customer Relationship Management Div. Executive Vice President	R.O.C.	Fang, Yu-Yen	Female	2020.04.10	6,163	0.00	0	0.00	0	0.00	Exp: Evergreen International Corp. International Customer Service Div. Executive Vice President Edu: Shiin High School Of Commerce Business Management	-	-	-	
Ship Div. Executive Vice President	R.O.C.	Huang, Tsung-Yung	Male	2020.04.01	105,000	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Shipbuilding Dept. Executive Vice President Edu: National Taiwan Ocean University Systems Engineering And Naval Architecture	-	-	-	
Operation Coordination Dept. Executive Vice President	R.O.C.	Su, Teng-Huan	Male	2020.01.01	0	0.00	0	0.00	0	0.00	Exp: Taipei Port Container Terminal Corp. Chairman Edu: National Taiwan Ocean University Shipping And Transportation Management	-	-	-	
Human Resources Dept. Senior Vice President	R.O.C.	Yang, Pi-Sao	Female	2014.01.01	16,000	0.00	0	0.00	0	0.00	Exp: Evergreen Group Management Office Junior Vice President Edu: Lawrence Technological University Business Administration	-	-	-	

Title	Nationality	Name	Gender	Date Effective	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Current Positions in Other Companies	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Corporate Governance Dept. Senior Vice President	R.O.C.	Hsieh, Shu-Hui	Female	2016.04.27	0	0.00	0	0.00	0	0.00	Exp: Evergreen International Corp. Stocks Dept. Senior Vice President Edu: Soochow University Law	-	-	-	-
Finance Div. Finance Dept. Senior Vice President	R.O.C.	Mo, Cheng-Ping	Male	2017.02.22	20,000	0.00	1,269	0.00	0	0.00	Exp: Italia Marittima S.P.A. Chief Executive Vice President Edu: Tamsui Institute Of Business Administration Public Finance And Taxation	-	-	-	-
Project Div. Business Coordination Dept. Joint Venture Sec. Senior Vice President	R.O.C.	Tseng, Neng-Fang	Male	2021.01.01	35,000	0.00	0	0.00	0	0.00	Exp: Evergreen International S.A. HK Representative Edu: Tunghai University International Business	-	-	-	-
Project Div. Latin America Dept. Senior Vice President	R.O.C.	Su, Ming-Sung	Male	2021.01.01	32,086	0.00	0	0.00	0	0.00	Exp: Evergreen International Corp. Latin America Dept. Deputy Senior Vice President Edu: National Chiao Tung University Transportation And Logistics Management	-	-	-	-
Project Div. Europe Dept. Senior Vice President	R.O.C.	Huang, Sheng-Peng	Male	2021.02.25	431	0.00	938	0.00	0	0.00	Exp: Evergreen Shipping Agency(Europe) Gmbh President Edu: Chinese Culture University Mechanical Engineering	-	-	-	-

## Corporate Governance Report

Title	Nationality	Name	Gender	Date Effective	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Current Positions in Other Companies	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Project Div. Intra Asia Dept. Senior Vice President	R.O.C.	Wu, Yi-Min	Male	2021.01.01	0	0.00	0	0.00	0	0.00	Exp: Pt. Evergreen Shipping Agency Indonesia President Edu: National Chung Hsing University Business Administration	-	-	-	
Project Div. Near East Dept. Senior Vice President	R.O.C.	Huang, Ming- Jer	Male	2021.01.01	0	0.00	0	0.00	0	0.00	Exp: Evergreen Shipping Agency(Europe) Gmbh France Branch Executive Vice President Edu: Fu Jen Catholic University International Trade	-	-	-	
Logistics Div. Equipment Control Dept. Senior Vice President	R.O.C.	Kuo, Yuan-Ping	Male	2021.04.01	22	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Logistics Div. Intermodal Dept. Senior Vice President Edu: National Taiwan University Of Science And Technology Mechanical Engineering	-	-	-	
Ship Div. Maintenance Dept. Senior Vice President	R.O.C.	Kung, Chir- Chieh	Male	2018.02.05	67,823	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Tai- wan) Ltd. Project Dept. Senior Vice President Edu: National Taiwan Ocean University Systems Engineering And Naval Architecture	-	-	-	

Title	Nationality	Name	Gender	Date Effective	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Current Positions in Other Companies	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Ship Div. Shipbuilding Dept. Senior Vice President	R.O.C.	Chiang, Shou- Hsing	Male	2006.01.01	0	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Engineering Div. Shipbuilding Dept. Deputy Senior Vice President Edu: National Taiwan Ocean University Systems Engineering And Naval Architecture	-	-	-	
Operation Coordination Dept. Senior Vice President	R.O.C.	Hwang, Wen- Yau	Male	2018.03.15	220,917	0.00	0	0.00	0	0.00	Exp: Evergreen Shipping Agency(Europe) Gmbh Netherlands Branch European Operation Center. Senior Vice President Edu: China Junior College Of Marine Technology Navigation	-	-	-	
Auditing Dept. Deputy Senior Vice President	R.O.C.	Wu, Yu-Chi	Female	2015.01.01	10,216	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Finance Div. Finance Dept. Junior Vice President Edu: Chungyu Institute Of Technology Accounting	-	-	-	

## Corporate Governance Report

Title	Nationality	Name	Gender	Date Effective	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Current Positions in Other Companies	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Project Div. Business Coordination Dept. Agency Management Sec. Deputy Senior Vice President	R.O.C.	Chen, Chun-Yen	Male	2021.01.01	0	0.00	0	0.00	0	0.00	Exp: Evergreen International Corp. Business Div. America Dept. Deputy Senior Vice President Edu: National Taiwan Ocean University Shipping And Transportation Management	-	-	-	-
Project Div. Business Coordination Dept. Agency Management Sec. Deputy Senior Vice President	R.O.C.	Cheng, Min-Chou	Male	2021.03.08	0	0.00	0	0.00	0	0.00	Exp: Evergreen International Corp. Business Div. Europe Dept. Deputy Senior Vice President Edu: Chinese Culture University International Trade	-	-	-	-
Project Div. Business Coordination Dept. Market Intelligence Sec. Deputy Senior Vice President	R.O.C.	Sheu, Dong-Han	Male	2021.01.01	0	0.00	0	0.00	0	0.00	Exp: Evergreen Marine (UK) Limited Project Div. Deputy Senior Vice President Edu: National Chung Hsing University Economics	-	-	-	-

Title	Nationality	Name	Gender	Date Effective	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Current Positions in Other Companies	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Project Div. Business Coordination Dept. Information Technology Sec. Deputy Senior Vice President	R.O.C.	Jou, Kuen-Cheng	Male	2021.01.01	0	0.00	224	0.00	0	0.00	Exp: Evergreen International Corp. Computer Div. Software Designing Dept. II Deputy Senior Vice President Edu: National Taipei College Of Business Information Management	-	-	-	
Project Div. North America Dept. Deputy Senior Vice President	R.O.C.	Hsu, Ching-Che	Male	2021.01.01	0	0.00	0	0.00	0	0.00	Exp: Evergreen Shipping Agency (America) Corp. Dallas Office Senior Vice President Edu: National Chung Hsing University Foreign Languages And Literatures	-	-	-	
Project Div. Europe Dept. Deputy Senior Vice President	R.O.C.	Lin, Sheng-Chia	Male	2021.01.01	0	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Marketing Div. Europe & Africa Dept. Deputy Senior Vice President Edu: Feng Chia University Transportation And Logistics	-	-	-	

## Corporate Governance Report

Title	Nationality	Name	Gender	Date Effective	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Current Positions in Other Companies	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Project Div. Europe Dept. Deputy Senior Vice President	R.O.C.	Chien, Shen-Tai	Male	2021.03.01	0	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Human Resources Dept. Deputy Senior Vice President Edu: National Cheng Kung University Industrial Information Management	-	-	-	
Customer Relationship Management Div. Customer Relationship Management Dept. Deputy Senior Vice President	R.O.C.	Chiu, Ping-Chuan	Female	2020.04.10	0	0.00	0	0.00	0	0.00	Exp: Evergreen International Corp. International Customer Service Div. Customer Service System Dept. Deputy Senior Vice President Edu: National Sun Yat-Sen University Information Management	-	-	-	
Customer Relationship Management Div. Customer Data Processing Dept.I Deputy Senior Vice President	R.O.C.	Lin, Chi-Day	Female	2020.05.21	0	0.00	0	0.00	0	0.00	Exp: Evergreen International Corp. International Customer Service Div. Data Maintenance Dept.I Deputy Senior Vice President Edu: Tamkang University International Trade	-	-	-	



Title	Nationality	Name	Gender	Date Effective	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Current Positions in Other Companies	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Ship Div. Maritech Dept. Deputy Senior Vice President	R.O.C.	Yang, Hong-Ming	Male	2019.01.01	95,550	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Maritech Dept. Junior Vice President Edu: National Chiao Tung University Transportation & Logistics Management	-	-	-	
Ship Div. Seaman Dept. Deputy Senior Vice President	R.O.C.	Li, Hua-Lung	Male	2018.01.01	90,190	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Maritech Dept. Deputy Senior Vice President Edu: National Taiwan Ocean University Shipping And Transportation Management	-	-	-	
Ship Div. Maintenance Dept. I Deputy Senior Vice President	R.O.C.	Chen, Jenn-Hwang	Male	2021.04.01	38,000	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Maritech Dept. Deputy Senior Vice President Edu: National Taiwan Ocean University Marine Engineering	-	-	-	
Ship Div. KSG Maintenance Dept. Deputy Senior Vice President	R.O.C.	Lee, Rhui-Fu	Male	2021.04.01	0	0.00	0	0.00	0	0.00	Exp: Evergreen Shipping Agency (China) Co., Ltd. Shanghai Branch Engineering Dept. Deputy Senior Vice President Edu: National Taiwan Ocean University Marine Engineering	-	-	-	

## Corporate Governance Report

Title	Nationality	Name	Gender	Date Effective	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Current Positions in Other Companies	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Ship Div. Supply Dept. Deputy Senior Vice President	R.O.C.	Yeh, Ching- Rong	Male	2020.07.01	25,291	0.00	641	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Engineering Div. Maintenance Dept. Junior Vice President Edu: National Taiwan Ocean University Marine Engineering	-	-	-	
Operation Dept. Deputy Senior Vice President	R.O.C.	Hwang, Yi-Syou	Male	2018.04.01	0	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Operation Coordination Dept. Deputy Senior Vice President Edu: China Junior College Of Marine Technology Navigation	-	-	-	
Operation Coordination Dept. Deputy Senior Vice President	R.O.C.	Chang, Chih- Chao	Male	2018.02.01	76,000	0.00	539	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Project Dept. Deputy Senior Vice President Edu: Tamkang University Navigation	-	-	-	
Operation Coordination Dept. Deputy Senior Vice President	R.O.C.	Yeh, Cheng- Hung	Male	2019.03.18	3,000	0.00	0	0.00	0	0.00	Exp: Evergreen International Corp. Business Div. Intra Asia Dept. Deputy Senior Vice President Edu: National Chiao Tung University Management Science	-	-	-	

Title	Nationality	Name	Gender	Date Effective	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Current Positions in Other Companies	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
KSG Terminal Div. Deputy Senior Vice President	R.O.C.	Kuo, Feng-Yi	Male	2020.01.01	0	0.00	0	0.00	0	0.00	Exp: Evergreen International Corp. Investment Dept. Deputy Senior Vice President Edu: Tunghai University Business Administration	Taiwan Terminal Services Corp. Ltd. President	-	-	-
KSG Terminal Div. Deputy Senior Vice President	R.O.C.	Hwang, Ming-Ling	Male	2020.01.01	0	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. KSG Terminal Div. Terminal Operation Dept.I Deputy Senior Vice President Edu: China Junior College Of Marine Technology Navigation	Taiwan Terminal Services Corp. Ltd. President	-	-	-
KSG Terminal Div. Deputy Senior Vice President	R.O.C.	Chen, Chia-Chi	Male	2020.07.01	180,236	0.00	15,000	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. KSG Terminal Div. Junior Vice President Edu: National Kaohsiung University Of Science And Technology Business Administration	-	-	-	-
Finance Div. Finance Dept. Junior Vice President (Accounting Officer)	R.O.C.	Chang, Chuan-Fu	Male	2019.01.01	5,000	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Finance Div. Finance Dept. Deputy Junior Vice President Edu: National Chung Hsing University Public Finance	-	-	-	-

### 3. Remuneration of Directors, President, and Vice Presidents

#### (1) Remuneration of General Directors and Independent Directors

Unit: TWD Thousands

Title	Name	Remuneration						Ratio of Total Remuneration (A+B+C+D) to Net Income (%) (Note 11)	Relevant Remuneration Received by Directors Who are Also Employees				Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%) (Note 11)	Compensation from an Invested Company and the Company Other than the Company's Subsidiaries (Note 12)					
		Base Compensation (A) (Note 5)		Severance Pay (B)		Directors Compensation (C) (Note 6)			Allowances (D) (Note 7)		Employee Compensation (G) (Note 9)				Severance Pay (F)				
		EMC	Consolidated Subsidiaries of EMC (Note 10)	EMC	Consolidated Subsidiaries of EMC (Note 10)	EMC	Consolidated Subsidiaries of EMC (Note 10)		EMC	Consolidated Subsidiaries of EMC (Note 10)	EMC	Consolidated Subsidiaries of EMC (Note 8)			Cash	Stock	EMC	Consolidated Subsidiaries of EMC (Note 10)	
																			Cash
Chairman	HUI Corp. Representative: Chang, Yen-H (Note 1)	2,041	2,041	10	10	469	469	130	130	0	0	0	0	0	0	0	0.05%	0.05%	135
Director	Chang, Kuo-Hua	0	0	0	0	1,500	1,500	54	54	0	0	0	0	0	0	0	0.00%	0.00%	716
Director	Evergreen International S.A. Representative: Ko, Lee-Ching	0	0	0	0	1,500	1,500	54	54	0	0	0	0	0	0	0	0.00%	0.00%	2,334
Director	Evergreen International S.A. Representative: Hsieh, Huey- Chuan	0	0	0	0	1,500	1,500	54	54	6,354	6,354	0	0	0	0	0	0.03%	0.03%	24

Title	Name	Remuneration						Relevant Remuneration Received by Directors Who are Also Employees				Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%) (Note 11)		Compensation from an Invested Company and the Company Other than the Company's Subsidiaries (Note 12)						
		Base Compensation (A) (Note 5)		Severance Pay (B)		Directors Compensation (C) (Note 6)		Allowances (D) (Note 7)		Ratio of Total Remuneration (A+B+C+D) to Net Income (%) (Note 11)		Salary, Bonuses, and Allowances (E) (Note 8)			Severance Pay (F) (Note 9)		Employee Compensation (G) (Note 9)			
		EMC	Consolidated Subsidiaries of EMC (Note 10)	EMC	Consolidated Subsidiaries of EMC (Note 10)	EMC	Consolidated Subsidiaries of EMC (Note 10)	EMC	Consolidated Subsidiaries of EMC (Note 10)	EMC	Consolidated Subsidiaries of EMC (Note 10)	EMC	Consolidated Subsidiaries of EMC (Note 10)		Cash	Stock	Cash	Stock	Consolidated Subsidiaries of EMC (Note 10)	Consolidated Subsidiaries of EMC (Note 10)
Director	HUI Corp. Representative: Tai, Jjin-Chyuan (Note 2)	0	0	0	782	782	36	36	0.00%	0.00%	0	0	0	0	0	0	0.00%	0.00%	2,364	
Director	Evergreen Steel Corp. Representative: Wu, Kuang-Hui (Note 2)	0	0	0	782	782	36	36	0.00%	0.00%	6,093	108	142	0	142	0	0.03%	0.03%	1,648	
Director	HUI Corp. Representative: Chang, Cheng-Yung (Note 3)	7,466	7,466	0	1,530	1,530	404	404	0.03%	0.03%	0	0	0	0	0	0	0.03%	0.03%	279	
Director	Chang Yung-Fa Charity Foundation Representative: Chang Kuo-Ming (Note 4)	0	0	0	717	717	6	6	0.00%	0.00%	0	0	0	0	0	0	0.00%	0.00%	0	

## Corporate Governance Report

Title	Name	Remuneration						Ratio of Total Remuneration (A+B+C+D) to Net Income (%) (Note 11)			Relevant Remuneration Received by Directors Who are Also Employees (Note 9)					Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%) (Note 11)		Compensation from an Invested Company and the Company Other than the Company's Subsidiaries (Note 12)		
		Base Compensation (A) (Note 5)		Directors Compensation (C) (Note 6)		Allowances (D) (Note 7)		Severance Pay (F)			Salary, Bonuses, and Allowances (E) (Note 8)		Employee Compensation (G) (Note 9)			Consolidated Compensation of EMC of EMC (Note 10)				
		EMC (Note 10)	Consolidated Subsidiaries of EMC (Note 10)	EMC (Note 10)	Consolidated Subsidiaries of EMC (Note 10)	EMC (Note 10)	Consolidated Subsidiaries of EMC (Note 10)	EMC (Note 10)	Consolidated Subsidiaries of EMC (Note 10)	EMC (Note 10)	Consolidated Subsidiaries of EMC (Note 10)	EMC (Note 8)	Consolidated Subsidiaries of EMC (Note 8)	Cash	Stock	Cash	Stock		EMC of EMC (Note 10)	Consolidated Subsidiaries of EMC (Note 10)
Independent Director	Yu, Fang-Lai	960	960	0	0	0	0	66	66	0	0	0	0	0	0	0	0	0	0	
Independent Director	Li, Chang-Chou	960	960	0	0	0	0	66	66	0	0	0	0	0	0	0	0	0	0	
Independent Director	Chang, Chia-Chee	960	960	0	0	0	0	66	66	0	0	0	0	0	0	0	0	0	0	

In addition to the above remuneration, director remuneration shall be disclosed as follows when received from companies included in the consolidated financial statements in the most recent year to compensate directors for their services: None.

Note 1: The juridical person director nominated the new representative as the director on October 7, 2020. New appointment.

Note 2: To elect the directors of the Company at Annual General Shareholders' Meeting on June 24, 2020. New appointment.

Note 3: The juridical person director nominated the new representative as the director on October 7, 2020. Dismissal.

Note 4: To elect the directors of the Company at Annual General Shareholders' Meeting on June 24, 2020. Dismissal.

Note 5: Directors' remuneration for 2020 (including directors' salary, subsidy, severance pay and various bonuses)

Note 6: The directors' remuneration for 2020 which was approved by the Board of Directors in 2021.

Note 7: Includes the relevant business execution expenses of directors in 2020 (including transportation allowance, special expenses, various allowances, dormitory, car and other physical supplies, etc.). In the case of housing, car or other means of transportation or expenses incurred by an individual, the

nature of the assets provided and the actual or fair-market cost of the rental, fuel and other payments shall be disclosed. In addition, if there is a driver, please note the Company's payment for the driver, but the payment is not counted as remuneration.

Note 8: Relevant remuneration received by directors who are also employees (including the President, Executive Vice President, other managers and employees) in 2020, including salary, subsidy, severance pay and various bonuses, incentive payment, transportation allowance, special expenses, various allowances, dormitory, car and other physical supplies, etc. In the case of housing, car or other means of transportation or expenses incurred by an individual, the nature of the assets provided and the actual or fair-market cost of the rental, fuel and other payments shall be disclosed. In addition, if there is a driver, please note the Company's payment for the driver, but the payment is not counted as remuneration. The salary recognized in accordance with IFRS 2 "Share-based payment", including obtaining employee stock option certificates, restricted stock awards and participating in capital increase by cash shall also be included in the remuneration.

Note 9: The employees' compensation for 2020 which was approved by the Board of Directors in 2021.

Note 10: The total amount of remuneration paid to the directors by EMC and its consolidated subsidiaries.

Note 11: Net income is the profit after tax of the parent-company-only financial statements of 2020.

Note 12: a. This column shows the amount of remuneration received by the directors from the other invested companies which are not subsidiaries; or the parent company.

b. Remuneration refers to the reward (including remuneration for employees, directors and supervisors) received by the directors when they are engaged in an investment enterprise other than a subsidiary; or as directors, supervisors or managers of the parent company; and business execution fees and other relevant remuneration.

\* The contents of the remuneration disclosed in this form are different from the concept of income under the Income Tax Act. Therefore, the purpose of this form is for information disclosure and is not for tax purposes.

## (2) Remuneration of the President and Vice Presidents

Unit: TWD thousands

Title	Name	Salary (A) (Note 1)		Severance Pay (B)		Bonuses and Allowances (C) (Note 2)		Employee Compensation (D) (Note 3)			Ratio of total compensation (A+B+C+D) to net income (%) (Note 6)		Compensation Paid to the President and Vice Presidents from an Invested Company Other than the Company's Subsidiaries and the Company (Note 7)
		EMC	Consolidated Subsidiaries of EMC (Note 4)	EMC	Consolidated Subsidiaries of EMC (Note 4)	EMC	Consolidated Subsidiaries of EMC (Note 4)	EMC	Consolidated Subsidiaries of EMC (Note 4)	Cash	Stock	EMC	
President	Hsieh, Huey-Chuan												
Chief Executive Vice President	Wu, Kuang-Hui												
Executive Vice President	Wei, Wei-Der												
Executive Vice President	Tang, Chia-Sheng												
Executive Vice President	Tsai, I-Jung	27,314	27,314	2,161	2,161	21,419	21,419	2,031	0	2,031	0	0.22%	1,672
Executive Vice President	Wang, Pei-Chun												
Executive Vice President	Lin, Wen-Kuei												
Executive Vice President	Fang, Yu-Yen												
Executive Vice President	Su, Teng-Huan												
Executive Vice President	Huang, Tsung-Yung												



Range of Remuneration	Name of President and Executive Vice Presidents	
	EMC (Note 5)	the Invested Company of EMC (E) (Note 4)
Under TWD1,000,000	-	-
TWD1,000,001 ~ TWD2,000,000	-	-
TWD2,000,001 ~ TWD3,500,000	-	-
TWD3,500,001 ~ TWD5,000,000	Wei, Wei-Der Tang, Chia-Sheng Tsai, I-Jung Fang, Yu-Yen	Wei, Wei-Der Tang, Chia-Sheng Tsai, I-Jung Fang, Yu-Yen
TWD5,000,001 ~ TWD10,000,000	Hsieh, Huey-Chuan Wu, Kuang-Hui Wang, Pei-Chun Lin, Wen-Kuei Su, Teng-Huan Huang, Tsung-Yung	Hsieh, Huey-Chuan Wu, Kuang-Hui Wang, Pei-Chun Lin, Wen-Kuei Su, Teng-Huan Huang, Tsung-Yung
TWD10,000,001 ~ TWD15,000,000	-	-
TWD15,000,001 ~ TWD30,000,000	-	-
TWD30,000,001 ~ TWD50,000,000	-	-
TWD50,000,001 ~ TWD100,000,000	-	-
Over TWD100,000,000	-	-
Total	10	10

Note 1: Includes President and Executive Vice Presidents' salary, subsidy, severance pay for 2020.

Note 2: Includes President and Executive Vice Presidents' bonus, incentive payment, transportation allowance, special expenses, various allowances, dormitory, car and other physical supplies, etc. In the case of housing, car or other means of transportation or expenses incurred by an individual, the nature of the assets provided and the actual or fair-market cost of the rental, fuel and other payments shall be disclosed. In addition, if there is a driver, please note the Company's payment for the driver, but the payment is not counted as remuneration. The salary recognized in accordance with IFRS 2 "Share-based payment", including obtaining employee stock option certificates, restricted stock awards and participating in capital increased by cash shall also be included in the remuneration.

Note 3: Presidents' and Executive Vice Presidents' remuneration for 2020 which was approved by the Board of Directors in 2021.

Note 4: The total amount of remuneration paid to the Presidents and Vice Executive Presidents

## Corporate Governance Report

by EMC and its consolidated subsidiaries.

Note 5: The name of the Presidents and Executive Vice Presidents is disclosed according to their total remuneration received from the Company.

Note 6: Net income is the profit after tax of the parent-company-only financial statements of 2020.

Note 7: a. This column shows the amount of remuneration received by the President and Executive Vice Presidents from the other invested companies which are not subsidiaries; or the parent company.

b. If the President and Executive Vice Presidents receive any remuneration from the other invested companies which are not subsidiaries or the parent company, they shall incorporate this remuneration into column E of the remuneration scale, and change the field name to “The Parent Company and All the other Invested Businesses”.

c. Remuneration refers to the reward (including remuneration for employees, directors and supervisors) received by the President and Executive Vice President as being directors, supervisors or managers of the other invested companies which are not subsidiaries; and business execution fees and other relevant remuneration.

\* The contents of the remuneration disclosed in this form are different from the concept of income under the Income Tax Act. Therefore, the purpose of this form is for information disclosure and is not for tax purposes.

### (3) Name and distribution of managers who distribute employee compensation

December 31, 2020

Unit: TWD thousands

	Title (Note 1)	Name	Employee Compensation in Stock (Fair Market Value) (Note2)	Employee Compensation in Cash (Note2)	Total	Ratio of Total Amount to Net Income (%) (Note 3)
Executive Officers	President	Hsieh, Huey-Chuan	0	7,424	7,424	0.03
	Chief Executive Vice President	Wu, Kuang-Hui				
	Executive Vice President	Wei, Wei-Der				
	Executive Vice President	Tang, Chia-Sheng				
	Executive Vice President	Tsai, I-Jung				
	Executive Vice President	Wang, Pei-Chun				
	Executive Vice President	Lin, Wen-Kuei				
	Executive Vice President	Fang, Yu-Yen				
	Executive Vice President	Su, Teng-Huan				

	Title (Note 1)	Name	Employee Compensation in Stock (Fair Market Value) (Note2)	Employee Compensation in Cash (Note2)	Total	Ratio of Total Amount to Net Income (%) (Note 3)
Executive Officers	Executive Vice President	Huang, Tsung-Yung	0	7,424	7,424	0.03
	Senior Vice President	Tseng, Neng-Fang				
	Senior Vice President	Su, Ming-Sung				
	Senior Vice President	Wu, Yi-Min				
	Senior Vice President	Huang, Ming-Jer				
	Senior Vice President	Yang, Pi-Sao				
	Senior Vice President	Mo, Cheng-Ping				
	Senior Vice President	Kuo, Yuan-Ping				
	Senior Vice President	Kung, Chir-Chieh				
	Senior Vice President	Chiang, Shou-Hsing				
	Senior Vice President	Hwang, Wen-Yau				
	Deputy Senior Vice President	Wu, Yu-Chi				
	Deputy Senior Vice President	Chen, Chun-Yen				
	Deputy Senior Vice President	Sheu, Dong-Ham				
	Deputy Senior Vice President	Jou, Kuen-Cheng				
	Deputy Senior Vice President	Hsu, Ching-Che				
	Deputy Senior Vice President	Chien, Shen-Tai				
	Deputy Senior Vice President	Lin, Sheng-Chia				
	Deputy Senior Vice President	Hsu, Huan-Chang				
Deputy Senior Vice President	Chiu, Ping-Chuan					

	Title (Note 1)	Name	Employee Compensation in Stock (Fair Market Value) (Note2)	Employee Compensation in Cash (Note2)	Total	Ratio of Total Amount to Net Income (%) (Note 3)
Executive Officers	Deputy Senior Vice President	Lin, Chi-Day	0	7,424	7,424	0.03
	Deputy Senior Vice President	Yang, Hong-Ming				
	Deputy Senior Vice President	Li, Hua-Lung				
	Deputy Senior Vice President	Chen, Jenn-Hwang				
	Deputy Senior Vice President	Yeh, Ching-Rong				
	Deputy Senior Vice President	Hwang, Yi-Syou				
	Deputy Senior Vice President	Yeh, Cheng-Hung				
	Deputy Senior Vice President	Chang, Chih-Chao				
	Deputy Senior Vice President	Kuo, Feng-Yi				
	Deputy Senior Vice President	Hwang, Ming-Ling				
	Deputy Senior Vice President	Chen, Chia-Chi				
	Junior Vice President (Accounting Officer)	Chang, Chuan-Fu				

Note 1: The title as of December 31, 2020

Note 2: The amount of employees' compensation for managers for 2020, which was approved by the Board of Directors in 2021.

Note 3: Net income is the profit after tax of the parent-company-only financial statements of 2020.

Note 4: The scope of application of the manager is based on the letter from the Financial Supervisory Commission R.O.C. (Taiwan) on March 27, 2003, the Taiwanese Certificate of Finance (Tai-Cai-Zheng-San-Zi), No. 0920001301, the scope of which is as follows:

(1) President and equivalent

- (2) Executive Vice President and equivalent
- (3) Senior Vice President and Deputy Senior Vice President or equivalent
- (4) Head of Finance Department
- (5) Head of Accounting Department
- (6) Other persons who have the right to manage affairs and sign on behalf of the Company

#### 4. Comparison of Remuneration for Directors, Supervisors, President and Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, Supervisors, President and Vice Presidents

- (1) The ratio of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors, president and vice presidents of the Company, to the net income.

Title	EMC		Consolidated Subsidiaries of EMC	
	2019	2020	2019	2020
Directors	8.06%	0.09%	8.06%	0.09%
President and Vice Presidents	27.27%	0.22%	27.27%	0.22%

- (2) The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with risks and business performance.

According to the “Articles of Incorporation” and the “Payment Regulation of Directors” of the Company, if the Company makes profit in a fiscal year, the Company shall set aside no more than 2% of the profit for directors’ remuneration; and shall distribute the remuneration based on the individual director’s level of participation and the value of contribution to the Company’s operations. In addition, the Company may pay reasonable compensation to the director based on the level of the individual director’s participation, contribution value to the Company’s operations and take account of normal standard among the same industry.

The remuneration of managers is determined in accordance with the Payment Regulations for Managers Compensation. The remuneration would be considered and distributed based on the operation results of the Company and personal performance. Managers are evaluated every six months on their overall performance, leadership, planning skills, cost management abilities etc.

## 3-3 Implementation of Corporate Governance

## 1. Board of Directors

In 2020, a total 3 (A) meetings of the Board of Directors were held before the election of directors at Annual General Shareholders' Meeting on June 24, 2020, and a total 6 (A) meetings of the Board of Directors were held after the election of directors. The attendance of directors is as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Current Directors elected by the Annual General Shareholders' Meeting on June 24, 2020.					
Chairman	HUI Corp. Representative: Chang, Yen-I	3	0	100%	Assume office on Oct. 7, 2020 Required numbers of attendance: 3
Director	Chang, Kuo-Hua	6	0	100%	Reelected on June 24, 2020
Director	Evergreen International S.A. Representative: Ko, Lee-Ching	6	0	100%	
Director	Evergreen International S.A. Representative: Hsieh, Huey-Chuan	6	0	100%	
Director	HUI Corp. Representative: Tai, Jiin-Chyuan	6	0	100%	Newly elected on June 24, 2020
Director	Evergreen Steel Corp. Representative: Wu, Kuang-Hui	6	0	100%	
Independent Director	Yu, Fang-Lai	6	0	100%	Reelected on June 24, 2020
Independent Director	Li, Chang-Chou	6	0	100%	
Independent Director	Chang, Chia-Chee	6	0	100%	

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Before the election of directors at Annual General Shareholders' Meeting on June 24, 2020.					
Chairman	Evergreen Steel Corp. Representative: Chang, Cheng-Yung	6	0	100%	Term ceased on Oct. 7, 2020 Required numbers of attendance: 6
Director	Chang Yung-Fa Charity Foundation Representative: Chang, Kuo-Hua	3	0	100%	Required numbers of attendance: 3
Director	Chang Yung-Fa Charity Foundation Representative: Chang, Kuo-Ming	1	0	33.33%	Term ceased on June. 24, 2020 Required numbers of attendance: 3
Director	Evergreen International S.A. Representative: Ko, Lee-Ching	3	0	100%	Required numbers of attendance: 3
Director	Evergreen International S.A. Representative: Hsieh, Huey-Chuan	3	0	100%	
Independent Director	Yu, Fang-Lai	3	0	100%	
Independent Director	Li, Chang-Chou	3	0	100%	
Independent Director	Chang, Chia-Chee	3	0	100%	

Other mentionable items:

1. Please specify the dates of the Board Meetings, period, agenda and all independent directors' opinions and the Company's responses if one of following situation has occurred in the Board Meetings:

- (1) The items listed in Article 14-3 of Securities and Exchange Act: Not applicable as the Company has established the Audit Committee. For more information about the items listed in Article 14-5 of Securities and Exchange Act, please refer to page 122 to 127 (Material

## Corporate Governance Report

Resolutions of Board of Directors, Audit Committee and Remuneration Committee).

(2) Except for the proposal mentioned above, other literally recorded resolutions which are opposed or have qualified opinion by independent directors: None.

2. If the directors have personal interest conflicts to the proposal and are required for recusal, please specify the names of the directors, proposal, reason and the resolution: Please refer to page 122 to 127.

3. The 2020 Self-evaluation of the performance of the Board of Directors:

<b>Evaluation Cycle</b>	Once a year
<b>Evaluation Period</b>	From Jan 1, 2020 to Dec 31, 2020
<b>Evaluation Scope</b>	The Board as a whole individual directors, and functional committees.
<b>Evaluation Method</b>	self-evaluation and peer evaluation were conducted by the way of Directors filling out questionnaire.
<b>Evaluation Indexes</b>	<ol style="list-style-type: none"> <li>1. Self-evaluation of directors: The evaluation of self-performance of each director including attending and participating in discussion of Board meetings, awareness of the industry and management team of the Company, improving corporate governance continuously, and internal control.</li> <li>2. Peer evaluation of Board of Directors: The evaluation of performance of the Board as a whole including evaluating other directors' attendance and participation in discussion of the Board meetings, awareness of the industry and management team of the Company, improving corporate governance continuously, Internal control, and operations of the Board and functional committees.</li> <li>3. Self-evaluation of functional committees: The evaluation of performance of functional committees including committee members' participation in the operation of the company and awareness of the duties of the functional committee, the quality of decisions made by the functional committee, the composition of the functional committee and election of its members, and Internal control.</li> </ol>
<b>Evaluation Result</b>	<ol style="list-style-type: none"> <li>1. Self-evaluation of Board of Directors: Good, the average score is 2.96.</li> <li>2. Self-evaluation of performance of Directors: Good, the average score is 2.96.</li> <li>3. Self-evaluation of performance of the functional committees: Good, the average score is 2.98.</li> </ol>

4. The goals of strengthening the functions of the Board of Directors in the current year and recent years (e.g. establish an audit committee, enhance information transparency, etc.):

(1) The Company has purchased liability insurance for directors, supervisors and key employees in order to disperse the risk of their legal responsibility and improve the corporate governance.



- (2) The Company has 3 independent directors and has stipulated the “Rules Governing the duties of independent directors”. To enhance the functionality of the Board of Directors, the Company has established the Audit Committee on June 22, 2017.
- (3) To enhance the information transparency, the Company voluntarily publishes important resolutions of Board Meetings and establishes Corporate Social Responsibility zone, Stakeholder zone, Ethical Management zone, and Corporate Governance zone on the Company’s website.
- (4) To enhance the professional ability of directors as well as implement corporate governance, the Company regularly (twice a year) invites lecturers for directors to attend training courses.
- (5) The Company was ranked in the top 20% of all selected listed companies in the 7<sup>th</sup> Annual Corporate Governance Evaluation, which illustrated that the Company performed well in corporate governance.
- (6) To enable directors to obtain appropriate and timely assistance in making requests or requesting for information, so as to improve the Board of Directors’ effectiveness, the Company established “The Standard Operating Procedure for Handling Directors’ Requests” on May 13, 2019.

## 2. Annual Tasks and Implementation Status of the Audit Committee:

- (1) The Audit Committee of the Company is composed of 3 independent directors, whose major duties are to review and supervise: the Company’s financial reports, accounting and internal control system, the major asset transactions, endorsements and guarantees, and the offering or issuance of securities.**
- 

### **(2) Annual Tasks of the Audit Committee in 2020:**

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- (1) Review financial reports:

The Company’s annual business report, financial reports, and surplus distribution proposals were all reviewed by the Audit Committee and submitted to the Board for discussion. After being approved by the Board, the proposals were presented to the annual general meeting of shareholders for acknowledgement.

- (2) Assess the effectiveness of internal control system:

The self-assessment of internal control system and its implementation are completed by the internal units every year; the audit unit reports to the Audit Committee regularly and submits the amendment of the internal control system and the annual internal control statement to Audit Committee for review. In addition, the audit unit has several closed-door meetings with the Audit Committee every year to enable the Committee to understand the financial status, operational effectiveness,

## Corporate Governance Report

risk management, information security, regulatory compliance, and to assess the Company's internal control effectiveness.

(3) Appoint the Company's certified public accountants:

The Audit Committee annually assesses the professionalism, independence, and the reasonableness of remuneration of CPAs. The proposal of appointing Ms. Lee, Hsiu-Ling and Mr. Chih, Ping-Chiun, the CPAs of PricewaterhouseCoopers Taiwan (PwC Taiwan), as the Company's CPAs for 2020 and their remuneration were reviewed by Audit Committee on the 2<sup>nd</sup> meeting in 2020 and then approved by Board meeting. In addition, CPAs have several closed-door meetings with the Audit Committee every year to communicate matters related to financial reports.

### (3) Implementation Status of the Audit Committee:

A total of 7(A) meetings of Audit Committee were held in 2020. The attendance of Independent directors is as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Convener	Li, Chang-Chou	7	0	100%	Reelected on June 24, 2020
Committee member	Yu, Fang-Lai	7	0	100%	
Committee member	Chang, Chia-Chee	7	0	100%	

Other mentionable items:

- If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified:
  - The items listed in Article 14-5 of Securities and Exchange Act: Please refer to page 122 to 127 (Material Resolutions of Board of Directors, Audit Committee and Remuneration Committee.)
  - Except for the proposal mentioned above, other resolutions which are not approved by Audit Committee but are approved by two-third of directors: None.
- If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: Please refer to page 122 to 127. (Material Resolutions of Board of Directors, Audit Committee and Remuneration Committee).
- Communications between the Independent Directors, the Company's Chief Internal

Auditor and CPAs (shall include the major issues, methods and results of communication concerning the Company's financial and operational status, etc.)

(1) The communications between the independent directors and the Company's chief internal auditor:

**A. Communication method**

The independent directors and the chief internal auditor have at least four closed-door meetings every year. The independent directors and the chief internal auditor have five closed-door meetings in 2020, and the chief internal auditor reported the execution results of internal audit and operation of internal control at such meetings.

**B. The summaries of communication in 2020:**

<b>Date</b>	<b>Communication Content</b>	<b>The Company's Wresponse</b>
03.24.2020	1. Internal audit findings from Dec. 2019 to Jan. 2020 2. Amendment of internal control systems 3. 2019 Internal Control Statement	1. Submitted to Board meeting. 2. After being approved, the proposal was submitted to Board meeting for a resolution.
05.13.2020	1. Internal audit findings from Feb. 2020 to Mar. 2020 2. Amendment of internal control systems	1. Submitted to Board meeting. 2. After being approved, the proposal was submitted to Board meeting for a resolution.
08.13.2020	1. Internal audit findings from Apr. 2020 to Jun. 2020 2. Amendment of internal control systems	1. Submitted to Board meeting. 2. After being approved, the proposal was submitted to Board meeting for a resolution.
11.12.2020	Internal audit findings from Jul. 2020 to Sep. 2020	1. Submitted to Board meeting. 2. After being approved, the proposal was submitted to Board meeting for a resolution.
12.24.2020	1. Internal audit findings from Oct. 2020 to Nov. 2020 2. 2021 Internal Audit Plan	1. Submitted to Board meeting. 2. After being reported, the proposal was submitted to Board meeting for a resolution.

(2) The communications between the independent directors and CPAs:

**A. Communication method**

The independent directors and CPAs have at least four closed-door meetings every year. In the case of emergency, the meeting may be convened at any time. The independent directors and CPAs have four closed-door meetings in 2020, the

## Corporate Governance Report

CPAs reported the financial situation and the audit results of the Company and its subsidiaries, and to explain the materially adjusting journal entries and the influence of legislation amendment on accounts at such meetings.

**B. The summaries of communication in 2020:**

The independent directors of the Company fully communicated with CPAs, and the contents are summarized as follows:

Date	Communication Content	The Company's Response
03.24.2020	1. CPAs Report: 2019 Q4 Financial Statement Report audit scope and results. 2. CPAs discussed and communicated the problems raised by the independent directors.	None
05.13.2020	1. CPAs Report: 2020 Q1 Financial Statement Report review scope and results. 2. CPAs discussed and communicated the problems raised by the independent directors.	None
08.13.2020	1. CPAs Report: 2020 Q2 Financial Statement Report review scope and results. 2. CPAs discussed and communicated the problems raised by the independent directors. 3. Sharing updated regulations of Securities and Futures Bureau, FSC.	None
11.12.2020	1. CPAs Report: 2020 Q3 Financial Statement Report review scope and results. 2. CPAs discussed and communicated the problems raised by the independent directors.	None

### 3. Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	✓		The Board of Directors has approved the “Corporate Governance Best-Practice Principles”, which can be found on both the Company’s official website and Market Observation Post System. (MOPS)	None
2. Shareholding structure & shareholders’ rights				
(1) Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement it accordingly?	✓		The Shareholders’ Affairs Section is in charge of handling the issue following internal control operation procedure.	None
(2) Does the company possess the list of its major shareholders who actually control the company and the ultimate owners of those shares?	✓		Responsibility is assigned to relevant department.	None
(3) Does the company establish and execute the risk management and firewall system within its affiliates?	✓		The Company has established risk control measures within the internal control operating procedures.	None
(4) Does the company establish internal rules against insiders trading with undisclosed information?	✓		The Company, by the resolution of the Board of Directors, has established the “Procedures for Handling Material Inside Information” and “Insider Trading Prevention Management” within the internal control operating procedures to prevent the trading of stocks by insiders. In addition, the directors’ training course held by the Company on Oct.7, 2020 also covers the content	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			of “preventing insider trading.” In Nov. 2020, the Company launched the “Prevention of Insider Trading” on-line (E-learning) course for all employees and affiliated companies responsible for shipping-related business personnel.	
<p>3. Composition and Responsibilities of the Board of Directors</p> <p>(1) Does the Board develop and implement a diversified policy for the composition of its members?</p>	✓		<p>1. According to the Company’s “Corporate Governance Best- Practice Principles” paragraph 3 of Article 20, the composition of the Board of Directors should consider its diversification. According to Paragraph 4 of the same Article , the members of the Board of Directors should have professional knowledge, skill and ability.</p> <p>2. Gender equality in the board members’ composition is deeply concerned by the Company, and the goal of female rate in board members is at least 10%. The current Board of Directors consists of 9 directors and 1 of whom is a female, which accounts for 11.11% of the board.</p> <p>3. Please refer to Note 1 for the implementation of the diversified policy of the Company’s Board of Directors.</p>	None
<p>(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?</p>		✓	At present, the Company has not voluntarily established other kinds of functional committees.	Although the Company has only established Remuneration Committee and Audit Committee at present, the Board of Directors exercises its functions and

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
				powers in accordance with the laws, Articles of Incorporation, the resolutions of Shareholders’ Meeting and the principles of corporate governance.
(3) Does the Company establish a standard to measure the performance of the Board annually, report the results of the performance evaluation to the Board, and use it as a reference for individual directors’ remuneration and nomination?	✓		<ol style="list-style-type: none"> <li>1. The Company established the “Regulations Governing the Board Performance Evaluation”, and has it disclosed on both the Company’s website and the Market Observation Post System (MOPS).</li> <li>2. “Regulations Governing the Board Performance Evaluation” stipulates that the Company shall conduct an internal board performance evaluation at least once a year. In addition, the Company’s Board performance evaluation shall be conducted by an external independent professional institution or a panel of external experts and scholars once every three years.</li> <li>3. The 2020 evaluation results of the performance of the Board of Directors (please refer to Note 2) were submitted to Board meeting on Mar. 22, 2021.</li> <li>4. The annual evaluation results of the performance of the Board of Directors are also used as a basis for individual director’s remuneration and nomination.</li> </ol>	None
(4) Does the company regularly evaluate the independence of CPAs?	✓		The Company annually evaluates the specialization and independence of CPAs. Also, the CPAs have completed independent reports for the appointed auditing affair. The assignment and	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>remuneration of CPAs for the 2021 financial and tax certification has been approved by the Board of Directors on Jan. 27, 2021.</p> <p>The assigned accountants are not directors, supervisors, managers, employees or shareholders of the Company or its affiliates and have been confirmed as non-stakeholders, which meets the requirements of the competent authority for independent judgment.</p> <p>Please refer to Note 3 for the independence evaluation of CPAs.</p>	
4. Does the TWSE/TPEX Listed Companies appoint an adequate number of corporate governance personnel with appropriate qualifications and appoint a chief corporate governance officer to deal with corporate governance business (including but not limited to provide directors and supervisors necessary information; assist directors and supervisors to handle the matters related to the Board of Directors and Shareholders' Meeting in accordance with the laws and regulations; and handle the company registration, change registration of company, and prepare the minutes of Board of Directors meeting and Shareholders' Meeting) ?	✓		<p>1. The Board of Directors appointed Ms. Hsieh, Shu-Hui, the senior vice president of Corporate Governance Department, as the chief corporate governance officer of the Company on May 13, 2019 and the Company is staffed with sufficient professional corporate governance personnel to protect shareholders' rights and strengthen the board functions.</p> <p>Ms. Hsieh, Shu-Hui, who has been conducted stock affairs, shareholders' meeting and Board meeting affairs for at least 3 years, is eligible for the chief corporate governance officer.</p> <p>2. The main duties of the chief corporate governance officer of the Company are as follows:</p> <p>(1) To handle matters relating to board meetings and Shareholders Meetings according to laws.</p> <p>(2) To produce minutes of board meetings and Shareholders Meetings.</p>	None



Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>(3) To assist in onboarding and continuous development of directors.</p> <p>(4) To furnish information required for business execution by directors.</p> <p>(5) To assist directors with legal compliance.</p> <p>3. The business execution in 2020 are as follows:</p> <p>(1) To furnish Directors with relevant information and regulations to perform their duty and hold the Directors training courses:</p> <p>a. To furnish Directors with the latest regulations of corporate governance irregularly.</p> <p>b. To furnish Directors with the information to perform their duties and maintain smooth communication between Directors and managers.</p> <p>c. To arrange more than two closed-door meetings to enable independent directors to have face-to-face communication with the chief internal auditor and CPAs to deeply understand the Company’s audit and financial status.</p> <p>d. To hold two Directors training courses.(3 hours each time)</p> <p>(2) To handle matters relating to functional committees, board meetings and shareholders meetings according to laws:</p> <p>a. To notify the meeting agendas to each director at least seven days in advance, provide the materials, remind the director</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>not to participate in discussion or voting on the agenda item if he is an interested party with it, and distributed the minutes to each director within 20 days after the meeting.</p> <p>b. To assist to announce the material information after board meeting, ensure the legality and correctness of material information to protect information equivalence of investor transaction.</p> <p>c. To register the date of the shareholders' meeting in accordance with laws, and produce meeting notices, handbooks and minutes within the legal period.</p> <p>4. Chief corporate governance officer training records in 2020 (please refer to Note 4).</p>	
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		<p>The Company's website has a “Stakeholder Engagement Zone”(URL: <a href="https://csr.evergreen-marine.com/csr/jsp/CSR_StakeholderEngagement.jsp">https://csr.evergreen-marine.com/csr/jsp/CSR_StakeholderEngagement.jsp</a>), which covers Investor Relations Area, Customer Service Area, Supply Management Area, and Communication with Stakeholders Area, Each area provides the responsible contact window mailbox or telephone of the relevant department as a communication channel with stakeholders. Stakeholders' concerns, relevant information and the Company responses to the corresponding issues all are disclosed in the annual Corporate Social Responsibility Report in the “Corporate Social Responsibility Zone”.</p>	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>The Company Marine identified 9 important types of stakeholders based on past stakeholder communications and the disclosure of other international shipping companies, then the relevant departments of the Company takes part in jointly evaluating the extent of each stakeholder’s relationship with the Company based on the five principles of Responsibility, Influence, Tension, Diverse Perspectives and Dependency from AA1000 SES(Stakeholder Engagement Standard). The concern issues of stakeholders, please refer to Table 5.</p> <p>The Company adopts an open and rigorous attitude to deal with the issues concerned by stakeholders, each responsible department adopts inclusive, substantive and responsive practices to communicate with stakeholders. The process includes identification of stakeholders, communication management, issues concern, materiality analysis and appropriate responses.</p>	
6. Does the company appoint a professional shareholder service agency to deal with Shareholders’ Meeting affairs?		✓	The Company does not assign any outside agency to be in charge of its Shareholders’ Meeting affairs.	Whereas stocks affairs is managed by the Company itself, the Shareholders’ Meeting is conducted following government regulation and Articles of incorporation of the Company to ensure its lawfulness, effectiveness and safeness.

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>7. Information Disclosure</p> <p>(1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?</p>	✓		<p>1. Financial and Business information: The Company has set up a corporate website (URL: <a href="http://www.evergreen-marine.com/tw/">http://www.evergreen-marine.com/tw/</a>), where the financial and business information are disclosed, and designated relevant personnel to monitor and provided investors with accurate company information.</p> <p>2. Corporate governance status: “Corporate Governance Zone” (URL: <a href="https://csr.evergreen-marine.com/csr/jsp/CSR_CorporateGovernance.jsp">https://csr.evergreen-marine.com/csr/jsp/CSR_CorporateGovernance.jsp</a>) is set up in the Company’s website, which has disclosed the structure of the corporate governance, the operation of the Board of Directors and the functional committees, “Articles of Incorporation”, Internal audit organization and implementation situation, corporate governance operating situation, situation of fulfilling social responsibilities and labor relations, in order to assist stakeholders to understand the operation of corporate governance.</p>	None
<p>(2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated personnel to handle the Company’s information collection and disclosure, creating a spokesman system, webcasting investor conferences)?</p>	✓		<p>The Company has set up an English website (URL: <a href="http://www.evergreen-marine.com/">http://www.evergreen-marine.com/</a>) and a designated personnel is responsible for the Company’s information collection and disclosure, and spokesperson system establishment. In addition, the Company’s website has disclosed the information about the investor conference information that the Company held or has been invited to over the years.</p>	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the first, second, and third quarter financial statements as well as the operating status of each month before the prescribed deadline?		✓	The Company follows relevant laws and regulations to announce and report the annual financial statements on time after the end of the fiscal year, and announce and report the first, second, and third quarter financial statements as well as the operating status of each month before the prescribed deadline. Please see <a href="https://emops.twse.com.tw/server-java/t58query">https://emops.twse.com.tw/server-java/t58query</a> .	Though the Company didn't announce and report the annual financial statement within two months after the end of the fiscal year, the quarterly financial statements and the monthly operating situation are announced and reported within the prescribed time limit in accordance with the law.
8. Is there any other important information to facilitate a better understanding of the company's corporate governance practices? (1) Employee rights and employee wellness	✓		1. Employee rights and benefits (1) In 2002, the company formulated sexual harassment prevention and redress measures, as well as the complaints and disciplinary measures, and have made available a mailing box and a dedicated line on the internal website to properly protect the rights and interests of employees. (2) In accordance with the provisions of the Workplace Gender Equality Act, the Company treats all employees equally in terms of remuneration, performance evaluation, promotion and training, and arrange appropriate positions based on individual expertise and performance.	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>(3) The company employs female crew members in succession with innovative employment concept and provides an excellent working environment where colleagues can learn from each other, respect each other and work together to deal with challenges.</p> <p>(4) Through comprehensive training system planning and one-on-one mentorship, the company ensures the normal functioning of various businesses. Regular appraisals and performance reviews provide references for employees’ future career development. Supervisors can also enhance two-way communications and coaching, strengthen employees performance, and plan their career development through appraisal.</p> <p>2. Employee care</p> <p>(1) The Company has a staff canteen to provide free lunch to take care of employees’ health and food hygiene.</p> <p>(2) In Taipei, Nankan and Kaohsiung, there are 20 clubs in three categories: ball sports, health and wellness, and outdoor recreation, which encourage employees to relieve work pressure, connect with others and promote physical and mental health.</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>(3) Regularly organize group activities, such as Evergreen Family Day, basketball games, etc., to enhance employee communications and comradery.</p> <p>(4) Obtained the Badge of Accredited Healthy Workplace, the company set up a dispensary staffed by medical personnel providing free regular examination results. Moreover, the company installed AED units in the workplace to improve its first-aid system and ensure that timely assistance can be rendered in an emergency.</p> <p>(5) In terms of shipboard life, Evergreen’s modern container vessels provide a comfortable living environment with full-time chefs preparing nutritious meals for the crew. In most of the vessels, multiple communication software is provided for crews to stay in contact with their families at any time. When the vessels call at the port in Taiwan, the crew members’ families are allowed to visit them on the vessel.</p>	
(2) Investor relations	✓		“Investor Service Zone” is set up in the Company’s website (URL: <a href="https://csr.evergreen-marine.com/csr/jsp/CSR_StakeholderEngagement.jsp">https://csr.evergreen-marine.com/csr/jsp/CSR_StakeholderEngagement.jsp</a> ) to provide investors with information on operations and finances.	None
(3) Supplier relations and rights of stakeholders	✓		Please refer to Corporate Social Responsibility under Corporate Governance Report in chapter 3.	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(4) Directors’ training records	✓		The status of the continuing training of directors: Please refer to the MOPS for complete information of the continuing training of the Company’s directors.	None
(5) The implementation of risk management policies and risk evaluation measures	✓		Please refer to the Assessment of Risk Management in chapter 7.	None
(6) Purchasing insurance for directors and supervisors	✓		The Company has purchased liability insurance for its directors since 2015.	None
<p>9. Please specify the Company’s measures for the evaluation results published by Corporate Governance Center of Taiwan Stock Exchange Corporation which should be improved:</p> <p>(1) The Company has been invited to attend Investor Conference held by SinoPac Securities Co., Ltd. on Jul. 24, 2020 and Apr.1, 2021. The relevant information has been disclosed on the Company’s website.</p> <p>(2) The directors of the Company have completed the training in accordance with the “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies” in 2020, and the Company will continually encourage directors to attend training courses.</p>				

Table 1: Diversification of Board of Directors:

Title	Name	Gender	Business Management	Transportation Management	Finance Accounting	Law	Government & Supervision
Chairman	Chang, Yen-I	Male	✓	✓			
Director	Chang, Kuo-Hua	Male	✓	✓			
Director	Ko, Lee-Ching	Female	✓	✓	✓		
Director	Hsieh, Huey-Chuan	Male	✓	✓			
Director	Tai, Jiin-Chyuan	Male	✓	✓		✓	
Director	Wu, Kuang-Hui	Male	✓	✓	✓		
Independent Director	Yu, Fang-Lai	Male	✓	✓			✓
Independent Director	Li, Chang-Chou	Male	✓		✓		
Independent Director	Chang, Chia-Chee	Male	✓			✓	



Table 2: The Evaluation Results of Board of Directors of 2020

	Self-evaluation of performance of the Board	Self-evaluation of performance of Board members (for themselves)	Self-evaluation of performance of the functional committees
Average score (Full score: 3)	2.96	2.96	2.98
Evaluation Results	Good	Good	Good

Table 3: Independence of CPA

Item	Evaluation	Independence of CPA
1. CPAs and their family members did not provide or receive gifts or special offers to the Company or its affiliates, top management, directors and supervisors, and did not affect or threaten the independence of the CPAs.	Conformity	Yes
2. CPAs and their family members or the management of the firm with supervisory duties did not have the following circumstances during the auditing period: <ul style="list-style-type: none"> <li>- Serve as a manager, supervisor, or director of the Company or its affiliates.</li> <li>- Positioned as one who has a direct and significant influence on the company's accounting records or financial statements.</li> </ul>	Conformity	Yes
3. CPAs and their family members have not received any awards for non-audit services from the Company or its affiliates.	Conformity	Yes
4. One who resigned from CPAs or the auditing team did not have the following circumstances: <ul style="list-style-type: none"> <li>- Acting as a director, supervisor(including non-executive director and supervisor) or top management of the Company or affiliates controlled by the Company, or one who may have a direct and significant influence on the company's accounting records or the financial statements audited by the firm.</li> <li>- Being promoted to the above positions.</li> </ul>	Conformity	Yes
5. During the auditing period, the members of the auditing team did not hold any appointments of the Company.	Conformity	Yes
6. CPAs appointed by the company have followed the rotation policy to reduce the threat posed by long-term appointments to independence and impartiality.	Conformity	Yes

Item	Evaluation	Independence of CPA
7. There are no direct or material indirect financial interests, financial agreements, bank deposits, securities accounts or insurance plans that violate the independence norms between the CPAs and their family members and the Company or its affiliates.	Conformity	Yes
8. There is no commercial cooperation or other commercial relationship between the CPAs and their family members and the Company.	Conformity	Yes
9. There is no pending or foreseeable lawsuit involving the audit or non-audit services of the firm between the CPAs and the Company, and no lawsuit which is significant to the firm or the Company.	Conformity	Yes
10. The Company or its affiliates have not owed professional fee to the firm for the provided service.	Conformity	Yes
11. The total amount of the professional fee of the Company and its affiliates would not have an influence on the independence of CPAs.	Conformity	Yes
12. There is no agreement between the CPAs and the Company to receive or pay commission, referral fee or professional fee.	Conformity	Yes

Table 4: Chief Corporate Governance Officer Training Records In 2020

Date	Professional Organization	Training sessions	Training hours
Jun. 23, 2020	Taiwan Corporate Governance Association	Issues that Directors and Supervisors Need to Consider in Risk Management, Corporate Sustainability and ESG after the Impact of the Epidemic	1
Jul. 31, 2020	Taiwan Corporate Governance Association	Artificial Intelligence in Taiwan-Opportunities and Challenges of Industrial Transformation	3
Oct. 7, 2020	Taiwan Corporate Governance Association	Corporate Governance Blueprint 3.0 and Responsibilities of Board of Directors	3
Oct. 23, 2020	Taiwan Corporate Governance Association	Fubon Property & Casualty ,Directors and Supervisors Responsibility and Risk Management Seminar	3
Oct. 23, 2020	Taiwan Stock Exchange Corporation	2020 Corporate Governance and Corporate Integrity Directors and Supervisors Promotion Conference	3
Dec. 31, 2020	Taiwan Corporate Governance Association	Under the current environment, the strategy of enterprises to make good use of the capital market	1
Total Training Hours			14

Table 5: Issues concerned by stakeholders

Stakeholder	Importance to the company	Priority Issues	Communication Channels, Response Methods and Communication Frequency
Employee	The members and the most important assets of the Company	<ul style="list-style-type: none"> <li>• Operating performance</li> <li>• Salary welfare and employee care</li> <li>• Corporate governance and ethical Corporate management</li> <li>• Shipping management</li> <li>• Work environment safety and labor health care</li> </ul>	<ul style="list-style-type: none"> <li>• Contact person: Human Resources Dept. Ms. Chen E-mail : hrd@everegreen-marine.com</li> <li>• EIP e-Bulletin board (any time)</li> <li>• Corporate / departmental meetings (every month)</li> <li>• Management Year End Talk (every year)/ Employee interview (every year)</li> <li>• Inter-departmental coordination meeting (ad hoc)</li> <li>• Labor-management meeting (quarterly)/ Employee Welfare Committee meeting/ Labor Safety and Health Committee meeting/ Labor Retirement Reserve Supervision Committee (quarterly)</li> <li>• Appeal dedicated mail box/ Sexual harassment compliant hotline/mail box (any time)</li> </ul>
Competent authority	Communicate with the government in order to help the government agencies understand the operations of the Company and contribute our expertise in shipping to the policy and law-making process	<ul style="list-style-type: none"> <li>• Compliance</li> <li>• Ship safety</li> <li>• Energy resource management and green shipping</li> <li>• Emission and pollution management</li> <li>• Work environment safety and labor health care</li> </ul>	<ul style="list-style-type: none"> <li>• Contact person: Business Coordination Dept. Mr. Yu E-mail : csr@everegreen-marine.com</li> <li>• E-mail (any time)</li> <li>• Telephone (ad hoc)</li> <li>• Letter (ad hoc)</li> <li>• Personal Visit (ad hoc)</li> <li>• Large Conference Call (ad hoc)</li> </ul>

Stakeholder	Importance to the company	Priority Issues	Communication Channels, Response Methods and Communication Frequency
Customer	Through the optimization of services and communications to maximize value for customers	<ul style="list-style-type: none"> <li>• Service quality and customer satisfaction</li> <li>• Protection of customer privacy</li> <li>• Shipping management</li> <li>• Risk control</li> <li>• Operating performance</li> </ul>	<ul style="list-style-type: none"> <li>• Contact person: Auditing Dept. Mr. Chen E-mail : aud@everegreen-marine.com</li> <li>• E-mail (any time)</li> <li>• Telephone (any time)</li> <li>• Personal Visit (ad hoc)</li> <li>• Company's website/mobile device (any time)</li> <li>• Customer satisfaction survey (1-2 times a year)</li> <li>• OCEAN Alliance promotional seminar (ad hoc)</li> </ul>
Supplier	Provide products and services that satisfy the Company's quality requirements and works together to create good services	<ul style="list-style-type: none"> <li>• Corporate governance and ethical corporate management</li> <li>• Operating performance</li> <li>• Supply chain management</li> <li>• Shipping management</li> <li>• Service quality and customer satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>• Contact person: Auditing Dept. Mr. Chen E-mail : aud@everegreen-marine.com</li> <li>• E-mail (any time)</li> <li>• Telephone (any time)</li> <li>• Meeting (1-2 times a year)</li> <li>• Supplier questionnaire survey (every year)</li> <li>• Supplier evaluation (every year)</li> <li>• Equipment efficiency statistical table (every month)</li> <li>• Company's website (every year)</li> </ul>
Media	Give the general public a better understanding of the Company through good communications and information dissemination	<ul style="list-style-type: none"> <li>• Shipping management</li> <li>• Compliance</li> <li>• Talent recruitment and training</li> <li>• Operating performance</li> <li>• Service quality and customer satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>• Contact person: Public Relation Dept. Ms. Yang E-mail: prd@evergreen-marine.com</li> <li>• E-mail (any time)</li> <li>• Telephone (any time)</li> <li>• Shareholders' meeting / investor conference (ad hoc)</li> </ul>

Stakeholder	Importance to the company	Priority Issues	Communication Channels, Response Methods and Communication Frequency
Shareholder / Investor	Provide the necessary funds for the operation of the Company and require transparency with the operating situation	<ul style="list-style-type: none"> <li>• Operating performance</li> <li>• Corporate governance and ethical corporate management</li> <li>• Shipping management</li> <li>• Risk control</li> <li>• Energy resource management and green shipping</li> </ul>	<ul style="list-style-type: none"> <li>• Contact person: Corporate Governance Dept. Ms. Chiu TEL: 886-2-2500-1668</li> <li>• “Investor Service Zone” in Company’s website (any time)</li> <li>• Important financial and business information in MOPS (as specified by the competent authority)</li> <li>• Respond to investor inquiries (ad hoc)</li> <li>• Annual reports of Shareholders’ Meeting (every year)</li> <li>• Investor conference (ad hoc)</li> </ul>
Community and society	Local residents and groups that are closely connected to the Company’s location and services	<ul style="list-style-type: none"> <li>• Social care and philanthropic activities</li> <li>• Salary welfare and employee care</li> <li>• Compliance</li> <li>• Environmental impact and ecological conservation</li> <li>• Service quality and customer satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>• Contact person: General Affairs Dept. Mr. Yu E-mail: gadgas@evergreen-marine.com</li> <li>• E-mail (ad hoc)</li> <li>• Telephone (ad hoc)</li> <li>• Meeting (ad hoc)</li> <li>• Personal visit (ad hoc)</li> <li>• Survey(ad hoc)</li> </ul>
Other shipping companies	Meet customer needs through Alliances joint services which meet the requirements of the Company	<ul style="list-style-type: none"> <li>• Shipping management</li> <li>• Operating performance</li> <li>• Corporate governance and ethical corporate management</li> <li>• Risk control</li> <li>• Service quality and customer satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>• Contact person: Business Coordination Dept. E-mail : bcdjvs@tw.evergreen-line.com</li> <li>• Email (ad hoc)</li> <li>• Telephone (ad hoc)</li> <li>• Meeting (quarterly)</li> <li>• Personal visit (ad hoc)</li> </ul>
Social group and non-profit organization	Our partners in the engagement of social care and charitable activities	<ul style="list-style-type: none"> <li>• Compliance</li> <li>• Service quality and customer satisfaction</li> <li>• Corporate governance and ethical corporate management</li> <li>• Talent recruitment and training</li> <li>• Shipping safety</li> </ul>	<ul style="list-style-type: none"> <li>• Contact person: Human Resources Dept. Ms. Chen E-mail : hrd@evergreen-marine.com</li> <li>• Email (ad hoc)</li> <li>• Telephone (ad hoc)</li> <li>• Meeting (ad hoc)</li> <li>• Personal visit (ad hoc)</li> </ul>

## 4. Composition, Responsibilities and Operations of the Remuneration Committee

### A. Professional Qualifications and Independence Analysis of Remuneration Committee Members

Title	Name	Criteria	Meets One of the Following Professional Qualification Requirements, Together with at Least Five Years' Work Experience			Independence Criteria (Note)										Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member	
			An instructor or higher position in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the Company in a public or private junior college, college or university	A judge, public prosecutor, attorney, Certified Public Accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the Company	Has work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company	1	2	3	4	5	6	7	8	9	10		
Convener	Yu, Fang-Lai				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Committee member	Li, Chang-Chou		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	3
Committee member	Chang, Chia-Chee		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0

Note: Please tick the corresponding boxes that apply to a member during the two years prior to being elected or during the term(s) of office.

1. Not an employee of the Company or any of its affiliates.
2. Not a director or supervisor of the Company or any of its affiliates. The same does not apply, however, in cases where the person is an independent director appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent.
3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of 1% or more of the total number of issued shares of the Company or ranking in the top 10 in holdings.
4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.
5. Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the Company, or that ranks among the top 5 in shareholdings, or that designates its representative to serve as a director or supervisor of the Company under

Article 27, paragraph 1 or 2 of the Company Act. The same does not apply, however, in cases where the person is an independent director appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent.

6. If a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: Not a director, supervisor, or employee of that other company. The same does not apply, however, in cases where the person is an independent director appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent.
7. If the chairperson, general manager, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses: Not a director (or governor), supervisor, or employee of that other company or institution. The same does not apply, however, in cases where the person is an independent director appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent.
8. Not a director, supervisor, officer, or shareholder holding 5% or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. The same does not apply, however, in cases where a specified company or institution holds 20% or more and no more than 50% of the total number of issued shares of the Company and the person is an independent director appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent.
9. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
10. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.

## Corporate Governance Report

### B. The Duties of the Remuneration Committee are as follows

1. Establish and periodically review the performance evaluation and remuneration policy, system, standards, and structure for directors and managers.
2. Periodically evaluate and establish the remuneration of directors and managers.

### C. Attendance of Members at Remuneration Committee Meetings

1. The Remuneration Committee is composed of three independent directors.
2. The term of office of current Remuneration Committee is from Jun. 24, 2020 to Jun. 23, 2023.
3. A total of 4(A) meetings were held in 2020, please refer to page 122 to 127 for resolutions made by the Remuneration Committee. The attendance of Committee members is as follows:

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Convener	Yu, Fang-Lai	4	0	100%	
Committee member	Li, Chang-Chou	4	0	100%	Reelected on Jun. 24, 2020
Committee member	Chang, Chia-Chee	4	0	100%	

#### Other mentionable items:

1. If the Board of Directors decline to adopt or modify a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the Board of Directors, and the Company's response to the remuneration committee's opinion (e.g. the remuneration passed by the Board of Directors exceed the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.
2. Resolutions of the remuneration committee objected to by members or subject to a qualified opinion and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.



## 5. Corporate Social Responsibility and Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Does the company conduct a risk assessment of environmental, social and corporate governance issues, which is related to the company's operations, and formulate relevant risk management policies or strategies by Materiality Principle?	✓		<p>For the purpose to reduce the risks of financial, economic impact, terrorism, climate change and pandemic, Evergreen has aggressively identified and formulated the management policies and countermeasures for strategic &amp; operating risks, market risks, legal risks, financial risks(including exchange rates, interest rates, prices, credit and volatility risks) , vessel safety risks and global epidemics outbreak risks, and disclosed in Evergreen's website.</p> <p>Recently, in view of the increasingly severe climate change, Evergreen has introduced the framework of Task Force on Climate-related Financial Disclosure (TCFD) to identify the opportunities and challenges brought by climate change and extreme climate. Climate change impact that affected operations has been integrated into Evergreen's risk assessment system and corresponding measures has also been adopted as well. Please refer to the Table 1 for the corresponding measures.</p> <p>With aim to have stakeholders better understand our CSR promotion plan and implementation results, Evergreen regularly publishes relevant information on the website and CSR Report.</p>	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
2. Does the company establish exclusively (or concurrently) dedicated unit to promote corporate social responsibilities, with first-line managers authorized by the Board to be in charge of its management and report to the Board regarding the management status?	✓		<p>The “CSR Principles” and “CSR Implementation Measures” were passed by the Board of Directors to embrace sustainable development and fulfill our corporate social responsibility. These reflect Evergreen Marine’s vision and commitments on economic, environmental and social issues. Evergreen Marine is committed to becoming a “guardian of the green Earth” and has set up the “CSR Committee” to ensure the continued implementation of sustainable corporate management practices. The President and Chief Executive Vice President of Business Coordination Dept. respectively serve as the Chairman and Director General of the CSR Committee; members of the Committee are made up of 16 department heads, as well as 25 executive secretaries.</p> <p>The Committee is divided into the Employee Care/Community Care Issues Team, Environmental Protection Issues Team, Corporate Governance/Economic Issues Team and Product/Supplier Management Issues Team. The relevant departments in each team are responsible for communicating and responding to stakeholders on issues of concern. The CSR Committee reports its progress and work plans to the Board of Directors every year and makes the fulfillment of CSR part of the corporate decision-making process.</p> <p>The CSR Committee shall convene at least once a quarter. Please refer to the Table 2 for the structure of CSR Committee.</p>	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
3. Environment Issue				
(1) Does the company establish proper environmental management systems based on the characteristics of their industries?	✓		<p>The Company has a risk management mechanism to provide a safe and healthy working environment for all staff in Evergreen.</p> <p>Evergreen’s fleet management system is certified by the American Bureau of Shipping(ABS) for comprehensive auditing at the level of safety and environmental management, and is issued a “two-in-one certificate” of “Company Compliance on Marine Safety &amp; Environmental Management”. Evergreen meets the requirements of the three international standards of International Safety Management (ISM) Code, ISO9001 Quality Management System and ISO14001 Environmental Management System (The validity period of the certificate is from August 13, 2020 to August 12, 2023) in onshore logistics management and maritime operations.</p>	None
(2) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	✓		<p>The Company is cautiously abiding by international environmental protection conventions and environmental protection regulations in various regions, and is committed to pollution prevention, energy conservation and greenhouse gas reduction, and planetary protection. Strict standards and operating procedures are set for the environmental protection and pollution prevention for ships sailing at sea. The Company uses various operational management measures, emission reduction strategies and ship design optimization to reduce ship energy consumption, and continuously</p>	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company assess the potential risks and opportunities of climate change for the company and take measures to respond to climate-related issues?	✓		<p>introduces a new generation of eco-friendly ships to reduce pollution and greenhouse gas emissions, in order to contribute to the environmental protection of the earth.</p> <p>The building of Evergreen Marine adheres to an energy-saving policy, in order to achieve energy-saving goals and eliminate energy waste, in addition to large-scale air-conditioning system using energy-efficient motors, the office lighting part has been completely changed to LED energy-saving lamps, so as to control high energy consumption and long-time use of equipment through active management. In addition, if the refrigerator is broken, we will replace it with the energy-efficient refrigerator. When an official vehicle is to be replaced, a vehicle with less fuel consumption will be purchased.</p> <p>Over 50% of the chassis at Evergreen Kaohsiung Container Terminal have now been upgraded with all-rubber tires. We expect all dock-side chassis to be fitted with all-rubber tires in the future, a move that will reduce the complexity of recycling and associated environmental pollution.</p> <p>In view of the increasingly severe climate change, Evergreen has introduced the framework of Task Force on Climate-related Financial Disclosure (TCFD) to identify the opportunities and challenges brought by climate change and extreme climate. The climate change impact that</p>	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(4) Does the company summarize greenhouse gas emissions, water consumption and total weight of waste in the past two years and formulate policies for energy conservation, carbon reduction, greenhouse gas reduction, water use reduction or other waste management simultaneously?	✓		<p>affected operations, such as increased frequency of extreme weather, changes in domestic and foreign regulations, increased customers awareness of environmental protection, changes in energy policies and equipment requirements has further been incorporated into risk assessment systems and corresponding measures has also been adopted as well.</p> <p>Evergreen Marine conducts comprehensive management of greenhouse gas emissions, water resource and waste treatment in accordance with the three major aspects of ships at sea, shore operations, office buildings in order to monitor, review and implement relative reduction programs. Evergreen monitors the fuel consumption and host operating status of each ship of the fleet in time every day, to ensure the propulsion performance of the main engine. Each vessel also feeds back the total fuel consumption and total navigation distance of the month to the ship management unit at the end of each month. The information reported is used to calculate the CO<sub>2</sub> emissions, so as to monitor the greenhouse gas emissions of the entire fleet and achieve the fleet’s carbon reduction targets. The Company currently takes the following measures to reduce CO<sub>2</sub> emissions:</p> <ol style="list-style-type: none"> <li>1. Optimize the route and sail at suitable speed.</li> <li>2. Continuous monitoring of ship fuel</li> </ol>	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>consumption and host operating status to ensure the propulsion performance of the main engine.</p> <p>3. Use the weather navigation to provide the fleet with real-time weather information, in order to select the best route for maximum fuel efficiency.</p> <p>4. Improve cargo handling efficiency to shorten port stays.</p> <p>5. Proper planning of cargo load to</p> <p>None 81 Evaluation Item Implementation Status</p> <p>Deviations from “the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons</p> <p>Yes No Abstract Illustration</p> <p>maximize economic returns.</p> <p>6. Application of special anti-fouling paint to ship hulls</p> <p>7. Actively participate in the California Voluntary Deceleration Zone Award Incentive program.</p> <p>In response to global trends, green shipping is now being developed by Evergreen Marine and CO<sub>2</sub> reduction targets have been set. The mid-term target of 40% reduction in CO<sub>2</sub> emissions by 2030 is planned with 2008 as the baseline; the long-term target is to reduce the emission rate by 70% in 2050. According to the statistics of CO<sub>2</sub> emissions in 2020, a reduction of 37.7% has been achieved.</p> <p>The annual statistics on greenhouse gas emissions are also verified by a third party, Class NK. The relative</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			statistics in for greenhouse gas emissions, water consumption and waste management in recent years are shown in Table 3.	
<p>4. Social Issue</p> <p>(1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</p>	✓		<p>As Evergreen Marine operates all over the world, it is incumbent on us to comply with the laws and regulations of many countries. Evergreen Marine is committed to complying with laws and regulations, and has drawn up policies or guidelines for different areas of compliance, including but not limited to maritime-related conventions and regulations, environmental regulations, competition laws, anti-bribery laws, economic sanctions laws, and personal privacy protection laws. Evergreen Marine keeps track of all international conventions and national laws and regulations on a regular basis and confirms the implementation of these laws and regulations, and adjusts response measures in a timely manner to ensure compliance. We also include periodic review of laws and regulations in the annual safety management review meeting.</p> <p>Evergreen Marine takes human rights very seriously and adheres to local labor and gender equality in employment laws of our global operating sites. We also support international guidelines and principles relating to human rights, including</p>	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>the “UN Universal Declaration of Human Rights,” the fundamental conventions of the “International Labor Organization.” Having human rights policies and human rights risk assessment and management mechanisms in place, Evergreen Marine aims at achieving the goal of “zero violation” of the regulations governing the prohibition against discrimination, sexual harassment, bullying, forced labor and child labor. We also protect our employees’ freedom of association and implement the “whistle-blowing” system. Evergreen Marine has crew members from Taiwan, China, the Philippines, Vietnam, and Indonesia. All of our crew members respect and tolerate cultural differences. Employers are banned from employing children under the age of 15 for manual labor. The Company adheres strictly to the relevant labor laws and regulations. Fleet seamen recruiting guidelines also conform to the Seafarer Act in requiring all applicants to be over the age of 16. In 2020, all Evergreen Marine shore personnel were over the age of 18 while crew members over 16. Evergreen Marine did not have any violations of human rights in 2020. For more information on Evergreen Marine’s human rights policies, please refer to the corporate websites (<a href="https://csr.evergreen-marine.com/csr/jsp/CSR_HumanRights.jsp">https://csr.evergreen-marine.com/csr/jsp/CSR_HumanRights.jsp</a>).</p>	



Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(2) Does the company set and implement reasonable employee welfare measures(including compensation, leave and fringe benefits) and reflect the operating performance or results on employees compensation?	✓		To attract and retain quality talent as well as strengthen our global business team, the Company provide shore and ship personnel with competitive salary and fringe benefits. Our remuneration policy adheres to labor laws and regulations. The generous remuneration packages do not differ on the basis of gender, religion, race or political bias. In addition, annual bonuses are also paid to employees based on the Company’s profitability and individual performance for that year as a reward for outstanding performance. Remuneration for national and foreign crew members must not only meet the standards set by MOTC (Ministry of Transportation and Communications) but also the collective bargaining agreement with the ITF (International Transport Workers’ Federation).	None
(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?			The Company has established the Occupational Safety and Health Management Department according to law and deployed safety and health management personnel to formulate, plan, and promote occupational safety and health business, so as to effectively prevent the occurrence of occupational disasters. The relevant measures are as follows: 1. Establish codes of practice in safety-establish safety and health codes of practice in accordance with the Occupational Safety and Health Act, and follow the instructions and require employees to comply.	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(4) Does the company provide its employees with effective career development training programs?	✓		<p>2. Conduct safety and health education and training for new and employed employees in accordance with the Occupational Safety and Health Act.</p> <p>3. Conduct fire safety education and training for employees in accordance with the provisions of the Fire Services Act.</p> <p>4. Provide regular health checkups and medical consultations for employees.</p> <p>5. Establish a 24-hour security alert to ensure the company’s property and personnel safety.</p>	None
	✓		<p>The Company has always embraced the philosophy that “talents are the most important assets of an enterprise”. We offer equal work opportunities to young people and patiently teach them everything from scratch. Current employees are provided with a range of solid, professional training courses and a proactive rotation scheme. Employees’ professional abilities and international horizons are honed through “rotation and expatriate assignment” in order to boost our operating performance. The training expenses for both shore and ship personnel totaled NTD 3.47 million in 2020.</p> <p>An innovative “ship-shore rotation” system at Evergreen also provides ship personnel with the opportunity to work on shore. The professional knowledge of outstanding ship personnel helps to ensure that the ship</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>scheduling, freight space configuration, terminal loading/unloading and ship maintenance operations will also satisfy the needs of operations at sea. The overall efficiency of the service chain can then be improved. Ship personnel can also take advantage of the ship-shore rotations and expatriate assignment system to further their developments at sea and on land, and to look after their families.</p> <p>Ship personnel training: Seamen on shore waiting for their next assignment are sent for professional training at the center in accordance with the 2010 amendment of the STCW Convention (International Convention on Standards of Training, Certification and Watch-keeping for Seafarers). Additional company policy awareness, shipboard system operations and professional development courses are also administered by the ESTC based on mariners’ roles aboard the ship to keep them up to date on the latest navigational knowledge and techniques, boost their navigation and engineering expertise, strengthen their identification with the Company’s management system, as well as enhance mariners’ loyalty to the Company.</p> <p>Shore personnel training: Through on-job-training, departmental professional training and training courses provided by external organizations, staff members learn necessary skills for daily operation. Via</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(5) Does the company formulate relevant consumer protection policies and appeal procedures according to relevant regulations and international standards in regards of the customer health, safety and privacy, and marketing and labeling of the products and services?	✓		<p>“rotation schemes” between different functions, the Company also enhance shore personnel’s inter-departmental knowledge and teamwork spirit. For overseas talents, Evergreen Marine provide “expatriate assignment” to enhance employees’ international horizons and career development. The Company suspended classroom training courses and face-to face workshops due to pandemic COVID-19 in 2020. Instead, the Company provided membership of a well-known digital learning platform for managers and above for their self-study. Courses covers digital transformation, career and learning, communication and marketing, political and economic trends etc.</p> <p>The Company has established the “Evergreen Line Corporate Social Responsibility Policy” and related operating procedures. The global subsidiaries and agencies should abide by the commitments of anti-bribery, anti-corruption and anti-discrimination in their business activities, strive to avoid pollution and improve marine environment. The Company has a competition law compliance manual that complies with the competition law, and is committed to complying with global competition laws and will never engage in any acts which violates violation the competition law.</p>	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(6) Does the company formulate a supplier management policy that requires suppliers to follow relevant norms and the implementation status in issues such as environmental protection, occupational safety and health, or labor rights, etc.?	✓		<p>The company has established the “Supplier Code of Conduct”, which establishes the specifications that suppliers should abide by when conducting business with the company, and publishes this code on the company’s website. Suppliers’ compliance with this Code will be included in the consideration of the company’s procurement decisions. The company’s “Supplier Code of Conduct” consists of five parts: labor standards, health and safety standards, environmental standards, ethics and management system standards.</p> <p>The company has also formulated the “Supplier Evaluation Procedures” to evaluate at least once a year for qualified suppliers who provide with goods and services and will affect our service quality. In addition, in order to fulfill social responsibilities with suppliers, the company conducted CSR surveys and evaluations in 2020 on important suppliers’ environmental issues, labor practices, human rights, fair trade practices, and sustainable procurement. The survey results will also be used as a reference for the company to select suppliers.</p> <p>Before doing business with the supplier, the company will assess whether the supplier has any record which affects the environment and society, avoid dealing with those who violate the company’s corporate social responsibility policy, and work with suppliers to comply with environmental protection, occupational safety and health related relevant regulations.</p>	None

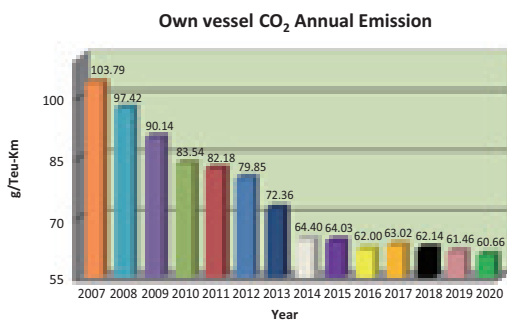
Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
5. Does the company refer to international reporting rules or guidelines to prepare CSR report and other reports that disclose non-financial information of the company? Has the said Report acquired statement of assurance from the 3rd party verification unit?	✓		The editorial structure of Evergreen’s CSR report adheres to the “Core” options of the Global Reporting Initiative Standards (GRI Standards). The company’s 2019 Corporate Social Responsibility Report has been conducted assurance by CPA in accordance with Stat Assurance Engagements Standards No.1 of Accounting Research and Development Foundation R.O.C. “Assurance Engagements other than Audits or Reviews of Historical Financial Information”. 2020 Corporate Social Responsibility Report will be done in same method.	None
6. If the company has established the corporate social responsibility principles based on “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies”, please describe any discrepancy between the Principles and their implementation: The Company has formulated the “Evergreen Marine Corporate Social Responsibility Principles” and “Evergreen Marine Corporate Social Responsibility Implementation Measures” and operates in accordance with these code of practice thus no occurrence of the discrepancy.				
7. Other important information to facilitate better understanding of the company’s corporate social responsibility practices: (1) Environmental Protection The company implements the environmental protection concept in its fleet planning, adopts the most advanced shipbuilding technology and equipment, and builds an environmental protection fleet to contribute to the sustainable development of transportation services and the marine environment that international trade relies on. The company continues to adhere to the use of the latest technology to build new ships to achieve performance and the concept of environmental protection. All environmental protection designs can be comply with relevant international regulations, such as preventing marine oil pollution (the installation of double-shell built-in oil tanks can effectively reduce the risk of oil leakage), air pollution and climate change (the Montreal, Kyoto, and Paris agreements to reduce GWP, ODP, SOx, NOx emissions), biodiversity (pressure tank water treatment) and other issues. Both the newly built Type B and Type F ships can improve energy efficiency, reduce greenhouse gas emissions, NOx, SOx emissions, etc. In the new ship construction plan, the ship structure of the fleet will be further optimized, The new ships are expected to be delivered and operated in succession during 2021 to 2022.				

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	

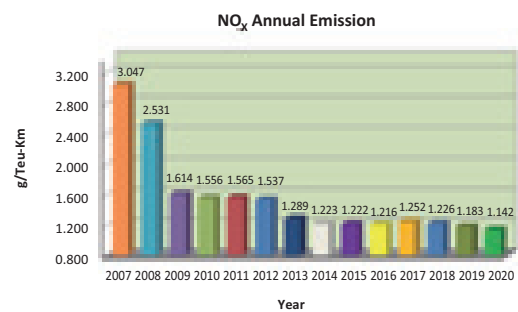
This series of ships adopts long-stroke main engine, optimized The ship type and bow are equipped with Hybrid type SOx scrubber. This type of ship will significantly reduce carbon emissions. The company has also obtained ISO 14001:2015 environmental protection certification. The company implements the environmental protection management system in a responsible manner, and eliminates environmental risks.

\* Historical environmental data

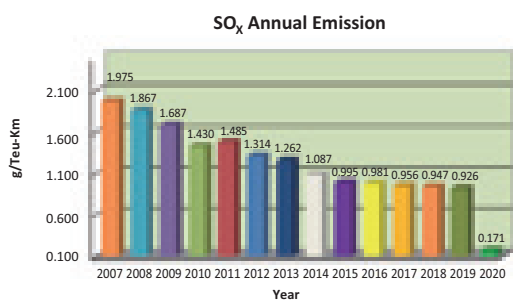
■ CO<sub>2</sub>



■ NO<sub>x</sub>



■ SO<sub>x</sub>



Note: The greenhouse gas emission information of the Company is verified by Class NK.

(2) Contributions to Society

A. Concerts of Evergreen Symphony Orchestra

Evergreen Marine continuously sponsored the Evergreen Symphony Orchestra on six “Classical Music Banquet” concerts in 2020, with a total of 2,400 concert tickets provided for the Company’s employees and their families for free. We also invited customers, charities and social welfare groups to hear the concerts. All of the six concerts were highly acclaimed by the audience.

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
B. Books donation				Evergreen Marine took donations of approximately 1,000 gently used children’s books from employees. Chairman Chang in person presented 500 books to Bengang and She-zi Elementary School in Taoyuan on October 21. The remaining books were sent to Maolin and Namasia’s Mincyuan Elementary school in Kaohsiung rural areas. More than 600 books from the Company’s corporate library were sent to Taoyuan Public Library on November 28.
C. Rural elementary school’s field trips				In October and November, 2020, Evergreen Marine and Chang Yung-fa Foundation held two field trips for 94 teachers and students from Taoyuan’s Yisheng and Bengang Elementary School for free. During the event, the students had an opportunity to learn the maritime relics collected by the Evergreen Maritime Museum. In addition, the Evergreen Seafarer Training Center was especially open to the students to learn the shipping knowledge and visit the marine engine simulation cabin with their own eyes.
D. Storytelling meeting with Captain				Chang Yung-fa Foundation held a storytelling meeting in Taoyuan Sinwu Elementary School and invited Evergreen Marine’s senior Captain Chang to share his most unforgettable stories at sea with students on December 9, 2020.
E. The award ceremony of the 8th Legend of ships painting competition				On October 11, Evergreen Marine’s senior Captain Yang attended the award ceremony organized by Chang Yung-fa Foundation’s Evergreen Maritime Museum. The ship painting competition grouped into lower, intermediate and higher grades; there was also a Little Angel group for children with disabilities. At the award ceremony, Evergreen Marine employees voluntarily led dances to entertain the children.
F. Coastal cleanup				On September 19 2020, Evergreen Marine’s President Hsieh led 73 employees and their family members to turn out for the coastal cleanup activity at Zhuwei Fishing Harbor (south bank) in Taoyuan City. On October 31, employees in Kaohsiung turned out for the coastal cleanup activity at Sanwei Fishing Harbor, Linyuan District in Kaohsiung City. The coastal cleanup events enabled employees and family members to get closer to the local to the local community where the Company operates, and contributed to environmental protection.
G. Food packs and thermometers donations in Panama				Colon Container Terminal, accompanied by local volunteer organization C3 force movement and police office, distributed food packs to 100 families in need in Feria, Medalla Milagrosa and Pueblo Nuevo communities in Cristobal. Moreover, the Terminal donated 5 thermometers to local clinic Dr. Hugo Spadafora Franco.
H. Reefer Container donation in Peru				Evergreen donated a reefer container to Perú Ministry of Health MINSA due to COVID-19 Emergency. Reefer container EISU 5679255 was delivered to local hospital on June 17, 2020. Hospital Directors and Ministry of Health authorities sent special thanks to Evergreen.



Table1 Risk assessment and management policy

The company conducts risk identification and assessment of important issues on the basis of the Materiality Principle for corporate social responsibility, and formulates relevant risk management policies, strategies and corresponding countermeasures for the assessed risks:

Important issues	Risk assessment	Risk management policies and strategies
Environmental	Environmental protection and ecological conservation	<p>Evergreen endeavors to enforce all possible protective measures that contribute to the improvement of terrestrial and marine environment, in order to provide sustainable marine transportation service and the related services. All Evergreen employees and management, both onshore and offshore operations, are required to strictly comply with international and regional environmental protection laws and regulations. The company also develops state-of the-art technology and installs scrubber to help safeguarding the marine ecology, port safety and happiness of mankind with all efforts. In order to effectively reduce environmental impact, the Company has developed an execution plan and targets, which are regularly tracked and reviewed.</p>
Social	Occupational safety	<p>The company is certified by ISO 45001 for Occupational Safety and Health Management System. In addition, Evergreen Marine has formulated “Occupational Safety and Health Management Plan” in order to implement safety and health management and self inspection. The plan is also used for managing the working areas and personnel, and the Company has appointed dedicated personnel to be in charge of the safety and health management and supervision affairs. In accordance with occupational safety and health related regulations and operational requirements, the Company also organized occupational safety, including dangerous goods training, fire prevention manager training, fire drill training (evacuation of personnel), brief introduction of relevant regulations on operational safety and health, operational management, self inspection before, during, and after the operation, emergency response, etc.</p>
	Cargo Safety	<p>The transport of goods by sea is a part of international trade. The regulations of the International Maritime Dangerous Goods Code (IMDG Code) require dangerous goods to be properly labeled (with label which conforms to the specification) for transport to serve as a warning and to make them easy to be identified. Evergreen Marine has therefore offered dangerous good placards which are in full compliance with the size and quality of the IMDG specification. These placards serve as a clear indication of dangerous goods among all other goods in the container during the transportation process. The company's dangerous goods team is composed of talents with professional background and having the goods checked at all levels, it enables to prevent the occurrence of concealing and misreporting of dangerous goods.</p>

Important issues	Risk assessment	Risk management policies and strategies
Corporate Governance	Socioeconomic and regulatory compliance	<p>1. The company has established a corporate governance team and internal control mechanism for relevant departments to manage risks for exchange rate, interest rate, credit, liquidity, excessive market concentration, international political and economic, epidemic, sanctions, hackers, viruses and other invasions, abnormal climate, and sharp fluctuations in fuel prices, terminal strikes, delays in ships and docking, and poor quality for delivery, etc., Through risks identification, a proper corresponding countermeasures has been set up for minimizing the impact of risks.</p> <p>2. As a globally reputable container shipping company, Evergreen Marine insists on conducting its business in a lawful, transparent and ethical manner and is committed to complying with global competition law, anti-bribery and anti-corruption law, privacy law and economic sanctions regulations. As such, the company has established regulatory compliance policies and guidelines to facilitate compliance, and supervises it so as to prevent illegal activities from happening.</p>

Table2 The structure of corporate social responsibility committee

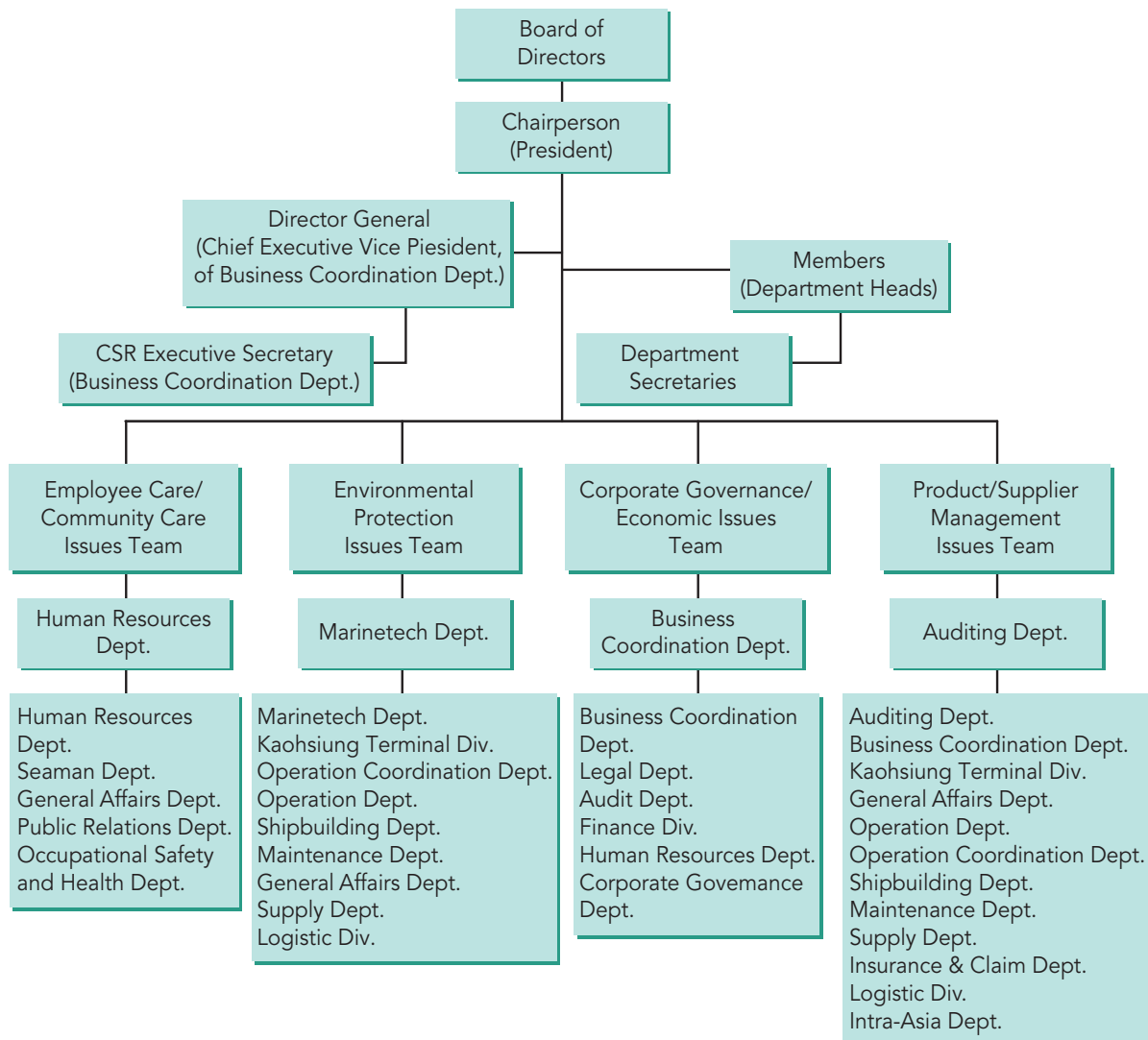


Table3 Statistics of greenhouse gas emissions, water consumption and waste disposal in recent years

- Statistics of greenhouse gas emissions from Evergreen self-owned vessels in the past 3 years

	2018	2019	2020
Fleet CO <sub>2</sub> emissions (ton CO <sub>2</sub> e)	6,139,371	5,903,899	5,798,135
Fleet CO <sub>2</sub> emission rate (g/TEU-KM)	62.14	61.46	60.66

Note 1: Scope 1 (direct) GHG emissions only cover CO<sub>2</sub> emissions.

Note 2: GHG inventory is based on GHG emissions = Energy consumption and GHG emission factor; The GHG emission factor is based on the values given in IMO MEPC/29/18/Dec.1989 and the GHG emission factor management table 6.03 edition issued by the MOEA Industrial Development Bureau (IPCC 4th Evaluation Report); GHG emission total was calculated using the operational control method.

- Statistics of greenhouse gas emissions from shore operations in the past 3 years

	2018	2019	2020
Direct GHG emissions (ton CO <sub>2</sub> e)	2,706.09	2,917.12	3,437.33
Indirect GHG emissions (ton CO <sub>2</sub> e)	22,131.01	21,368.94	23,463.61
GHG emission intensity (ton CO <sub>2</sub> e/load)	3.51	3.24	3.71

Note 1: Direct GHG emissions are calculated using the CO<sub>2</sub> equivalent generated by company vehicles. Indirect GHG emissions are calculated using the CO<sub>2</sub> equivalent generated by electricity used for yard equipment and reefer container. in the office building. GHG emissions are summarized using the operational control method. Estimation method and source of factor: Energy emission = Energy consumption \* GHG emission factor; the GHG emission factor is based on the GHG emission factor management table 6.03 edition issued by the MOEA Industrial Development Bureau (IPCC 4th Evaluation Report, January 2017) in 2018 and on the GHG emission factor management table 6.04 edition (IPCC 5th Evaluation Report, June 2019) in 2019 and 2020.

Note 2: Work load refers to the number of containers handled by cranes (diesel or electric-powered).

- Statistics of greenhouse gas emissions from office building in the past 3 years

	2018	2019	2020
Direct GHG emissions (ton CO <sub>2</sub> e)	18.00	16.32	14.01
Indirect GHG emissions (ton CO <sub>2</sub> e)	3,483.22	3,264.94	3,057.36
GHG emission intensity (ton CO <sub>2</sub> e/M <sup>2</sup> )	0.12	0.12	0.11

Note 1: Direct GHG emissions are calculated using the CO<sub>2</sub> equivalent generated by company vehicles. Indirect GHG emissions are calculated using the CO<sub>2</sub> equivalent generated by electricity used in the office building. Indirect GHG emissions are calculated using the site-based method. GHG emissions are summarized using the operational control method.

Note 2: Estimation method and source of factor: Energy emission = Energy consumption \* GHG emission factor. Source of Direct GHG emissions: The GHG emission factor is based on the GHG emission factor management table 6.04 edition (IPCC 5th Evaluation Report, June 2019).

Note 3: GHG emission intensity = Carbon emission of externally purchased electricity/Total building floor area, 28,036.4 M<sup>2</sup>.

- Statistics of water consumption from Evergreen in the past 3 years

Operation		Item	Unit	2018	2019	2020
Ships at sea		Fresh water supply to the ship	ton	103,217	88,643	81,679
Shore operations	Kaohsiung Terminal	Annual tap water consumption	liter	25,798	25,377	25,824
		Sewage treatment volume	CMD	6,121	7,968	7,328
	Evergreen Marine office	Annual tap water consumption	liter	25,370	25,006	25,528

Note: 1. Fresh water supply to the ship is based on the quantities requested by each ship.

2. Fresh water supply to shore operations is based on the actual quantity on the meter.

• Statistics of waste disposal from Evergreen in the past 2 years

Item		Type	Disposal method	Unit	2018 Disposal Amount	2019 Disposal Amount	Remarks
Ships at sea		Incinerator ashes	Recycling	m <sup>3</sup>	70	47.94	<p>1. The scope does not include domestic waste, operational waste, kitchen scraps and medical waste unloaded in port.</p> <p>2. The international unit used for unloading of shipboard waste in port is m<sup>3</sup> so no data is available for weight.</p> <p>3. The method of disposal depends on the relevant regulations of the port nation. Removal and disposal is carried out by port-approved operators.</p>
		Waste oil	Recycling	m <sup>3</sup>	40,644	38,602.5	
Shore operations	Kaohsiung Terminal	Domestic waste	Incineration	Ton	213.9	200.11	The raw data for waste tires and waste oil does not include weight. Their quantities are also relatively small, so they were not included in the statistics.
		Waste hardware & waste paper	Recycling	Ton	297.18	204.64	
	Evergreen Marine office building	Domestic waste	Incineration	Ton	97.53	70.66	Incineration
		Recycling	Recycling	Kilogram	6,100	5,600	Recycled by the recycling company

## 6. Ethical Corporate Management and Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>1. Establishment of ethical corporate management policies and adopted measures</p> <p>(1) Does the company formulate ethical management policies approved by the Board of Directors, and specify such policies and practices in both the company’s guidelines and external documents, as well as the commitment of the Board of Directors and top management to actively implement the policies?</p>	✓		<p>The Company’s Ethical Corporate Management Best-Practice Principles (<a href="https://csr.evergreen-marine.com/csr/jsp/CSR_EthicalManagementRule.jsp">https://csr.evergreen-marine.com/csr/jsp/CSR_EthicalManagementRule.jsp</a>) was established and resolved by the Board of Directors on Dec. 22, 2014. The Company’s ethical management policies and practices, as well as the commitment of the Board of Directors and top management to actively implement the policies are specified in the Principles. In addition, the principles are publicly disclosed in the “Ethical Management Zone” (<a href="https://csr.evergreen-marine.com/csr/jsp/CSR_EthicalManagement.jsp">https://csr.evergreen-marine.com/csr/jsp/CSR_EthicalManagement.jsp</a>) of the Company’s website and on the internal bulletin board.</p>	None
<p>(2) Does the company establish a risk assessment mechanism for unethical behavior, regularly analyze and evaluate the business activities with high risk of unethical behavior within the business scope, and based on which to formulate preventive measures and shall at least cover the preventive measures on unethical behavior stipulated in paragraph 2, Article 7 of “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”?</p>	✓		<p>The Company has established risk assessment mechanism and standardized relevant preventive measures in accordance with “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” paragraph 2 of Article 7 stipulated by Taiwan Stock Exchange, and the business activities with high risk of unethical behavior; all departments of the Company are required to implement. In addition, Legal Division (Competition Compliance Team included) is responsible for promoting</p>	None

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company specify the relevant procedures, conduct guidelines, punishment for violation, and rules of appeal in the formulated preventive measures against unethical behaviour, as well as implement and regularly review and revise the aforementioned measure?	✓		<p>the Company’s regulatory compliance policies, providing the education and training on fair trade law and continuously promoting the risk control of unethical behavior and other preventive measures, to ensure the Company’s business activities have proper procedures and basis to follow.</p> <p>The Company’s Procedures for Ethical Management and Conduct Guideline (<a href="https://csr.evergreen-marine.com/csr/tw/jsp/CSR_EthicalManagement-Guideline.jsp">https://csr.evergreen-marine.com/csr/tw/jsp/CSR_EthicalManagement-Guideline.jsp</a>) was established and resolved by the Board of Directors on Mar. 26, 2015. This guideline states the preventive measures against unethical behavior, offering and accepting bribes and improper benefits, or attending meeting or business activities involving any potential conflict of interest. The aforementioned guideline also covers the punishment for violation and rules of appellate. of punishment. The responsible department of the Company is responsible for promoting and supervising the implementation of the ethical corporate management policies and preventive measures.</p>	None
<p>2. The implementation of ethical corporate management policy</p> <p>(1) Does the company evaluate business suppliers’ ethical records and include ethics-related clauses in business contracts?</p>	✓		<p>The Company has standardized the requirements for the ethical record assessment and the signing of the ethical behavior clause in the “Ethical Corporate Management Best-Practice Principles”. The Company shall avoid engaging in commercial activities with</p>	None

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(2) Does the company establish an exclusively dedicated unit supervised by the Board to be in charge of ethical corporate management promotion and regularly (at least once a year) report to the Board regarding the ethical management policies, preventive measures against unethical behavior and implementation status?	✓		<p>suppliers involving in unethical behavior or against the Company’s CSR policies. When entering into a contract, the content of the contract shall include terms requiring compliance with CSR policies and ethical principles of both parties; the Company may terminate or revoke the term of the contract at any time if the supplier violates the policy and principles, and has a significant impact on the environment and society of the supply source community.</p> <p>The Company designated the Human Resources Department (HRD) to be in charge of establishing ethical corporate management policies and the preventive measures against unethical behavior, and supervising their implementation. In addition, HRD assists the Board of Directors and management in verifying and assessing the effectiveness of the preventive measures taken for the purpose of implementing ethical management, and regularly reports to the Board in December each year, on its implementation including the policies, training on ethical management related issue and the handling of complaint mailbox.</p> <p>The contents of the report made on the Board of Directors’ meeting held in December, 2020 are summarized as follows:</p> <p>1. Policies on Ethical Management</p> <p>In order to prevent any unethical behavior of employees, the Company’s top management emphasized</p>	None



Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>in the monthly managerial meetings and announced to all employees that all business activities must be in accordance with the competition laws and environmental protection related regulations.</p> <p>2. Ethical Management risk assessment According to Ethical Corporate Management Best Practice Principles and Guidelines for Conduct, the Company establishes effective risk assessment mechanism and conducts a review each year. The results appraised by all departments in 2020 revealed that all business activities were at “low” risk level and current control systems could remain unchanged.</p> <p>3. Training on Ethical Management related issue: (1)For new employees, training on ethical management and morality, anti-bribery and anti-corruption policies, competition compliance and general data protection regulation (GDPR) were carried out during the orientation for 118 shipping-related newcomers in 2020. (2)The Company organized an e-learning course on management of the prevention of insider trading in 2020 and all of employees finished the courses and test.</p> <p>4. Complaint mailbox No case against code of conduct</p>	

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	✓		<p>was received via the complaint mailbox in 2020.</p> <p>To prevent conflicts of interests and provide appropriate communication channels, the Company established the “Ethical Corporate Management Best-Practice Principles”, “Procedures for Ethical Management and Conduct Guidelines” in 2014 and 2015 respectively. The Company uses the corporate internal control system, audit system and all kinds of internal management regulations to implement the above policies.</p>	None
(4) Has the company established effective systems for both accounting and internal control to facilitate ethical corporate management? Does the internal audit unit develop an audit plan based on the assessment results on risk against unethical behavior and examine the implementation status of the preventive measures based on the aforementioned audit plan, or have it checked by CPAs?	✓		<p>The Company has established effective accounting system, internal control system and internal audit implementation rules. The internal audit unit conducts an internal audit annually, examines the implementation status of the internal control system, continuously reviews the Company’s operating procedures, and develop an audit plan based on the assessment results on risk against unethical behavior in order to examine the implementation status of the preventive measures against unethical behavior.</p>	None
(5) Does the company regularly hold internal and external education and trainings on ethical management?	✓		<p>The Company delivers integrity policies through various channels, such as monthly departmental meetings, e-Bulletin Board, and management’s remarks. For new employees, training on ethical management and law compliance were carried out during the orientation for 118 shipping-related newcomers in 2020. In addition, the on-line course on management of the</p>	None

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			prevention of insider trading was carried out in 2020 and all employees have finished the courses and test by March, 2021.	
<p>3. Operation of the company’s integrity system</p> <p>(1) Does the company establish both reward/punishment system and integrity hotline, as well as a convenient integrity channel? Can the accused be reached by an appropriate person for follow-up?</p>	✓		The Company encourages both internal and external personnel to report acts of unethical and misconduct. In addition to the integrity system stipulated in the “Ethical Corporate Management Best-Practice Principles”, the Company has established the “Employee Complaint Regulations”. After the whistleblower reports or appeals to the supervisors at all levels and Human Resources Department, the case will then be filed and investigated or reported to the independent director, a relevant reward/punishment system is also stipulated in the management rules of the Company. In addition, an independent whistle-blowing mailbox (comment@evergreen-marine.com) is made available and has been disclosed on the “Stakeholder Zone” in the Company’s website and on the internal e-bulletin board, in a way to establish a convenient integrity channel. This mailbox is under the responsibility of the supervisor of Human Resources Department.	None
(2) Does the company establish standard operating procedures for confidential reporting on investigating accusation cases?	✓		It is specified in the “Ethical Corporate Management Best-Practice Principles” and “Employee Complaint Regulations” that the whistleblower may raise the case verbally, in writing or report	None

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company provide proper whistleblower protection?	✓		<p>anonymously. The Company then should make records, gather the related units and investigate, and give a response to the whistleblower within 10 working days. If necessary, it may be extended for 10 days, and the extension shall be limited to 2 times. It is also stipulated in the “Ethical Corporate Management Best-Practice Principles” that the contents of the report shall be properly handled in a confidential manner and whistleblowers shall be protected from any inappropriate treatment due to the complaint.</p> <p>The cases will be handled by designated Human Resources Managers. The procedures and methods for investigation and handling of cases and the provisions for the protection of whistleblower are also set forth in the relevant regulations, in order to protect whistleblowers from any inappropriate treatment due to the complaint.</p>	None
4. Strengthening information disclosure (1) Does the company disclose its ethical corporate management policies and the results of its implementation on the Company’s website and MOPS?	✓		<p>The “Ethical Corporate Management Best-Practice Principles” and the results of our implementation have been posted on the “Ethical Management Zone” in the Company’s website (<a href="https://csr.evergreen-marine.com/csr/jsp/CSR_EthicalManagement.jsp">https://csr.evergreen-marine.com/csr/jsp/CSR_EthicalManagement.jsp</a>) and MOPS.</p>	None
5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation: None				

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
6. Other important information to facilitate a better understanding of the company's ethical corporate management policies (e.g., review and amend its policies): None				

## 7. Corporate Governance Guidelines and Regulations

The “Corporate Governance Best-Practice Principles” and the important relevant regulations can be found on the “Corporate Governance Zone” or MOPS. For more details and information, visit [https://csr.evergreen-marine.com/csr/jsp/CSR\\_CorporateGovernance.jsp](https://csr.evergreen-marine.com/csr/jsp/CSR_CorporateGovernance.jsp) or <http://mops.twse.com.tw>.

## 8. Other Important Information Regarding Corporate Governance

**(1) The Company was ranked in the top 20% of publicly listed companies at 2020 Corporate Governance Evaluation conducted by TWSE.**

**(2) The status of management level attending corporate governance related continuing education/training in 2020**

Name and Title	Date	Professional Organization	Training Sessions and Hours
Hsieh, Huey-Chuan President	Jul. 31, 2020	Taiwan Corporate Governance Association	Cyber Resilience Principles and Cyber Risk Awareness for Board of Directors /3 hours
	Oct. 07, 2020	Taiwan Corporate Governance Association	Corporate Governance Roadmap 3.0 and the Liabilities of Director and Supervisor /3 hours
Wu, Kuang-Hui Chief Executive Vice President	Jul. 31, 2020	Taiwan Corporate Governance Association	Cyber Resilience Principles and Cyber Risk Awareness for Board of Directors /3 hours
	Oct. 07, 2020	Taiwan Corporate Governance Association	Corporate Governance Roadmap 3.0 and the Liabilities of Director and Supervisor /3 hours

## (3) The training courses condition for Auditing personnel and Accounting officer

## A. Auditing personnel

Name	Date	Professional Organization	Training Sessions and Hours	Certificate
Wu, Yu-Chi	1. 2020/8/6 2. 2020/9/23	1. The Institute of Internal Auditors-Chinese Taiwan 2. Accounting Reach & Development Foundation	1. The essentials of internal audit in compliance with laws and regulations / 6 hours 2. Competent authority's policy analysis and internal control management practices of "Assisting companies in improving their own financial reporting capabilities" /6 hours	—
Wang, Jun-Yue	1. 2020/6/11 2. 2020/9/28	1. Securities & Futures Institute 2. The Institute of Internal Auditors-Chinese Taiwan	1. Practice on the Introduction of Ethical Corporate Management Best-Practice Principles of Listed OTC Companies-ISO37001 Anti-bribery management system /6 hours 2. Policy analysis for "Assisting companies in improving their own financial reporting capabilities " and related works for internal control and internal audit/6 hours	—

Name	Date	Professional Organization	Training Sessions and Hours	Certificate
Leu, Lii-Yi	1. 2020/9/15 2. 2020/10/6	1. Accounting Reach & Development Foundation 2. Accounting Reach & Development Foundation	1. Analysis of internal auditors' legal compliance and fraud prevention issues on "information security" and "personal privacy" /6 hours 2. Common deficiencies in the preparation of corporate financial reports and compliance with internal audit and internal control laws and regulations /6 hours	—
Dai, Gwo-Woei	1. 2020/9/1 2. 2020/12/14	1. Accounting Reach & Development Foundation 2. Accounting Reach & Development Foundation	1. Competent authority's policy analysis and internal control management practices of "Assisting companies in improving their own financial reporting capabilities" /6 hours 2. Analysis of the latest corporate governance policies and the "Corporate Governance Personnel" audit law compliance /6 hours	—
Chiu, Chao-Hui	1. 2020/7/7 2. 2020/9/25	1. Securities & Futures Institute 2. The Institute of Internal Auditors-Chinese Taiwan	1. Practices of internal audit for compliance with laws and regulations /6 hours 2. Analysis of the practices and the latest explanation of regulations following the implementation of the company law /6 hours	Certified Internal Auditor certificate

Name	Date	Professional Organization	Training Sessions and Hours	Certificate
Yang, Chung-Chi	1. 2020/9/22 2. 2020/12/4	1. Accounting Reach & Development Foundation 2. Securities & Futures Institute	1. How internal auditors deal with common deficiencies in preparing IFRS financial reports / 6 hours 2. Analysis of corporate governance practices and audit cases-- focused on the board of directors and the shareholders meeting/6 hours	—
Chen, Hsiang-Yu	1. 2020/8/18 2. 2020/11/10	1. Securities & Futures Institute 2. The Institute of Internal Auditors-Chinese Taiwan	1. Practices of internal audit on the operation of the board of directors and functional committees /6 hours 2. Policy analysis on “improving enterprise’s own financial reporting capabilities” and key points for internal audit/ 6 hours	—
Wang, Su-Chin	1. 2020/8/6 2. 2020/11/2	1. The Institute of Internal Auditors-Chinese Taiwan 2. Accounting Reach & Development Foundation	1. The essentials of internal audit in compliance with laws and regulations / 6 hours 2. Common deficiencies in preparation of corporate financial reports and compliance with internal audit and internal control laws and regulations /6 hours	—

#### B. Accounting Supervisor

The accounting supervisor of the Company, Chang, Chuan-Fu, has participated in the continuing education course held by the training institution as determined by the competent authority for 12 hours in accordance with Article 6 of the “Eligibility Rules for the Accounting Supervisor of the Issuer's Securities Exchange and the Professional Training Method”.



Name	Date	Professional Organization	Training Sessions and Hours
Chang, Chuan-Fu	2020/11/19~ 2020/11/20	Accounting Research and Development Foundation	Accounting Supervisor Continued Education Course (Financial Accounting Standards, Finance, Corporate Governance, Ethics and Legal Responsibility)/12 hours
	2020/07/31	Taiwan Corporate Governance Association	Directors' Responsibility and Risk Management under the latest Corporate Governance Blueprint/ 3 hours

#### (4) "Internal Major Information Processing Procedures" of the Company:

In order to establish a good internal information processing and disclosure mechanism, the "Internal Major Information Processing Procedures" of the Company was approved by the Board of Directors on Dec. 22, 2014 and has been disclosed on the Company's website for directors, supervisors, managers and employees of the Company to follow as a basis in order to avoid violations or insider trading.

## 9. Internal Control Systems

### (1) Internal Control System Execution Status

#### **Evergreen Marine Corp. (Taiwan) LTD. Internal Control Statement**

Date: March. 22, 2021

The Company states the following with regard to its internal control system during the period from Jan. 01, 2019 to Dec. 31, 2019, based on the findings of a self-evaluation:

1. The Company is fully aware that establishing, operating, and maintaining an internal control system are the responsibility of its Board of Directors and management. The Company has established such a system aimed at providing reasonable assurance of the achievement of objectives in the effectiveness and efficiency of operations (including profits, performance, and safeguard of asset security), reliability, timeliness, transparency of reporting, and compliance with applicable laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the three goals mentioned above. Furthermore, the effectiveness of an internal control system may

## Corporate Governance Report

change along with changes in environment or circumstances. The internal control system of the Company contains self-monitoring mechanisms, however, and the Company takes corrective actions as soon as a deficiency is identified.

3. The Company judges the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies promulgated by the Securities and Futures Commission, Ministry of Finance (herein below, the “Regulations”). The internal control system judgment criteria adopted by the Regulations divide internal control into five elements based on the process of management control: 1. control environment 2. risk assessment 3. control activities 4. information and communications 5. monitoring. Each element further contains several items. Please refer to the Regulations for details.
4. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.
5. Based on the findings of the evaluation mentioned in the preceding paragraph, the Company believes that during the stated time period its internal control system (including its supervision of subsidiaries), encompassing internal controls for knowledge of the degree of achievement of operational effectiveness and efficiency objectives, reliability, timeliness, transparency of reporting, and compliance with applicable laws and regulations, was effectively designed and operating, and reasonably assured the achievement of the above-stated objectives.
6. This Statement will become a major part of the content of the Company's Annual Report and Prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.
7. This statement has been passed by the Board of Directors Meeting of the Company held on March 22, 2021, where zero of the 8 attending directors (include commissioned to attend) expressed dissenting opinions, and all affirmed the content of this Statement.

Evergreen Marine Corp. (Taiwan) LTD.

Chairman:



President:



**10. For the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, disclose any sanctions imposed in accordance with the law upon the company or its internal personnel, any sanctions imposed by the company upon its internal personnel for violations of internal control system provisions, principal deficiencies, and the state of any efforts to make improvements:** None.

## 11. Major Resolutions of Shareholders' Meeting and Board Meetings

### (1) Major Resolutions of Shareholders' Meetings

Date of Meeting	Summary of Important Proposals	Execution
Jun. 24, 2020	1. To approve 2019 earnings distribution: Based on the principle of stabilization for sustainable operations management of the Company, it is proposed to reserve all appropriable earnings to meet future operating needs and not to allocate dividends.	The proposal has been fully implemented in accordance with the resolution.
	2. To amend "Articles of Incorporation".	The amended Articles of Incorporation has been approved by Commerce Department, Ministry of Economic Affairs (no. 10901130570) and the related actions on behalf of the Company have been conducted in accordance with revised Article of Incorporation.
	3. To elect nine Directors (including three Independent Directors) according to the Articles of Incorporation of the Company.	The re-election of directors has been approved and registered by the Commerce Department, Ministry of Economic Affairs (letter No. 10901130570 ), and the new directors have performed their duties in accordance with the he Articles of Incorporation of the Company and relevant laws and regulations.
	4. To approve the release of restrictions of competitive activities of Directors.	The proposal has been fully implemented in accordance with the resolution.

## (2) Major Resolutions of Board Meetings, Audit Committee and Remuneration Committee

The Board of Directors Meeting Date & Session	Major Proposals	The resolution of Audit Committee or Remuneration Committee	The Company's response to the opinions of Audit Committee or Remuneration Committee
January 20, 2020 (1 <sup>st</sup> Board Meeting of 2020)	1. To approve 2020 budget.	Approved unanimously by Audit Committee members on the 1 <sup>st</sup> meeting of 2020 dated January 20, 2020.	None
	2. To make proposal on 2020 Annual General Shareholders' Meeting to elect new directors.	-	-
	3. To make proposal on 2020 Annual General Shareholders' Meeting to lift the restriction of "non-competition" for the newly elected directors.	-	-
	4. To convene 2020 Annual General Shareholders' Meeting.	-	-
March 24, 2020 (2 <sup>nd</sup> Board Meeting of 2020)	1. To approve 2019 employees' compensation and directors' remuneration.	Approved unanimously by Remuneration Committee members on the 1 <sup>st</sup> meeting of 2020 dated March 24, 2020.	None
	2. To amend the "Remuneration Committee Charter".		
	3. To approve the acquisition of new build container.		
	4. To approve 2019 Business Report.		
	5. To approve 2019 Parent-company-only Financial Statement and Consolidated Financial Statement.		
	6. To approve the earnings distribution of 2019.		
	7. To approve the Company's certified public accountants and determine their remuneration.		
	8. To approve making endorsements and guarantees for subsidiaries and associate company.	Approved unanimously by Audit Committee members on the 2 <sup>nd</sup> meeting of 2020 dated March 24, 2020.	None
	9. To approve the proposal that Greencompass Marine S.A., a subsidiary of EMC, sales and leases back transaction of containers.		
	10. To amend the "Audit Committee Charter".		
	11. To amend "Internal Control System" and "Internal Audit Implementation Rules".		
	12. To approve the 2019 Internal Control Statement.		
	13. To stipulate the "Risk Management Policy".		

The Board of Directors Meeting Date & Session	Major Proposals	The resolution of Audit Committee or Remuneration Committee	The Company's response to the opinions of Audit Committee or Remuneration Committee
March 24, 2020 (2 <sup>nd</sup> Board Meeting of 2020)	14. To amend the "Articles of Incorporation". 15. To amend the "Rules of Procedure for Board of Directors Meetings". 16. To amend the "Corporate Governance Best Practice Principles". 17. To approve 2020 Operation Plan.	-	-
May 13, 2020 (3 <sup>rd</sup> Board Meeting of 2020)	1. To approve making endorsements and guarantees for subsidiaries. 2. To amend "Internal Control System".	Approved unanimously by Audit Committee members on the 3 <sup>rd</sup> meeting of 2020 dated May 13, 2020.	None
	3. To approve the nine director candidates (including three independent directors) nominated by the Board.	-	-
June 24, 2020 (4 <sup>th</sup> Board Meeting of 2020)	1. To re-elect the chairman of the Board of Directors. 2. To appoint the members of the 4 <sup>th</sup> Remuneration Committee.	-	-
July 9, 2020 (5 <sup>th</sup> Board Meeting of 2020)	1. To approve the issuance of the 1st overseas unsecured euro convertible bonds. 2. To approve making endorsements and guarantees for subsidiaries.	Approved unanimously by Audit Committee members on the 4 <sup>th</sup> meeting of 2020 dated July 9, 2020.	None
August 13, 2020 (6 <sup>th</sup> Board Meeting of 2020)	1. To amend the "Payment Regulations for Directors Compensation". 2. To approve 2020 remuneration for the chairman. <u>Recusal of Director and voting situation of Board of Directors</u> <ul style="list-style-type: none"> <li>• Chairman Chang, Cheng-Yung has direct personal interest conflicts to the proposal.</li> <li>• Except for the director who recused himself from the discussion and resolution, all 8 attendances agreed and approved the proposal.</li> </ul> 3. To approve transportation allowances for the current directors (except independent directors). 4. To approve the current independent directors' remuneration and transportation allowances for attending meetings of functional committees. <u>Recusal of Directors and voting situation of Board of Directors</u> <ul style="list-style-type: none"> <li>• Independent director Yu, Fang-Lai, Independent director</li> </ul>	Approved unanimously by Remuneration Committee members on the 2 <sup>nd</sup> meeting of 2020 dated August 13, 2020.	None

The Board of Directors Meeting Date & Session	Major Proposals	The resolution of Audit Committee or Remuneration Committee	The Company's response to the opinions of Audit Committee or Remuneration Committee
August 13, 2020 (6 <sup>th</sup> Board Meeting of 2020)	<p>Li, Chang-Chou, and Independent director Chang, Chia-Chee have direct personal interest conflicts to the proposal.</p> <ul style="list-style-type: none"> <li>Except for Independent directors who recused themselves from the discussion and resolution, all 6 attendances agreed and approved the proposal.</li> </ul>	Approved unanimously by Remuneration Committee members on the 2 <sup>nd</sup> meeting of 2020 dated August 13, 2020.	None
	<p>5. To approve acquiring the real estate of Evergreen Marine Corp. (Malaysia) Sdn. Bhd. from subsidiary of Greenpen Properties Sdn. Bhd.</p> <p><u>Recusal of Directors and voting situation of Board of Directors</u></p> <ul style="list-style-type: none"> <li>Chairman Chang, Cheng-Yung and Hsieh, Huey-Chuan also sit on the 「Board of Greenpen Properties Sdn. Bhd」.</li> <li>Except for the director who recused themselves from the discussion and resolution, all 7 attendances agreed and approved the proposal.</li> </ul> <p>6. To amend the "Table of Authority Limit of Acquiring and Disposing of Assets &amp; other Financial Matters".</p> <p>7. To approve making endorsements and guarantees for subsidiaries.</p> <p>8. To amend "Internal Control System".</p>	Approved unanimously by Audit Committee members on the 5 <sup>th</sup> meeting of 2020 dated August 13, 2020.	None
October 7, 2020 (7 <sup>th</sup> Board Meeting of 2020)	To approve the change of Chairperson of Evergreen Marine Corp. (Taiwan) Ltd.	-	-
November 12, 2020 (8 <sup>th</sup> Board Meeting of 2020)	<p>1. To approve 2020 remuneration for the chairman.</p> <p><u>Recusal of Directors and voting situation of Board of Directors</u></p> <ul style="list-style-type: none"> <li>Chairman Chang, Yen-I has direct personal interest conflicts to the proposal.</li> <li>Except for the director who recused himself from the discussion and resolution, all 8 attendances agreed and approved the proposal.</li> </ul>	Approved unanimously by Remuneration Committee members on the 3 <sup>rd</sup> meeting of 2020 dated November 12, 2020.	None
	<p>2. To approve the acquisition of new build dry container of Gre-encompass Marine S.A., a subsidiary of EMC.</p> <p>3. To approve the acquisition of new build reefer container and container.</p> <p>4. To approve making endorsements and guarantees for subsidiaries.</p> <p>5. To amend "Internal Audit Implementation Rules".</p>	Approved unanimously by Audit Committee members on the 6 <sup>th</sup> meeting of 2020 dated November 12, 2020.	None
	6. To amend "Procedures for Ethical Management and Conduct Guideline".	-	-

The Board of Directors Meeting Date & Session	Major Proposals	The resolution of Audit Committee or Remuneration Committee	The Company's response to the opinions of Audit Committee or Remuneration Committee
December 24, 2020 (9 <sup>th</sup> Board Meeting of 2020)	<ol style="list-style-type: none"> <li>1. To amend the "Payment Regulations for Managers Compensation".</li> <li>2. To approve the 2020 bonus for management. <u>Recusal of Directors and voting situation of Board of Directors</u> <ul style="list-style-type: none"> <li>• Director Hsieh, Huey-Chuan and Wu, Kuang-Hui have direct personal interest conflicts to the proposal.</li> <li>• Except for the director who recused themselves from the discussion and resolution, all 7 attendance agreed and approved the proposal.</li> </ul> </li> <li>3. To approve 2021 compensation for management. <u>Recusal of Directors and voting situation of Board of Directors</u> <ul style="list-style-type: none"> <li>• Director Hsieh, Huey-Chuan and Wu, Kuang-Hui have direct personal interest conflicts to the proposal.</li> <li>• Except for the director who recused themselves from the discussion and resolution, all 7 attendance agreed and approved the proposal.</li> </ul> </li> <li>4. To approve the 2020 Chairman's bonus. <u>Recusal of Director and voting situation of Board of Directors</u> <ul style="list-style-type: none"> <li>• Chairman Chang, Yen-I has direct personal interest conflicts to the proposal.</li> <li>• Except for the director who recused himself from the discussion and resolution, all 8 attendance agreed and approved the proposal.</li> </ul> </li> <li>5. To approve 2021 Chairman's compensation. <u>Recusal of Director and voting situation of Board of Directors</u> <ul style="list-style-type: none"> <li>• Chairman Chang, Yen-I has direct personal interest conflicts to the proposal.</li> <li>• Except for the director who recused himself from the discussion and resolution, all 8 attendance agreed and approved the proposal.</li> </ul> </li> <li>6. To amend the "Regulations Governing the Board Performance Evaluation".</li> </ol>	Approved unanimously by Remuneration Committee members on the 4 <sup>th</sup> meeting of 2020 dated December 24, 2020.	None

## Corporate Governance Report

The Board of Directors Meeting Date & Session	Major Proposals	The resolution of Audit Committee or Remuneration Committee	The Company's response to the opinions of Audit Committee or Remuneration Committee
December 24, 2020 (9 <sup>th</sup> Board Meeting of 2020)	<p>7. To approve the acquisition of right-of-use asset of real estate from Evergreen International Storage &amp; Transport. <u>Recusal of Directors and voting situation of Board of Directors</u></p> <ul style="list-style-type: none"> <li>• Director Chang, Yen-I, Chang, Kuo-Hua, Ko, Lee-Ching and Tai, Jiin-Chyuan are also directors of Evergreen International Storage &amp; Transport.</li> <li>• Except for directors who recused themselves from the discussion and resolution, all 5 attendance agreed and approved the proposal.</li> </ul> <p>8. To announce the acquisition of ship to shore container gantry cranes and automation rail mounted gantry cranes.</p> <p>9. To approve the acquisition of new build container of Greencompass Marine S.A.</p> <p>10. To approve the acquisition of new build container of EMC.</p> <p>11. To approve making endorsements and guarantees for subsidiaries.</p> <p>12. To approve the proposal that Greencompass Marine S.A., a subsidiary of EMC, sales and leases back transaction of containers.</p> <p>13. To formulate 2021 Internal Audit Plan.</p>	Approved unanimously by Audit Committee members on the 7 <sup>th</sup> meeting of 2020 dated December 24, 2020.	None
	14. To amend the "Corporate Governance Best Practice Principles".	-	-
January 27, 2021 (1 <sup>st</sup> Board Meeting of 2021)	<p>1. To approve the acquisition of new build container of Evergreen Marine (Hong Kong) Ltd., a subsidiary of EMC.</p> <p>2. To approve the acquisition of new build container in 2021 of the Company and its subsidiaries, Greencompass Marine S.A. and Evergreen Marine (Hong Kong) Ltd.</p> <p>3. To approve 2021 Operation Plan.</p> <p>4. To approve the Company's certified public accountants and determine their remuneration.</p>	Approved unanimously by Audit Committee members on the 1 <sup>st</sup> meeting of 2021 dated January 27, 2021.	None
	<p>5. To set the capital increase record date of common stocks transferred from the 1<sup>st</sup> overseas unsecured euro convertible bonds.</p> <p>6. To convene 2021 Annual General Shareholders' Meeting.</p>	-	-



The Board of Directors Meeting Date & Session	Major Proposals	The resolution of Audit Committee or Remuneration Committee	The Company's response to the opinions of Audit Committee or Remuneration Committee
	<ol style="list-style-type: none"> <li>1. To approve 2020 employees' compensation.</li> <li>2. To approve 2020 directors' remuneration .</li> <li>3. To amend the "Regulations Governing the Board Performance Evaluation".</li> </ol>	Approved unanimously by Remuneration Committee members on the 1 <sup>st</sup> meeting of 2021 dated March 22, 2021.	None
March 22, 2021 (2 <sup>nd</sup> Board Meeting of 2021)	<ol style="list-style-type: none"> <li>4. To approve building container vessels of Greencompass Marine S.A., the subsidiary of EMC.</li> <li>5. To approve the investment of establishing a wholly-owned subsidiary of Evergreen Marine (Asia) Pte. Ltd. in Singapore.</li> <li>6. To approve 2020 Business Report.</li> <li>7. To approve 2020 Parent-company-only Financial Statement and Consolidated Financial Statement.</li> <li>8. To approve the earnings distribution of 2020.</li> <li>9. To approve the 4th domestic unsecured convertible bonds of Evergreen Marine Corp. (Taiwan) Ltd.</li> <li>10. To approve making endorsements and guarantees for subsidiaries.</li> <li>11. To approve the 2020 Internal Control Statement.</li> <li>12. To amend "Internal Control System" .</li> <li>13. To amend the "Audit Committee Charter".</li> </ol>	Approved unanimously by Audit Committee members on the 2 <sup>nd</sup> meeting of 2021 dated March 22, 2021.	None
	<ol style="list-style-type: none"> <li>14. To amend the "Corporate Governance Best Practice Principles", etc.</li> <li>15. To amend the "Rules for Procedure of the Shareholders' meeting".</li> <li>16. To make proposal on 2021 Annual General Shareholders' Meeting to release restrictions of competitive activities of Chairman Chang, Yen-I.</li> <li>17. To amend the agenda of the 2021 Annual General Shareholders' Meeting.</li> </ol>	-	-

## 12. Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors: None

### 13. Resignation or Dismissal of the Company's Key Individuals, Including the Chairman, CEO, and Heads of Accounting, Finance, Internal Audit, Chief Corporate Governance Officer and R&D:

Title	Name	Date of Inauguration	Date of Resignation	Reason for resignation or dismissal
Chairman	Chang, Cheng-Yung	2013.10.01	2020.10.07	Reassignment the Chairman of Taipei Port Container Terminal Corp.

## 3-4 Information Regarding the Company's Audit Fee and Independence

### 1. Audit Fee

The non-audit fee ratio of the Company has not reached more than one quarter of the audit fee, and the non-audit fee details are as follows.

Unit: TWD thousands

Accounting Firm	Name of CPA	Audit Fee	Non-audit Fee					Period Covered by CPA's Audit	Remarks
			System of Design	Company Registration	Human Resource	Others	Subtotal		
PwC	Lee, Hsiu-Ling Chih, Ping-Chiun, etc	19,155	0	120	0	10,504	10,504	2020/01/01-2020/12/31	The "Other" items of non-audit fees include the following services: 1. Audit of business tax 2. Transfer pricing report 3. Master File project 4. ECB project

**2. If the Company Changes Accounting Firm and the Audit Fees Charged by the New Firm is Less than that of the Pervious Accounting Firm, Please Disclose the Audit Fees Charged by the Two Accounting Firms and the Reason:** None

**3. Audit Fees Decreases 10% of that of Previous Year, the Decreased Audit Fees, Decreased Percentage and Reason Should be Disclosed:** None

### 3-5 Replacement of CPA :

#### (1) Regarding the former CPA

<b>Replacement Date</b>	Approved by the Board of Directors on Jan. 27, 2021		
<b>Replacement reasons and explanations</b>	The internal adjustment of accounting firms.		
<b>Company termination or the CPA did not accept the appointment</b>	Parties	CPA	The Company
	Status		
	Termination of appointment	N/A	
	No longer accepted (continued) appointment		
<b>Other issues (except for unqualified issues) in the audit reports within the last two years</b>	None		
<b>Differences with the company</b>	Yes		Accounting principles or practices
			Disclosure of Financial Statements
			Audit scope or steps
			Others
	None	V	
	Remarks/specify details:		
<b>Other Revealed Matters</b>	None		

**(2) Regarding the successor CPA**

<b>Name of accounting firm</b>	PricewaterhouseCoopers Taiwan
<b>Name of CPA</b>	Lee, Hsiu-Ling Chou, Hsiao-Tzu
<b>Date of appointment</b>	Jan. 27, 2021
<b>Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement</b>	None
<b>Succeeding CPA's written opinion of disagreement toward the former CPA</b>	None

**3-6 Audit Independence**

The Company's Chairman, Chief Executive Officer, Chief Finance Officer, and managers in charge of its finance and accounting operations did not hold any positions in the Company's independent auditing firm or its affiliates during 2020.

### 3-7 Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders

Unit: Shares

Title	Name	2020		As of April 2, 2021	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Current Directors elected by the Annual General Shareholders' Meeting on June 24, 2020.					
Chairman	HUI Corporation	0	0	0	0
	Representative : Chang, Yen-I (Assume office on October 7, 2020)	0	0	0	0
	Representative: Chang, Cheng-Yung (Term ceased on October 7, 2020)	0	0	0	0
Director	Chang, Kuo-Hua	0	0	0	0
Director	Evergreen International S.A.	0	0	0	0
	Representative: Ko, Lee-Ching	0	0	0	0
	Representative: Hsieh, Huey-Chuan	0	0	0	0
Director	HUI Corporation	0	0	0	0
	Representative: Tai, Jiin-Chyuan	0	0	0	0
Director	Evergreen Steel Corp.	0	0	0	0
	Representative: Wu, Kuang-Hui	0	0	0	0
Independent Director	Yu, Fang-Lai	0	0	0	0
Independent Director	Li, Chang-Chou	0	0	0	0
Independent Director	Chang, Chia-Chee	0	0	0	0

## Corporate Governance Report

Title	Name	2020		As of April 2, 2021	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Former Directors					
Chairman	Evergreen Steel Corp.	0	0	0	0
	Representative: Chang, Cheng-Yung	0	0	0	0
Director	Chang Yung-Fa Charity Foundation	0	0	0	0
	Representative: Chang, Kuo-Hua	0	0	0	0
	Representative: Chang, Kuo-Ming	0	0	0	0
Director	Evergreen International S.A.	0	0	0	0
	Representative: Ko, Lee-Ching	0	0	0	0
	Representative: Hsieh, Huey-Chuan (Assume office on April 15, 2019)	0	0	0	0
	Representative: Lee, Mong-Jye (Term ceased on April 15, 2019)	0	0	0	0
Director	Evergreen Steel Corp.	0	0	0	0
	Representative: Hsieh, Huey-Chuan (Term ceased on April 15, 2019)	0	0	0	0
Independent Director	Yu, Fang-Lai	0	0	0	0
Independent Director	Li, Chang-Chou	0	0	0	0
Independent Director	Chang, Chia-Chee	0	0	0	0
President	Hsieh, Huey-Chuan	0	0	0	0
Chief Executive Vice President (Finance Supervisor)	Wu, Kuang-Hui	0	0	0	0

Title	Name	2020		As of April 2, 2021	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Finance Div. Executive Vice President	Tsai, I-Jung	0	0	0	0
Project Div. Executive Vice President	Wang, Pei-Chun	0	0	0	0
Project Div. Business Coordination Dept. Executive Vice President	Wei, Wei-Der	25,000	0	0	0
Project Div. Business Coordination Dept. Executive Vice President	Tang, Chia-Sheng	0	0	0	0
Project Div. North America Dept. Executive Vice President	Chang, Da-Chih	0	0	0	0
Logistics Div. Executive Vice President	Lin, Wen-Kuei	0 (44,742)	0	0	0
Customer Relationship Management Div. Executive Vice President	Fang, Yu-Yen	0 (10,000)	0	0 (5,000)	0
Ship Div. Executive Vice President	Huang, Tsung-Yung	0	0	0	0
Operation Coordination Dept. Executive Vice President	Su, Teng-Huan	0	0	0	0
Human Resources Dept. Senior Vice President	Yang, Pi-Sao	0 (35,000)	0	0	0
Corporate Governance Dept. Senior Vice President	Hsieh, Shu-Hui	0	0	0	0
Finance Div. Finance Dept. Senior Vice President	Mo, Cheng-Ping	0 (10,000)	0	0	0
Project Div. Business Coordination Dept. Senior Vice President	Tseng, Neng-Fang	0 (15,000)	0	0	0

Title	Name	2020		As of April 2, 2021	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Project Div. Latin America Dept. Senior Vice President	Su, Ming-Sung	0 (18,000)	0	0	0
Project Div. Europe Dept. Senior Vice President	Huang, Sheng-Peng	0	0	0	0
Project Div. Intra Asia Dept. Senior Vice President	Wu, Yi-Min	0 (50,000)	0	0	0
Project Div. Near East Dept. Senior Vice President	Huang, Ming-Jer	0	0	0	0
Logistics Div. Equipment Control Dept. Senior Vice President	Kuo, Yuan-Ping	0	0	0	0
Ship Div. Maintenance Dept. Senior Vice President	Kung, Chir-Chieh	0 (142,000)	0	0	0
Ship Div. Shipbuilding Dept. Senior Vice President	Chiang, Shou-Hsing	0	0	0	0
Operation Coordination Dept. Senior Vice President	Hwang, Wen-Yau	0 (5,000)	0	0 (3,000)	0
Auditing Dept. Deputy Senior Vice President	Wu, Yu-Chi	0 (5,000)	0	0	0
Project Div. Business Coordination Dept. Deputy Senior Vice President	Chen, Chun-Yen	0 (147,000)	0	0	0
Project Div. Business Coordination Dept. Deputy Senior Vice President	Cheng, Min-Chou	0	0	0	0
Project Div. Business Coordination Dept. Deputy Senior Vice President	Sheu, Dong-Han	0	0	0	0



Title	Name	2020		As of April 2, 2021	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Project Div. Business Coordination Dept. Deputy Senior Vice President	Jou, Kuen-Cheng	0 (6,816)	0	0	0
Project Div. North America Dept. Deputy Senior Vice President	Hsu, Ching-Che	0	0	0	0
Project Div. Europe Dept. Deputy Senior Vice President	Lin, Sheng-Chia	0 (44,000)	0	0 (10,000)	0
Project Div. Europe Dept. Deputy Senior Vice President	Chien, Shen-Tai	0 (10,000)	0	0	0
Customer Relationship Management Div. Customer Relationship Management Dept. Deputy Senior Vice President	Chiu, Ping-Chuan	0	0	0	0
Customer Relationship Management Div. Customer Data Processing Dept.I Deputy Senior Vice President	Lin, Chi-Day	0	0	0	0
Ship Div. Maritech Dept. Deputy Senior Vice President	Yang, Hong-Ming	0	0	0	0
Ship Div. Seaman Dept. Deputy Senior Vice President	Li, Hua-Lung	0 (10,000)	0	0 (10,000)	0
Ship Div. Maintenance Dept. I Deputy Senior Vice President	Chen, Jenn-Hwang	0 (5,000)	0	0 (12,000)	0
Ship Div. Supply Dept. Deputy Senior Vice President	Lee, Rhui-Fu	0	0	0	0
Ship Div. Supply Dept. Deputy Senior Vice President	Yeh, Ching-Rong	0	0	0 (30,000)	0

Title	Name	2020		As of April 2, 2021	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Operation Dept. Deputy Senior Vice President	Hwang, Yi-Syou	0	0	0	0
Operation Coordination Dept. Deputy Senior Vice President	Chang, Chih-Chao	0 (9,264)	0	0	0
Operation Coordination Dept. Deputy Senior Vice President	Yeh, Cheng-Hung	0 (9,000)	0	0 (9,000)	0
Ksg Terminal Div. Deputy Senior Vice President	Kuo, Feng-Yi	0	0	0	0
Ksg Terminal Div. Deputy Senior Vice President	Hwang, Ming-Ling	0 (90,000)	0	0 (1,466)	0
Ksg Terminal Div. Deputy Senior Vice President	Chen, Chia-Chi	0	0	0	0
Finance Div. Finance Dept. Junior Vice President (Accounting Supervisor)	Chang, Chuan-Fu	0 (37,000)	0	0	0

Information of Stock Transfer: None

Information of Stock Pledged: None

### 3-8 Relationship Among the Top Ten Shareholders

Name	Present Shareholdings		Shares Held by Spouses & Dependents		Shares Held by Third Parties		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees	
	Shares	%	Shares	%	Shares	%	Name	Relationship
Evergreen International S.A	391,786,816	7.43	-		0	0	Chang, Kuo-Hua Chang, Kuo-Ming Chang, Kuo-Cheng	Director and major shareholder
							Chang, Yung-Fa	Major shareholder
							Evergreen International Corp.	Major shareholder of Evergreen International S.A. reinvest the company
							Ko, Lee-Ching	Director
Representative: Chang, Kuo-Hua	319,646,157	6.06	47,176,327	0.90	0	0	Evergreen International S.A.	Director and major shareholder
							Chang, Yung-Fa Chang, Kuo-Ming Chang, Kuo-Cheng Yang, Mei-Chen	Within two degrees kinship
							Evergreen International Corp.	Director and major shareholder
							Evergreen International S.A.	Director and major shareholder
Chang, Kuo-Hua	319,646,157	6.06	47,176,327	0.90	0	0	Evergreen International S.A.	Director and major shareholder
							Chang, Yung-Fa Chang, Kuo-Ming Chang, Kuo-Cheng Yang, Mei-Chen	Within two degrees kinship
							Evergreen International Corp.	Director and major shareholder
							Evergreen International S.A.	Director and major shareholder

## Corporate Governance Report

Name	Present Shareholdings		Shares Held by Spouses & Dependents		Shares Held by Third Parties		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees	
	Shares	%	Shares	%	Shares	%	Name	Relationship
Evergreen International Corp.	262,411,866	4.98	-		0	0	Chang, Kuo-Hua	Director and major shareholder
							Yang, Mei-Chen	Supervisor
							Chang, Kuo-Ming	Major shareholder
							Evergreen International S.A.	Major shareholder of Evergreen International Corp. reinvest the company
Representative: Ko, Lee-Ching	92,563	0	0	0	0	0	Evergreen International S.A.	Director
Chang, Yung-Fa	180,941,656	3.43	2,602,655	0.05	0	0	Evergreen International S.A.	Major shareholder
							Chang, Kuo-Hua Chang, Kuo-Ming Chang, Kuo-Cheng Yang, Mei-Chen	Within two degrees kinship
Chang, Kuo-Ming	116,861,569	2.22	39,367,531	0.75	0	0	Evergreen International S.A.	Director and major shareholder
							Chang, Yung-Fa Chang, Kuo-Hua Chang, Kuo-Cheng Yang, Mei-Chen	Within two degrees kinship
							Evergreen International Corp.	Major shareholder
New Labor Pension Fund	64,485,666	1.22	-		0	0	-	-
Bank SinoPac as Custodian ALLY HOLDING LTD. Investment Account	51,629,105	0.98	-		0	0	-	-

Name	Present Shareholdings		Shares Held by Spouses & Dependents		Shares Held by Third Parties		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees	
	Shares	%	Shares	%	Shares	%	Name	Relationship
J.P. MORGAN SECURITIES PLC	49,265,410	0.93	-		0	0	-	-
Yang, Mei-Chen	47,176,327	0.90	319,646,157		6.06	0	Chang, Yung-Fa Chang, Kuo-Hua Chang, Kuo-Ming Chang, Kuo-Cheng	Within two degrees kinship
							Evergreen International Corp.	Supervisor
Chang, Kuo-Cheng	46,932,549	0.89	0	0	0	0	Evergreen International S.A.	Director and major shareholder
							Chang, Yung-Fa Chang, Kuo-Hua Chang, Kuo-Ming Yang, Mei-Chen	Within two degrees kinship

## 3-9 Ownership of Shares in Affiliated Enterprises

As of Dec. 31, 2020

Unit: Thousand Shares/%

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors, Supervisors, Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
Evergreen International Storage & Transport Corp.	430,692	40.36	19,709 (Note 2)	1.85	450,401	42.21
EVA Airways Corp.	776,541	16.00	256,422 (Note 3)	5.28	1,032,963	21.28
Ever Ecove Corp.	30,500	19.06	80,100	50.06	110,600	69.12
Taiwan Terminal Services Corp.	5,500	55.00	100	1.00	5,600	56.00
Evergreen Security Corp.	6,336	31.25	10	0.05	6,346	31.30
Charng Yang Development Corp.	58,542	40.00	0	0	58,542	40.00
Taipei Port Container Terminal Corp.	144,799	27.85	0	0	144,799	27.85
Peony Investment S.A	4,765	100.00	0	0	4,765	100.00
Evergreen Marine (Hong Kong) Ltd.	6,320	79.00	80	1.00	6,400	80.00
Everport Terminal Service Inc.	1	94.43	0	5.57	1	100.00
Evergreen Shipping Agency (Israel) Ltd.	1,062	59	18	1	1,080	60.00
VIP Greenport Joint Stock Company	13,750	21.74	0	0	13,750	21.74

Note1: Investment accounted for using equity method

Note2: Information for Evergreen International Storage &amp; Transport Corp. in August, 2020.

Note3: Information for EVA Airways Corp. in September, 2020.



## 4-1 Capital and Shares

## 1. Source of Capital

Month/ Year	Par Value (TWD)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Sources of Capital (shares)	Capital Increased by Assets Other than Cash	Other
05/2012	10	3,600,000,000	36,000,000,000	3,474,940,656	34,749,406,560	Corporate Bond Conversion 1,482,546	-	Jing-Shou-Shang Zi No.10101094850
05/2013	10	3,600,000,000	36,000,000,000	3,474,946,469	34,749,464,690	Corporate Bond Conversion 5,813	-	Jing-Shou-Shang Zi No. 10201100610
08/2013	10	3,600,000,000	36,000,000,000	3,474,952,282	34,749,522,820	Corporate Bond Conversion 5,813	-	Jing-Shou-Shang Zi No. 10201178690
09/2014	10	3,600,000,000	36,000,000,000	3,477,580,184	34,775,801,840	Corporate Bond Conversion 2,627,902	-	Jing-Shou-Shang Zi No. 10301181780
08/2015	10	3,600,000,000	36,000,000,000	3,512,355,986	35,123,559,860	Capitalization of Retained Earnings 34,775,802	-	No. Financial-Supervisory-Securi- ties-Corporate-1040025135; Jing- Shou-Shang Zi No.10401170530
12/2017	10	5,000,000,000	50,000,000,000	4,012,355,986	40,123,559,860	Cash Subscription 500,000,000	-	No. Financial-Supervisory-Securi- ties-Corporate-1060037504; Jing- Shou-Shang Zi No.10601173790



Month/ Year	Par Value (TWD)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Sources of Capital (shares)	Capital Increased by Assets Other than Cash	Other
09/2018	10	5,000,000,000	50,000,000,000	4,212,973,786	42,129,737,860	Capitalization of Retained Earnings 200,617,800	-	The approval from the FSC on Jul. 31, 2018; Jing-Shou-Shang Zi No.10701115880
12/2018	10	5,000,000,000	50,000,000,000	4,512,973,786	45,129,737,860	Cash Subscription 300,000,000	-	No. Financial-Supervisory-Securi- ties-Corporate-1070336402; Jing- Shou-Shang Zi No.10701157290
12/2019	10	5,000,000,000	50,000,000,000	4,812,973,786	48,129,737,860	Cash Subscription 300,000,000	-	No. Financial-Supervisory-Securi- ties-Corporate-1080332862; Jing- Shou-Shang Zi No.10801196050
02/2021	10	7,000,000,000	70,000,000,000	5,221,555,704	52,215,557,040	Oversea Corporate Bond Conversion 408,581,918	-	Jing-Shou-Shang Zi No.11001027820

## Capital Overview

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Common Stock	5,270,935,971	1,729,064,029	7,000,000,000	Shares outstanding as of April 2, 2021

Information for Shelf Registration: None.

### 2. Status of Shareholders

As of April 2, 2021

Item	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Natural Persons	Foreign Institutions & Natural Persons	Total
Number of Shareholders	8	37	598	230,195	1,053	231,891
Shareholding (shares)	139,265,114	158,947,383	588,411,786	2,757,025,759	1,627,285,929	5,270,935,971
Percentage	2.64%	3.02%	11.16%	52.31%	30.87%	100.00%

### 3. Shareholding Distribution Status

As of April 2, 2021

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding (Shares)	Percentage
1 ~ 999	61,151	14,083,661	0.27%
1,000 ~ 5,000	121,105	260,451,394	4.94%
5,001 ~ 10,000	22,645	180,608,884	3.43%
10,001 ~ 15,000	7,360	93,949,554	1.78%
15,001 ~ 20,000	5,267	98,030,790	1.86%
20,001 ~ 30,000	4,502	116,620,303	2.21%
30,001 ~ 40,000	2,235	80,571,430	1.53%
40,001 ~ 50,000	1,563	73,568,094	1.40%

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding (Shares)	Percentage
50,001 ~ 100,000	2,979	217,578,318	4.13%
100,001 ~ 200,000	1,439	207,061,688	3.93%
200,001 ~ 400,000	718	203,618,600	3.86%
400,001 ~ 600,000	282	140,157,563	2.66%
600,001 ~ 800,000	131	90,891,768	1.72%
800,001 ~ 1,000,000	92	84,442,225	1.60%
1,000,001 or over	422	3,409,301,699	64.68%
Total	231,891	5,270,935,971	100.00%

Preferred Shares: None

#### 4. List of Major Shareholders

As of April 2, 2021

Shareholder's Name	Shareholding	
	Shares	Percentage
Evergreen International S.A. (Panama)	391,786,816	7.43%
Chang, Kuo-Hua	319,646,157	6.06%
Evergreen International Corp.	262,411,866	4.98%
Chang, Yung-Fa	180,941,656	3.43%
Chang, Kuo-Ming	116,861,569	2.22%
New Labor Pension Fund	64,485,666	1.22%
Bank SinoPac as Custodian ALLY HOLDING LTD. Investment Account	51,629,105	0.98%
J.P. MORGAN SECURITIES PLC	49,265,410	0.93%
Yang, Mei-Chen	47,176,327	0.90%
Chang, Kuo-Cheng	46,932,549	0.89%

## Capital Overview

### 5. Market Price, Net Worth, Earnings and Dividends per Share

Unit: TWD

Items	Year	2019	2020	As of April 2, 2021 (Note 2)
	<b>Market Price per Share (Note 1)</b>			
Highest Market Price		14.70	40.70	48.10
Adjusted Highest Market Price		-	-	-
Lowest Market Price		11.40	8.90	30.00
Adjusted Lowest Market Price		-	-	-
Average Market Price		12.77	22.18	38.53
<b>Net Worth per Share</b>				
Before Distribution		14.55	19.25	-
After Distribution		-	Have not been Distrib- uted	-
<b>Earnings per Share</b>				
Weighted Average Shares (thousand shares)		4,536,809	4,813,206	-
Earnings Per Share		0.02	5.06	-
Adjusted Earnings Per Share		-	-	-
<b>Dividends per Share</b>				
Cash Dividends		-	2.50 (Note 6)	-
Stock Dividends				
• Dividends from Retained Earnings		-	-	-
• Dividends from Capital Surplus		-	-	-
Accumulated Undistributed Dividends		-	-	-
<b>Return on Investment</b>				

Items	Year		
	2019	2020	As of April 2, 2021 (Note 2)
Price / Earnings Ratio (Note 3)	638.5	2.96	-
Price / Dividend Ratio (Note 4)	-	6.0	-
Cash Dividend Yield Rate (Note 5)	-	16.66%	-

Note 1: List the highest and lowest market prices of common stocks for each year, and calculate the average market price for each year based on the annual transaction value and volume.

Note 2: Net Worth per share and earnings per share shall be filled in with the information of the account audited by the accountant in the most recent quarter of the annual report. The remaining fields shall be filled with the annual information as of the date of publication of the annual report.

Note 3: Price / Earnings Ratio = Average Market Price / Earnings per Share

Note 4: Price / Dividend Ratio = Average Market Price / Cash Dividends per Share

Note 5: Cash Dividend Yield Rate = Cash Dividends per Share / Average Market Price

Note 6: The dividend per share for the year 2020 was disclosed based on the distribution proposed by the board of directors on March 22, 2021, and has not yet been approved by the shareholders meeting.

## 6. Dividend Policy and Implementation Status

### (1) Dividend Policy

If the Company reports a surplus at the year end, after clearing taxes, the Company shall first offset losses from previous years (if any), then set aside 10% of the balance as the statutory surplus reserve, and set aside or reverse a special surplus reserve per the provisions. After that, the Board of Directors shall propose a surplus distribution plan of the balance plus the retained earnings accrued from prior years, submit the distribution plan to the shareholders' meeting for approval, and then distribute it.

The dividends shall be distributed in the combination of cash and stocks, provided that cash dividends shall not be less than 10% of the total amount of dividends.

### (2) Proposed Distribution of Dividends

The proposal for the distribution of 2020 profits was passed at the meeting of the Board of Directors on March 22, 2021. The proposal to distribute cash dividends TWD 2.5 per share and will be discussed at the annual shareholders' meeting.

**7. Impact of Stock Dividends issuance on the Company's Business Performance and Earnings per Share:** N/A (The Company does not disclose 2021 financial forecast.)

## **8. Employees' Compensation and Remuneration of Directors and Supervisors**

### **(1) Information Relating to Compensation of Employees, Directors and Supervisors in the Articles of Incorporation:**

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If the Company makes profit in a fiscal year, employees' compensation, no less than 0.5% of the profit, and remuneration of directors, no more than 2% of the profit, shall be set aside. However, in case the Company has accumulated losses, the Company shall reserve an amount to offset the accumulated losses beforehand. The employees' compensation and the remuneration of directors shall be set aside afterwards according to the principles mentioned above.

The employees' compensation shall be distributed in the form of stock or cash, while the remuneration of directors shall be distributed only in the form of cash.

The profit mentioned above refers to profit before tax without deducting employees' compensation and remuneration of directors.

### **(2) In the current period, the estimated basis of the remuneration of employees, directors and supervisors, the calculation basis of the number of employees' remuneration shares distributed by the stock and the actual distribution amount are treated as if they differ from the estimated number of entries:**

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a. In this period, the estimated basis for the employee's remuneration and the amount of compensation for directors and supervisors and the basis for the number of shares allotted for dividends are calculated. The Company's annual earnings and operating results are used as the basis for estimating employees' compensation, directors' remuneration, and the number of shares allotted.

b. Accounting treatment if the actual allotment amount differs from the estimated number of columns:

If there is a difference between the actual number of allotments and the estimated number of columns, the Company will recognize the expenses for the current year.

**(3) Appropriation for Employees' Compensation and Remuneration of Directors and Supervisors:**

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- a. The proposal to distribute employees' compensation TWD 131,253,658 and remuneration of Directors TWD 9,500,000 of 2020 was passed at the meeting of the Board of Directors on March 22, 2021.
- b. The amount of employees' compensation distributed in the form of stock and its proportion of the Company's after-tax net profit (as reported in the financial statement of the current period) and total employees' compensation:  
Not applicable since no compensation has been made to employees in the form of stock in the current period, by the resolution of the Board of Directors.

**(4) The Distribution Status of Employee Compensation and Remuneration of Directors and Supervisors of the previous year (including distributed shares, amount and market price). If the amount distributed varies from the amount recognized, the amount of the difference should be displayed, along with the reason and the status of the handling procedure:**

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The Company did not distribute remuneration of employees' compensation and directors and supervisors of year 2019. The amounts distributed did not vary from the amount recognized.

**9. Buyback of Treasury Stock:** None

## Capital Overview

### 4-2 Bonds

#### 1. Corporate Bonds

Corporate Bond Type		13th Secured Corporate Bonds
Issue date		April 25, 2017
Denomination		TWD 1,000,000
Issuing and transaction location		Republic of China
Issue price		Issue by denomination
Total price		TWD 8,000,000,000
Coupon rate		1.05%
Tenor		5 years Maturity: April 25, 2022
Guarantee agency		Hua Nan Commercial Bank, Ltd., First Commercial Bank, Mega International Commercial Bank Co., Ltd., Land Bank of Taiwan, Chang Hwa Commercial Bank, Ltd., Taiwan Cooperative Bank, Bank Sinopac Co., Ltd.
Consignee		Bank of Taiwan
Underwriting institution		SinoPac Securities Corporation acts as the lead manager
Certified lawyer		Kuo, Hui-Chi
CPA		Lai, Chung-Hsi
Repayment method		Repayment of 50% of the principal in the fourth year and the remaining 50% in the fifth year
Outstanding principal		TWD 8,000,000,000
Terms of redemption or advance repayment		None
Restrictive clause		None
Name of credit rating agency, rating date, rating of corporate bonds		None
Other rights attached	As of the printing date of this an- nual report, converted amount of (exchanged or subscribed) ordinary shares, GDRs or other securities	None
	Issuance and conversion (exchange or subscription) method	None
Issuance and conversion, exchange or sub- scription method, issuing condition dilution, and impact on existing shareholders' equity		None
Transfer agent		N/A



Corporate Bond Type		14th Secured Corporate Bonds
Issue date		June 27, 2018
Denomination		TWD 1,000,000
Issuing and transaction location		Republic of China
Issue price		Issue by denomination
Total price		TWD 2,000,000,000
Coupon rate		0.86%
Tenor		5 years Maturity: June 27, 2023
Guarantee agency		First Commercial Bank
Consignee		Bank of Taiwan
Underwriting institution		First Securities Inc. acts as the lead manager
Certified lawyer		Kuo, Hui-Chi
CPA		Lee, Hsiu-Ling
Repayment method		Repayment in lump sum upon maturity
Outstanding principal		TWD 2,000,000,000
Terms of redemption or advance repayment		None
Restrictive clause		None
Name of credit rating agency, rating date, rating of corporate bonds		None
Other rights attached	As of the printing date of this annual report, converted amount of (exchanged or subscribed) ordinary shares, GDRs or other securities	None
	Issuance and conversion (exchange or subscription) method	None
Issuance and conversion, exchange or subscription method, issuing condition dilution, and impact on existing shareholders' equity		None
Transfer agent		N/A

## Capital Overview

Corporate Bond Type		1 <sup>st</sup> Overseas Unsecured Euro Convertible Bonds
Issue date		September 29, 2020
Denomination		USD 200,000
Issuing and transaction location		Singapore Exchange Limited
Issue price		Issue by denomination
Total price		USD 300,000,000
Coupon rate		0.00%
Tenor		5 years Maturity: September 29, 2025
Guarantee agency		None
Consignee		Citicorp International Limited
Underwriting institution		J.P. Morgan Securities plc, Credit Suisse (HONG KONG) LIMITED
Certified lawyer		Hu, Hao-Ray
CPA		Li, Yi-Huah
Repayment method		Unless previously redeemed, repurchased and cancelled or converted, the Bonds will be redeemed on the Maturity Date in US dollars at their principal amount with a yield of 0% per annum, calculated on a semi-annual basis.
Outstanding principal		USD 12,500,000 (As of April 2, 2021)
Terms of redemption or advance repayment		None
Restrictive clause		None
Name of credit rating agency, rating date, rating of corporate bonds		None
Other rights attached	As of the printing date of this annual report, converted amount of (exchanged or subscribed) ordinary shares, GDRs or other securities	USD 287,500,000, equal to 457,962,185 shares
	Issuance and conversion (exchange or subscription) method	Please refer to Offering Memorandum
Issuance and conversion, exchange or subscription method, issuing condition dilution, and impact on existing shareholders' equity		If all the overseas convertible bonds are converted into common shares, the share dilution will be around 9.03%, which would not cause a material adverse effect on the shareholders' equity.
Transfer agent		N/A

## 2. Convertible Bonds

Convertible bond type		1 <sup>st</sup> Overseas Unsecured Euro Convertible Bonds	
Year		2020	As of April 2, 2021
Item			
Market price of the convertible bond	Highest	USD 205.48	USD 258.41
	Lowest	USD 99.38	USD 165.45
	Average	USD 127.21	USD 204.15
Convertible Price		TWD 18.20	
Issue date and convertible price at issuance		Issue Date: September 29, 2020 Convertible price: TWD 18.20	
Convertible methods		Issuing of new stocks	

### 3. Corporate Bond Under Processing: None

### 4. Corporate Bonds with Warrants: None

#### 4-3 Preferred Stock

##### 1. Preferred Stock: None

##### 2. Preferred Stock with Warrants: None

#### 4-4 Global Depository Receipts

None

#### 4-5 Employee Stock Options

None

#### 4-6 Status of New Shares Issuance in Connection with Mergers and Acquisitions

None

## 4-7 Financing Plans and Implementation

The Implementation of uncompleted financing plans are as follows:

## 1. 14th Secured Corporate Bonds

Unit: TWD thousand

Issuance	14th Secured Corporate Bonds								
Issue amount	TWD 2 billions; Denomination: TWD 1 million								
Tenor	5 years; Maturity: June 27, 2023								
Purpose	Buying shipping fuel environmental protection equipment								
Funds using schedule & Execution progress	Execution status		2018 Q3	2018 Q4	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1
	Funds using schedule	Planning	163,025	97,517	152,030	116,900	260,755	249,636	75,008
		Actual	165,088	113,738	196,292	122,464	226,313	287,061	21,672
	Execution progress	Planning	7.46%	4.47%	6.96%	5.35%	11.94%	11.43%	3.44%
		Actual	7.56%	5.21%	8.99%	5.61%	10.37%	13.15%	0.99%
	Execution status		2020 Q2	2020 Q3	2020 Q4	2021 Q1	Total		
	Funds using schedule	Planning	375,040	362,148	187,520	0	2,039,579		
		Actual	99,309	42,155	159,302	110,906	1,544,300		
	Execution progress	Planning	17.18%	16.59%	8.59%	0.00%	93.41%		
		Actual	4.55%	1.93%	7.30%	5.08%	70.74%		

## 2. Convertible Bonds

Unit: USD thousand

Issuance	1st Overseas Unsecured Euro Convertible Bonds					
Issue amount	USD 300 millions; Principal Amount: USD 200,000					
Tenor	5 years; Maturity: September 29, 2025					
Purpose	Purchase Raw Materials Overseas (Bunker Fuel), Vessels and Lease Vessels					
Funds using schedule & Execution progress	Purchase Raw Materials Overseas (Bunker Fuel)					
	Execution status		2020Q3	2020Q4	2021Q1	Total
	Funds using schedule	Planning	0	43,438	37,757	81,195
		Actual	0	36,916	48,688	85,604
	Execution progress	Planning	0.00%	39.71%	34.51%	74.22%
		Actual	0.00%	33.74%	44.51%	78.25%
	Purchase Vessels					
	Execution status		2020Q3	2020Q4	2021Q1	Total
	Funds using schedule	Planning	61,320	23,010	23,010	107,340
		Actual	61,320	20,440	41,000	122,760
	Execution progress	Planning	15.00%	5.63%	5.63%	26.26%
		Actual	15.00%	5.00%	10.03%	30.03%
	Lease Vessels					
	Execution status		2020Q3	2020Q4	2021Q1	Total
	Funds using schedule	Planning	0	29,506	28,374	57,880
		Actual	0	16,654	15,644	32,298
Execution progress	Planning	0.00%	25.28%	24.31%	49.59%	
	Actual	0.00%	14.27%	13.40%	27.67%	

## 5-1 Business Highlights

### 1. Business Scope

#### (1) The company's main business areas

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Evergreen's core business is International Container Sea-Freight Liners. Our fleet capacity was ranked as seventh in the world at the end of 2020. All our service routes are running under a regular liner basis, and also involve port stevedoring, inland transports, and comprehensive logistics services. Our clients, spanning various sectors such as manufacturing, trading, and retailing, are located all over the world. Our business is closely related to global economic ups and downs, as well as fleet capacity supply and demand for all trades.

#### (2) Adjustments to our service routes in 2020

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##### Transpacific routes

Evergreen Line, COSCO, CMA CGM and OOCL established the "OCEAN Alliance" on Apr. 1, 2017. With four years of continuous cooperation, the Trans Pacific trade was enhanced to a total of 19 services, including 12 loops for US West Coast loops (PSW 9 loops, PNW 3 loops) and 7 loops for the US East Coast.

##### Far East-Europe/Mediterranean routes

1. Far East-Europe services: Effective from 2020, Evergreen offers 7 European services under OCEAN Alliance every week.
2. Far East-Mediterranean services: In 2020, OCEAN Alliance offers 5 Asia-Mediterranean services every week via slot swap arrangement.

##### Europe-North America route

Effective from 2020, Evergreen offers 2 weekly services.

##### Far East-Latin American routes

1. Far East-Panama/Caribbean services: There are three services, namely AUE, NUE and SAX for Far East-Panama/Caribbean trade.
2. Far East-Mexico/South American West Coast services: There are 10 vessels in WSA joint service and WSA2 joint service each, Evergreen deployed 7 vessels in WSA and 1 vessel in WSA2. Slot swaps arrangement with COSCO and CMA CGM for WSA3/WSA4.
3. Far East-South American East Coast services: There are 12 vessels in ESA joint service, Evergreen deployed 4 vessels; 11 vessels in ESA3 joint service, Evergreen deployed 1 vessel.

### **Far East-Middle East/Red Sea/India Subcontinent/Australia routes**

1. Far East-Middle East services: Maintaining 5 services, of which 4 services are under Ocean Alliance.
2. Far East-Red Sea services: Maintaining 2 joint services covering Red Sea's major ports.
3. Far East-India Subcontinent services: Maintaining 4 joint services to North-West India subcontinent with 5 vessels deployed. East India services maintain slot purchase pattern with 3 services.
4. Far East-Australia services: Maintaining 2 joint services. Since from August 2020, total Australia trade weekly capacity has increased 20 %.
5. Far East-Africa services: Maintaining 2 joint services for East Africa and South Africa trade respectively. However, vessel deployed in South Africa trade were reduced from 4 to 2 vessels.

### **Intra-Asia Routes**

1. Merged TIS into TMI service to provide directly linking for Thailand to/from Malaysia and Indonesia effective March, 2020.
2. Revamped NSA/TMS/SCM services into new NSA service by passing through Taiwan and Southern China effective August, 2020.
3. Merged LKX into KTP service to provide directly linking for Northern China to/from Philippines and Thailand effective September, 2020
4. Launched TMN service (Taiwan/Southern China and South Harbor of Manila, Philippines), effective September, 2020.
5. Launched NCS express service (Korea, Northern/Central China to/from Malaysia), effective, 2020.

## **2. Container Shipping Industry Profile**

### **(1) Macroeconomic Environment**

According to Alphaliner, the global container traffic decreased by 1.4 % in 2020 compared with 2019, and market capacity grew by 2.6%. The global port throughput of regional markets was deeply impacted by COVID-19 pandemic, the China-US trade war, Brexit and geopolitical tensions. Except for China, which achieved 1% growth, other regions trended towards recession, with Southeast Asia contracted by 2.1%, Northern Europe by 3.1%, and North America by 0.5%.

The shipping industry suffered from the COVID-19 outbreak that swept the world in 2020. Countries, responding to the ferocious outbreak, have adopted quarantine, lockdowns and other measures, resulting in a sharp decline in cargo volume. Fortunately, in the first half of the year, the industry adjusted its market capacity

## Business Development Outline

appropriately, and although the volume of the market generally fell, freight rates were still able to maintain at a certain level. In the second half of the year, the world's major economic countries implemented aggressive monetary policy and proactive fiscal measures, and the governments around the world were also better prepared than the initial stage of the epidemic. With the vaccine research and medical treatment development making considerable progress, the global economic recovery accelerated, and the shipping industry also responded quickly to market demand and made timely adjustments to its capacity in response to the changes of the industrial supply chain, and to overcome the poor terminal efficiency caused by the lack of labor, poor container ship scheduling and other difficulties. With that, the shipping industry has finally turned around in the crisis, making 2020, while being the most challenging year in shipping history, a profitable year as well.

Alphaliner estimates market capacity will grow by 3.7% and volume by 3.4% in 2021; The market expects the global economy to accelerate its recovery with the spread of global vaccinations and stimulus measures by the governments around the world, and market volume growth is expected to increase further.

### (2) Relationships with Up-, Mid- and Downstream Companies

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Marine shipping is the main means of transportation in international trade, covering most consumer product items which are closely related to consumer livelihood. This is summarized below:

#### A. Upstream industries

- (1) The Shipyards
- (2) Transportation equipment manufacturers
- (3) Ship or transport equipment rental providers

#### B. Mid-stream industries

- (1) Marine fuel suppliers
- (2) Ship and transportation equipment repairers
- (3) Terminal operators
- (4) Land transportation logistics providers
- (5) Shipping alliance or slot purchasing partners

#### C. Downstream industries

- (1) Direct shippers (manufacturers, retailers, service providers)
- (2) Freight forwarding and logistics industry

### (3) Product Development Trends

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#### A. Increase in market concentration

At the end of 2020, the world's top 10 major carriers represented 84.7% of global



capacity (82.9% in 2019), and with only 7 carriers with a market capacity over 5%.

#### **B. More Ultra Large Container Vessel (ULCV) and mega terminals**

ULCV continue to gain economies of scale, and in order to cope with ULCV docking, wharf and port operations must be upgraded to improve efficiency and competitiveness.

#### **C. Shipping digitalization and e-commerce**

To digitalize and standardize the container shipping industry, the Digital Container Shipping Association (DCSA) has been founded by major ocean carriers. It will simplify data integration, improve information quality, and provide a global industry framework that streamlines communication among all supply chain participants. Carriers have also promoted e-commerce, such as web-booking and e-documentation.

#### **D. Environmental protection and new regulations**

The International Maritime Organization (IMO) affected a new regulation for a 0.50% global Sulphur cap for marine fuels on January 1<sup>st</sup>, 2020. In principle, there are three ways to meet IMO 2020 standards and compliance, which are using low-sulfur fuel, installing scrubbers, or ordering liquefied natural gas ships.

### **(4) Status of Market Competition**

#### **A. Top 10 Carriers capacity share**

<b>Carrier</b>	<b>Capacity</b>	<b>Capacity Share</b>
1.APM - Maersk	4,122,565	16.9%
2.MSC	3,869,196	15.9%
3.COSCO Group	3,031,924	12.5%
4.CMA CGM Group	2,996,967	12.3%
5.Hapag-Lloyd	1,744,541	7.2%
6.ONE	1,607,007	6.6%
7.Evergreen	1,308,557	5.4%
8.HMM	719,995	3.0%
9.Yang Ming	627,267	2.6%
10.ZIM	393,743	1.6%

Data Source: Alphaliner (202103)

## Business Development Outline

### B. Major marine alliance

Alliance	Member Carriers
2M	Maersk, MSC
OCEAN Alliance	Evergreen, CMA CGM, COSCO, OOCL
THE Alliance	Hapag-Lloyd, ONE, YML, HMM

### C. Major marine alliances' market share

The market shares are 37%, 38% and 25% for Asia-Europe trade and 26%, 38% and 27% for Asia-North America trade between major marine alliances of 2M, OCEAN Alliance and THE Alliance.

## 3. Status of Technology and R&D

### (1) R&D expenditures and results during the reporting year

#### Green Fleet

Evergreen complies with all international and local environmental protection conventions. We are committed to preventing pollution, saving energy and carbon reduction, and procedures are set for environmental protection and pollution prevention matters aboard ships at sea.

Providing quality services to deliver goods safely and timely to the port of destination and environmental protection, energy conservation, and reducing greenhouse gas emissions and air pollution have always been the principles Evergreen adheres to. The Shipbuilding Dept. is responsible for the design of new ships, and new ship designs stay ahead of international laws and conventions. Evergreen adopts advanced marine technology to optimize each ship type in order to maximize operational efficiency and energy conservation results.

The Evergreen newly built vessels meet the Company's demand for efficiency and sustainability. All environmental protection designs comply with relevant international regulations, such as using double-bottom oil tank to effectively reduce the risk of oil spills, reduce air pollution, mitigate the consequence of climate change (for example, Montreal, Kyoto and Paris agreements to reduce GWP, ODP, SO<sub>x</sub>, NO<sub>x</sub> emissions, etc.) and account for biodiversity issues like ballast water treatment.

The newly built B-type and F-type ships have improved energy efficiency and reduced greenhouse gas emissions. The newly delivered F-type ships are the first large container ships to use the latest selective catalytic reduction (SCR) to achieve a significant reduction in NO<sub>x</sub> emissions. The newly delivered B-type ships will be

deployed on the short-distance near-ocean trade lane, while the larger F-type ships will be deployed on the FE/U.S. route where the environmental protection requirements is stricter.

Ships are designed to further optimize the interactive strength of the Evergreen fleet according to the fleet revitalization plan. These new ships are expected to be delivered between 2021 and 2022. In addition to adopting an engine with ultra-long stroke, this type of ship has further optimized linear design and has been equipped with energy-saving facilities (Hybrid type SOx scrubber) to meet the energy efficiency standard. The introduction of this type of ship will significantly reduce the carbon emissions per transport unit.

We have also obtained ISO 14001:2015 environmental certification to implement environmental protection management systems in a responsible manner to prevent environmental accidents and minimize environmental risks.

### **Maritime Training**

Evergreen upholds the spirit and vision of sustainable development and is committed to professional maritime training. Evergreen Seafarer Training Center has comprehensive training equipment and we rigorously organize training courses to continuously improve the professional knowledge and skills of our crews so as to prevent maritime accidents and environmental pollution.

In 2020, Evergreen Seafarer Training Center organized a total of 90 professional training courses in 26 categories for 641 trainees, which was a decrease of 55.9% compared with the total number of trainees in 2019 of 1,455 due to the pandemic of COVID-19.

In June 2020, the NIPPON KAIJI KYOKAI (ClassNK) carried out the certificate renewal audit of ISO 9001:2015 quality management system and Maritime Training Center for Evergreen Seafarer Training Center.

To expand the cultivation of maritime professionals, Evergreen has been stepping up the cooperation with National Taiwan Ocean University and National Kaohsiung University of Science and Technology. Starting from the post-bachelor program of maritime transportation and engineering for cultivating respective professional knowledge and skill, we encourage non-maritime undergraduates to engage in maritime work. Evergreen also subsidizes full and part of the accommodation cost to qualified students and they are given opportunities to intern onboard the Evergreen fleet. Vacancies are offered to cadets with excellent performance.

For new ship main engine disassembly training course, Evergreen introduces training of fuel pump, fuel injector of WIN GD X62 engine and disassembly tool.

## Business Development Outline

### E-Commerce

As companies around the world move towards home-connected work mode due to the COVID-19 pandemic, Evergreen provides cargo owners i-B/L (Bill of Lading), i-Dispatch, and digital integration services known as GreenX for e-commerce purposes to help cargo owners simplify trade processes and improve the efficiency of shipping operations. At the same time, Evergreen actively participates in the Digital Container Shipping Association (DCSA), working with international carriers to promote the digitization and standardization of container transportation information so that data of the shipping industry and that of related sectors can be exchanged more efficiently.

### (2) Future R&D Plans

(1) The company is expected to invest approximately TWD 37.23 million in related services expenditure on the following projects:

Projects	Summary	Schedules	Description of Progress up to 2021/4/2
i-B/L & i-Dispatch of Bolero project enhancement & Optimize- Add L/C billing & financing function with related Banks	In i-B/L (Intelligent Electronic Bill of Lading) & i-Dispatch (Intelligent Express Electronic Document) provide customers with the function of electronic bill of lading transfer and electronic file exchange on the website to increase the customer's L/C billing function through the bank.	2022/3/31	In progress
To build WEB service data exchange system	To accelerate the transfer of data with vendors and customers to achieve data exchanges	2021/3/31	Officially online
Information technology security solution for Evergreen Overseas Companies	By deploying an internet security risk management system, the overall security status of the company can be viewed from an external perspective, and the potential risks of overseas companies can be monitored in a timely manner.	2021/12/31	In progress

Projects	Summary	Schedules	Description of Progress up to 2021/4/2
Fleets information management	Integrated information from ships, including ship position, weather report, ship speed and ship quit report and so on. According to those information as decision-maker's reference and analysis purpose proactively.	2021/4/30	In progress
E-Payment systems with foreign banks to provide local customer more convenient service	Conduct E-payment project computer system with JP Morgan of the United States and Bank of China respectively, providing convenience to local clients.	2021/4/30	In progress
Participate in the program of Digital Container Shipping Association (DCSA)	A. Set up Standard for sharing Vessel schedules data. B. Participate in the DCSA electronic bill of lading (e-BL). C. Participate in the DCSA Just In Time Port Call.	2025/12/31	In progress

(2) Factors leading to success in future R&D projects

- A. Knowledge of trends
- B. Sound planning
- C. Coordinated execution

## 4. Short & Long Term Business Plans

### Short-Term:

- (1) Strengthen the Alliance cooperation and upgrade service quality.
- (2) Optimize vessel deployment and enhance market competitiveness.
- (3) Adjust the fleet flexibly to meet the market demand.
- (4) Rationalize various costs and strengthen digitalization services.
- (5) Participate in international initiatives and fulfill social responsibilities.

## Business Development Outline

### Long-Term:

- (1) Strengthen alliance-operation strategy and explore new market opportunities.
- (2) Upgrade the fleet with state-of-the-art vessels to meet the environmental protection requirements.
- (3) Revitalize marketing strategy to improve business efficiency.
- (4) Utilize digital platform to develop smart transportation.
- (5) Participation in shipping initiatives to support industrial upgrading.

## 5-2 Market and Industry Analysis

### 1. Market Analysis

#### (1) Major Performance Indicators of Main Service Scopes (KPI)

Unit: TWD thousand

Service routes \ Year	Revenue of the Group for 2019	Revenue of the Group for 2020
America	69,118,979	82,027,655
Europe	37,088,233	44,742,357
Asia	38,774,061	39,149,563
Others	23,601,603	20,506,914

#### (2) Major Domestic Competitors & their Global Market (Fleet Capacity) Shares

Taiwan-based Shipping lines \ Year/Item	March, 2020		March, 2021	
	Capacity (TEU)	Market Share (%)	Capacity (TEU)	Market Share (%)
Evergreen (Group)	1,237,995	5.2	1,308,557	5.4
Yang Ming Lines	622,208	2.6	627,267	2.6
Wan Hai Lines	255,300	1.1	328,037	1.3
TS Lines	61,709	0.3	98,091	0.4

Data Source: Alphaliner (202003) and Alphaliner (202103)

### **(3) Market Outlook for Supply-Demand and Growth**

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#### **Far East to North America routes**

President Biden has made a series of claims that US is determined to engage in international affairs. With more and more COVID-19 vaccines being available, it is expected that US economy will gradually return to normal.

#### **North America to Far East routes**

Main commodities (cotton, grain, lumber, waste paper and plastic scrap) from USA to Southeast-Asia region to be increased.

#### **Far East to Europe/Mediterranean routes**

With no new services launched in 2021, vessel utilization is expected to increase when the lockdown is over. According to International Monetary Fund (IMF) economic forecast, the euro area growth rate is estimated at 4.4%. Log & timber, chemicals and raw materials export to Asia remains strong.

#### **Europe to North America routes**

Cargo prospect in Trans-Atlantic remains reasonably positive in 2021.

#### **Far East to Mexico/South America routes**

Cargo volume is expected to increase due to COVID-19 epidemic slow-down.

#### **Far East to Middle East/Red Sea/ India Subcontinent /Australia and Africa routes**

According to International Monetary Fund (IMF) economic forecast, the Middle East area growth rate is estimated at 3.7%, India at 12.5%, Australia at 4.5%, and South and East Africa at 3.1%~4%. Market demand is expected to grow further due to positive GDP growth.

#### **Intra-Asia routes**

It is expected that regional economic development will resume with the kick-off of Regional Comprehensive Economic Partnership (RCEP) formed by 15 Asia Pacific nations. With the lock down policy being relieved gradually by most of countries, we will strengthen the Intra-Asia service with the new ships. We will introduce 11 C-type (1,800 TEU) and 5 O-type (2,500 TEU) new ships to respond to the increasing demand of regional market volume.

#### **Reefer Business**

With the population and income growth in the emerging markets and the shift of seaborne reefer commodity transportation from specialized reefer mode to the containerized vessel, the reefer container volume is estimated to grow further. We also have placed an order of 5,200 new-built 40-foot reefer units to cope with the reefer market demand in 2021.

**Special Equipment Business**

Out-of-Gauge cargo volume have been impacted by COVID-19 pandemic in 2020, with more vaccines available, the global economy will get a chance to resume which benefits the Out-of-Gauge cargo demand.

**(4) A competitive niche****Innovative Thinking**

To cope with market changes, it is necessary to collect both internal and external data of daily operations for analysis and formulate cost-effective solutions based on the company's strategy.

**Recognized Quality**

Evergreen has been constantly improving the quality of service to maintain trust and faith from customers, and to win endorsement and recognition from international media and organizations:

- (1) AFLAS - 2019 Best Shipping Line - Asia Europe
- (2) Agriculture Transportation Coalition - 2019 AGTC Annual Ocean Carrier Award
- (3) Taiwan Society Naval Architects and Marine Engineers - Ship of the Year 2019 (EVER BOOMY)
- (4) Lloyd's List - Europe Award 2019 Excellence in Environmental Management
- (5) Home Depot - Ocean Carrier Partner of the Year 2019
- (6) Hillman - Ocean Carrier of the Year 2019
- (7) Vancouver Fraser Port Authority 2019 Blue Circle Award
- (8) MPA - Manpower Recognition Award
- (9) Kenya Ports Authority - Safest Operations Container Carrier
- (10) The Wall Street Journal - Ranked 39th in the world's top 100 sustainable management companies in 2020
- (11) MSCI ESG -2020 Leaders Index rating 「A」
- (12) 2020 CDP - Rating 「B」 & Rating 「A」 in supplier engagement on climate change

**E-Commerce**

As companies around the world move towards home-connected work mode due to the COVID-19 pandemic, Evergreen provides cargo owners i-B/L (Bill of Lading), i-Dispatch, and digital integration services known as GreenX for e-commerce purposes to help cargo owners simplify trade processes and improve the efficiency of shipping operations. At the same time, Evergreen actively participates in the Digital Container Shipping Association (DCSA), working with international carriers to promote the digitization and standardization of container transportation information so that data of the shipping industry and that of related sectors can be exchanged more efficiently.



### **Eco-Friendliness**

Evergreen complies with all international and local environmental protection conventions. We are committed to preventing pollution, saving energy and carbon reduction, and procedures are set for environmental protection and pollution prevention matters aboard ships at sea.

Providing quality services to deliver goods safely and timely to the port of destination and environmental protection, energy conservation, and reducing greenhouse gas emissions and air pollution have always been the principles Evergreen adheres to. The Shipbuilding Dept. is responsible for the design of new ships, and new ship designs stay ahead of international laws and conventions. Evergreen adopts advanced marine technology to optimize each ship type in order to maximize operational efficiency and energy conservation results.

Evergreen website also has a sustainability page indicating the full contingent of emission control measures, certification results, and instantly responds to customers' enquires on the company's environmental projects.

## **(5) Advantages, Disadvantages, and Response Strategies for Future Development**

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### **Advantages**

- (1) The global economy is recovering positively.
- (2) Shipping industry integration is well completed, with increased concentration.
- (3) The alliances operate well and are cost-effective.
- (4) Market supply and demand are balanced.

### **Disadvantages**

- (1) The uncertainty of COVID-19 and unevenness of the economic recovery.
- (2) Surging geopolitical conflicts and volatile fuel prices affecting the cost deeply.
- (3) Ultra Large ships entering an intensive delivery period.
- (4) The pervasiveness of trade protectionism.
- (5) Persisting cyber-attacks.

### **Countermeasure strategies**

- (1) Taking advantage of alliance networks to provide accounts with more port coverage, and reduce transship costs.
- (2) To reduce operating costs and improve competitiveness by upgrading fleet deployment.
- (3) Continue to offer the best service, and improve business digitalization.
- (4) Set up an Information Security Committee to regularly update policies with periodic review of the status of policy implementation.

## Business Development Outline

### 2. Major usage and manufacturing process of main products

#### (1) Function of main products

Main Products	Functions
Container Shipping	Global transportation of standard and special containerized cargo.

#### (2) Manufacturing Process of Main Products

As a container shipping transportation service provider, our disclosed service string and its adjustments provide the details for processing of our main products.

### 3. Status of Supply of Main Materials

Being a container shipping transportation service provider, we do not have raw materials like manufacturers do, however we do have to use a substantial amount of fuel for transport, which can be deemed as our main raw materials. Currently fuel cost is one of the important operating costs. Aside from being stably supplied by renowned vendors at major ports, we also tactically adjust fueling port rotations depending on favorable fuel prices in addition to strategic slow steaming measures for cost saving purposes.

### 4. Main customers who account for over 10% of total sales in recent 2 years and their individual purchase amounts and share: None.

### 5. Production in the Last Two Years: None.

### 6. Shipments and Sales in the Last Two Years

Unit: TWD thousand

Revenue	Year	2019	2020
	Revenue from contracts with customers- Ship-owners		175,574,393
Revenue from contracts with customers- Terminal		6,924,474	6,629,742
Revenue from contracts with customers- Agent		3,749,965	3,556,407
Other - ship rental and slottage income		2,437,988	2,177,089
Revenue from contracts with customers- Other		1,902,461	1,314,358
Total		190,589,281	207,077,912

### 5-3 Human Resources

Year		2019	2020	The year ended April 2, 2021
Number of Employees	Staff	5,352	5,728	5,715
	Seaman	1,374	1,451	1,552
	Total	6,726	7,179	7,267
Average Age		38.29	38.44	39.29
Average Years of Service		10.57	10.89	10.92
Education	Ph.D.	0.03%	0.03%	0.03%
	Masters	5.52%	5.66%	5.53%
	Bachelor's Degree	72.38%	72.56%	72.88%
	Senior High School	16.85%	18.75%	18.62%
	Below Senior High School	5.22%	3.01%	2.94%

### 5-4 Expenses for environmental protection

#### 1. Company's total expenses for environmental protection in 2020

In 2020, no major environmental pollution incidents occurred in our fleets, and there were no losses or penalties incurred. Expenses were simply for routine maintenance of equipment, and additional costs for use of low pollutant fuels. Expense details are listed below:

- (1) The cost of maintenance and parts for environmental protection equipment and SOx Scrubbers amounted to USD 57,077,375.
- (2) The cost for vessels using low-sulfur fuel for M/E, Generator Engines and Aux. boiler while sailing in emission control areas to comply with IMO regulations & California Air Resources Board (CARB) requirements of the US west coast amounted to USD 49,083,903.
- (3) The cost for vessel M/E, Generators and Aux. Boilers using Marine Gas oil when berthing at EU ports and using low-sulfur fuel oil while sailing in emission control areas amounted to USD 18,152,735.

## 2. Environmental protection policies and measures

The Company has established an environmental protection policy to care for the ocean, and we continuously upgrade shipboard equipment to reduce air pollution emissions and manages our fleet with requirements exceeding international regulations. The Company is currently undertaking the following measures for environmental protection:

- (1) Evergreen has obtained ISO14001:2015 environmental management system certification. We implement the EP environmental management system in a responsible manner to prevent environmental accidents and to minimize environmental risks.
- (2) Evergreen identifies the opportunities and challenges brought about by climate change and extreme weather referring to the Task Force on Climate-related Financial Disclosures (TCFD). Furthermore, severe weather that affects ship safety, such as rough sea conditions, typhoons, sea fog, sea ice and extremely low atmospheric pressure, are included in Evergreens “risk management” assessment system, in order to formulate disaster prevention plans, monitor the performances of preventive measures, and eventually reduce the risk of climate change, and seize potential opportunities.
- (3) Effective January 1, 2020, all ocean going vessels must use cleaner fuel (the Sulphur content shall not exceed 0.5 % m/m). The IMO allow the use of substitution devices with equivalent effect on ships, such as SO<sub>x</sub> scrubbers as an alternative.
- (4) In compliance with the California Air Resources Board (CARB) regulation, fleet vessels sailing through the West Coast of U.S., within 200 nautical miles of the California baseline should use Marine Gas Oil for M/E, Generator Engines and Aux. Boiler.
- (5) Effective January 1, 2015, for all ocean going vessels entering Emission Control Area, ECA (Baltic Sea area, North Sea Area and English Channel, North American area), the sulphur content of fuel oil used on board ships shall not exceed 0.1 % m/m.
- (6) Effective January 1, 2010, the maximum allowable sulphur content of fuel oil used by ships at berth in EU port shall not exceed 0.1 % m/m.
- (7) In line with the IMO Data Collection regulation, Evergreen had established a monitoring plan. Starting 2019, all ships above 5,000 gross tonnage should collect and report fuel consumption annually which should be verified.
- (8) Evergreen Line has received recognition for its excellent performance in a voluntary environmental and ecological protection program. The initiative was aimed at reducing greenhouse gas emissions of vessels and avoiding whale collisions by encouraging slow sailing speeds in California's Santa Barbara Channel region.
- (9) Conduct strict audits and corrective action for fleet and make preparation beforehand in order to prevent deficiency and pollution from occurring.

- (10) Keep all environmental equipment on board in good condition for crew to operate smoothly.
- (11) Continuously monitor the operating condition of vessel's main engine and auxiliary machineries. Take necessary actions immediately for efficiently using the fuel to reach the goal of energy conservation and carbon emission reduction.
- (12) Maintain the validity of the statutory certificates such as IOPP, IAPP and ISPP for all vessels.
- (13) Continuously join the GARD Protection and Indemnity (GARD P&I) insurance.
- (14) Provide the Vessel Certificate of Financial Responsibility (COFR) for all vessels trading to United States to undertake the responsibilities and obligations if oil pollution occurs in US water.
- (15) Carry out M/E turbocharger cut-out operation to cooperate with vessel's slow steaming in order to reduce fuel oil consumption and greenhouse gas emission.
- (16) Pay close attention to the development of international regulations for environmental protection. Complying with the new regulations allows the fleet to meet the requirements for environmental protection in ports and around the world.
- (17) North Atlantic Right Whale Seasonal Speed Restrictions are in effect. Restrictions imposed by the NOAA require vessels to proceed at 10 knots or less in restricted areas during specific times of the year (from Nov. to Apr.) in the Mid-Atlantic and Southeast U.S. Seasonal Management Areas (SMAs) of the U.S. East Coast. Vessels are allowed to operate at speeds greater than 10 knots, if necessary to maintain a safe maneuvering speed in areas where conditions are severely restricting ship's maneuverability. Any deviation from the speed restriction should be entered in the logbook.
- (18) Commission AMP system and use shore power for all E -Type, S-Type and L-Type vessels berthing in port of USLAX, USOKL. And joined the Cold Ironing running berthing in port of CNXGA, CNSHG, CNNBO, CNXSM and CNYT & CNXHK.
- (19) All seafarers are given thoroughly environmental educations and training courses to acquire correct environmental awareness and knowledge.

Remarks:

- (1) IOPP - International Oil Pollution Prevention
- (2) IAPP - International Air Pollution Prevention
- (3) ISPP - International Sewage Pollution Prevention

### 3. New international environmental protection regulations

With the impact of greenhouse effect and global warming becoming more significant, the increasingly serious impact of climate change is undoubtedly an inevitable subject of consideration for the sustainable operation of each company. The International Maritime Organization (IMO) has followed the footsteps of the

## Business Development Outline

Paris Agreement by developing a medium- and long-term greenhouse gas reduction strategy for the entire shipping industry. In 2020, the Marine Environmental Protection Committee (MEPC 75) have passed the Energy Efficiency Ship Index (EEXI) and Carbon Intensity Indicator (CII) drafts, which are expected to take effect in 2023 aiming to reduce greenhouse gas emissions.

Since its inception, Evergreen has been committed to the principles of a sustainable business, so the Group considers green enterprise as a cause in its endeavors to contribute to the global environment, as well as in its pursuit of environment friendly sustainable operations. Evergreen's green fleet reduces the energy consumption through various operational management measures, such as emission reduction strategies, optimized ship design, and continuously introduces new generation vessels to reduce pollution and greenhouse gas emissions. Evergreen's fleet fuel consumption and greenhouse gas emissions, energy saving and carbon reduction efforts over the years have made considerable progress, and the annual emission data are also verified by a third party (ClassNK).

### 5-5 Labor Relations

#### 1. Benefits for employees

<b>Holiday</b>	Two days off a week. (Holidays are not fixed on Saturday and Sunday depending on business needs.)
<b>Paid annual leave</b>	As specified in the Labor Standards Act.
<b>Pension system</b>	As specified in the Labor Pension Statute.
<b>Insurance</b>	Covering labor insurance and national health insurance required by Labor Standards Act; and medical insurance covering hospitalization and injury for the employees traveling abroad for business, group term life insurance with a preferential rate.
<b>Meals</b>	Providing nourishing and healthy free lunch, overtime meals, and on-duty meal (or alternative overtime and on-duty meals allowance as substitution) at staff canteen.
<b>Health care</b>	The medical department provides medical consultations with professional physicians, general medical treatment, workplace health promotion and management, and free regular physical examinations.
<b>Recreational activities</b>	Company trips and/or family days. Employees Buying tickets for a domestic flight of UNI AIR or living in a hotel of the Evergreen Group in Taiwan or overseas can enjoy a preferential discount.

<b>Education training</b>	Orientations and on-the-job training courses, professional seminars, workshops, and subsidies for foreign language training every year.
<b>Operating performance bonus</b>	Annual bonus, employee compensation (Listed company)
<b>Other subsidies</b>	Birthday cash gift, wedding subsidy/cash gift from supervisor, bereavement subsidy/condolence payment from supervisor, injury or illness condolence payment, emergency assistance, relocation subsidy and family visiting subsidy for overseas assignments, Festival Grants (or gifts) (for Chinese New Year, Dragon Boat Festival and Mid-autumn festival), and subsidies for cultural and recreational activities.
<b>Clubs</b>	20 clubs: basketball, softball, badminton, swimming, Taiji, yoga, golf, Latin aerobic exercises, road running, etc.
<b>Transportation</b>	Keelung/Taipei - Nankan commuting service to/from work

## 2. Training for staff

### Training for Shore Personnel

#### (1) Internal Training:

The annual internal training plan is proposed by each department and is implemented after approval. The subjects include ISO documentation, professional knowledge, quality improvement, AEO certification, occupational safety & health, corporate social responsibility, etc.

Total hours of training courses in year 2020: 652.6 hours

#### (2) Professional Training:

A. According to relevant laws and regulations, the colleagues from Auditing Dept., Occupational Safety & Health Dept., Insurance & Claim Dept., Finance Div. Finance Dept., and Kaohsiung Terminal Div. participated in training courses organized by external training institutions.

B. In order to enhance the skills of financial analysis, executives and managers from various departments participated in the Financial Statements Courses, which were chaired by our executives.

#### (3) Management-level Learning Programs:

In order to promote interdisciplinary learning, all executives and managers participated in various e-Learning courses recorded by different professional units. The subjects in year 2020 include Global Container Dispatch, Labor Standards Act and DG & IMDG Code.

## Business Development Outline

(4) Regulatory Advocacy Training:

According to laws and regulations, all colleagues participated in various e-Learning courses recorded by related professional units. The subjects in year 2020 include CSR, AEO, Prevention of Insider Trading and Information Security.

(5) External Online Learning Service:

Considering diversity and accessibility, Evergreen Marine offered executives and managers the Leader Campus' online service to enrich the management-level learning resources.

(6) Expatriate's orientation:

Expatriates participated in the orientation programs before taking up their new posts in overseas affiliates, which were conducted by Human Resources Dept.

(7) Newcomer's orientation:

Newcomers participated in the orientation programs before being assigned to their respective units, which were conducted by Human Resources Dept.

(8) Occupational Safety and Health Training and Health Lectures

(9) Subsidies for learning foreign languages

(10) Subsidies for TOEIC test fee

(11) The statistics of the above 2-10 trainings are as follows

Total number of participants	Total training hours in year	Total amount of cost
3,479	32,760.5	TWD 763,839

### Training for Sea Personnel

Training course	Number of periods	Days	Number of participants
Leadership And Bridge Resource Management (Stcw 2010 Training)	1	5	4
Leadership And Engine Room Resource Management (Stcw 2010 Training)	1	5	1
The Operational Use Of Ecdis Training (Including Tokyo Keiki Ecdis Type) (Stcw 2010 Training)	1	5	6
Security Training for Seafarers with Designated Security Duties and Security Awareness (Stcw 2010 Training)	4	2	45
ISPS Code-Ship Security Officer Course	1	3	16



Training course	Number of periods	Days	Number of participants
The Pre-Boarding Training Course For Deck Operation Level Officers	2	2	9
The Pre-Boarding Training Course For Deck Management Level Officers	8	2	61
The Pre-Boarding Training Course for Deck Management Level Officers (Distance Learning via Webex)	1	2	19
Practical Navigation Safety Intensive Training	1	2	7
D.G. Cargo Course Recurrent Training	4	1	44
The Pre-Boarding Training Course For Engine Operation Level Officers	4	3	28
The Pre-Boarding Training Course For Engine Management Level Officers	8	2	52
The Pre-Boarding Training Course For Engine Management Level Officers (Distance Learning via Webex)	1	2	8
M/E Remote Control System Training	1	3	5
Man Me Engine Control System	5	5	24
Man Me Engine Control System (Distance Learning via Webex)	4	4	25
WinGD X62 Engine Control System	2	1	16
WinGD X92 Engine Control System	9	3	67
WinGD X92 Engine Control System (Distance Learning via Webex)	3	2	23
Marine Environment Awareness Training	16	2	109
Medical Care Refresher Course	1	3	14
Shipboard High Voltage Training (Management Level)	3	5	15
The Ship Handling And Safety Management Proficiency Check Course	6	1	24
Uk (Mlc 2006) Ship's Cook Training	1	2	6
Train The Simulator Trainer and Assessor (Deck)	1	2	7

## Business Development Outline

Training course	Number of periods	Days	Number of participants
Train The Simulator Trainer and Assessor (Engine)	1	2	6
<b>Total</b>	<b>90</b>	<b>71</b>	<b>641</b>
<b>Total fees for training classes</b>	<b>NT\$ 2,711,033</b>		

### 3. Pension plan

The Evergreen Marine Labor Pension Preparatory Fund Supervisory Committee was formed in 1986. “Employee Pension Regulations” were drawn up by the Company and pension contributions continue to be made each month based on the following criteria: 15% of salary for employees on the old system, and 9% of salary for employees on the new system that chose to retain their years of service under the old system. The regulations cover all full-time permanent employee. According to the pension regulations, the criteria for payment is that two base compensations are given for each full year of service rendered. But for the rest of the years exceeding 15 years, one compensation is given for each full year of service rendered. The total number of compensation shall be no more than 45. The retirement pension base is six month’s average wage of the worker at the time when his or her retirement is approved.

Employees that opt for the new system introduced by the Labor Pension Statute introduced on July 1, 2005, receive contributions equal to 6% of their monthly salary. In addition to monthly contributions to the pension fund, we also check the balance of the labor pension preparatory fund account to see if it is sufficient to meet all the pension obligations from all employees that will meet the conditions for retirement in the upcoming year. Any shortfalls are made up by the end of March in the following year.

### 4. Labor Agreements: None.

### 5. Labor Disputes (as to the printing date)

There was no labor dispute case occurred in 2020.

### 6. Code of Conduct/Courtesy

As a leading container carrier, the Company consistently upholds principles of integrity, transparency, and accountability while engaging in business activities.

The Company established the “Guidelines for the Adoption of Codes of Ethical Conduct”. The Guidelines are adopted for the purpose of encouraging directors and managerial officers to act in line with ethical standards, and to help interested parties

better understand the ethical standards of the company. To ensure implementation of the company's philosophy and core values, all employees are required to:

- (1) Observe the company's regulations and working manual as well as to act loyally, responsibly and under supervisors' orders, directions and supervision.
- (2) Conduct themselves in an impartial, prudent and self-disciplined manner, protect the company's reputation, discard bad habits, and respect fellow staff members.
- (3) Perform their duties and responsibilities, cooperate and coordinate with interrelated departments to achieve goals set by the company.
- (4) Commit to performing all services in a conscientious without any practices that could be construed as bribery and/or corruption.
- (5) Strictly refrain from discriminating against any employee, contractor, or customer.
- (6) Comply with any and all competition law regimes that are relevant to their countries of operation.

## **7. Protection Measures for Safe Work Environment and Worker Safety**

The company's Occupational Safety & Health Management System ( the fourth and fifth container centers in Kaohsiung) has obtained ISO 45001:2018 and CNS 45001:2018(TOSHMS) certification. The management and supervision of employee safety and health are under the responsibility of the Occupational Safety and Health Management Department. In order to prevent occupational hazards and ensure the safety of employees' working environment, the following protective measures are implemented:

- (1) Strictly abide by occupational safety and health management policies, and attach importance to safety discipline and healthy environment by providing safe and healthy working conditions and working environment to employees and those who may be affected; and prevent injuries and health impacts caused by work, including the promotion and protection of employees' physical and mental health; and make recommendations on the company's safety and health policies, and review, coordinate and recommend on safety and health related matters through the meetings of the Occupational Safety and Health Committee.
- (2) Comply with statutory and other compliance requirements, and establish and publicize the company's applicable safety and health codes of practice in accordance with the relevant regulations on occupational safety and health, and regulate the implementation and compliance of all employees; and establish, enforce, maintain and continuously improve occupational safety and health management system through identification of regulations that meets the requirements of the existing Occupational Safety and Health Act and other statutes.
- (3) In accordance with the regulations on occupational safety and health, conduct safety and health education and on job training for newcomers and in-service employees.

## Business Development Outline

- (4) In accordance with the regulations of the occupational safety law, formulate and implement the "prevention of abnormal workload in workplace to incur disease", "workplace maternal health protection", "prevention of sexual hazards in workplace", and "prevention of unlawful infringements while in the execution of duties" and other labor protection operations.
- (5) Eliminate hazards and reduce occupational safety and health risks, and conduct safety, health and environmental risk assessments in accordance with the requirements of occupational safety and health management system, so as to provide employees with a safe and healthy working environment, and handle employee health management and health promotion.
- (6) The office building has an established 24-hour security system which includes entrance control card access mechanism to ensure the security of the company's property and personnel safety.
- (7) Provide free physical examinations to employees and set up infirmaries. Doctors and nursing staff assist employees in health promotion and health management.
- (8) Carry out regular firefighting and evacuation education and training for employees in accordance with the provisions of the Fire Protection Law.

## 5-6 Important Agreement

AGREEMENT	THE PARTY	DURATION	CONTENT	RESTRICTIONS
Slot Exchange Agreement	YANG MING MARINE TRANSPORT CORP.	From: Sep.04,2009 Till: Unlimited extensions; It is subject to 60 days pre-notice prior to termination.	EMC slot exchanges with YML. (Pan Asia Services)	—
Slot Charter Agreement	FUJIAN FOREIGN TRADE CENTRE SHIPPING CO.	From: Mar.01,2008 Till: Feb.28,2009 Can be extended. It is subject to 90 days pre-notice prior to termination.	EMC slot charter from Fujian Foreign Trade Centre Shipping Co. (Fuzhou- Kaohsiung Service)	—
Slot Exchange Agreement	SMART POINT SHIPPING LTD.	From: Nov.29,2010 Till: May.30, 2011 Can be extended. It is subject to 30 days pre-notice prior to termination.	EMC slot exchanges with Smart Point Shipping Ltd. (Taiwan-Xiamen(EMC) ; Taiwan-Fuzhou-Xiamen Servies(SMART POINT))	—
Slot Charter Agreement	CHINA UNITED LINES LTD.	From: Sep.27,2010 Till: Sep.26,2011 Can be extended. It is subject to 90 days pre-notice prior to termination.	EMC slot charterer from CUL (Central China -Taiwan Service)	—
Vessel Sharing Agreement	WAN HAI LINES LTD.	From: Sep.01,2002 Till: Aug.31,2003 Can be extended. It is subject to 90 days pre-notice prior to termination.	Operated by EMC and WHL jointly. (Japan-Taiwan-Hong Kong Service)	—
Vessel Sharing Agreement	WAN HAI LINES LTD.	From: Sep.12,2008 Till: Sep.11,2009 Can be extended. It is subject to 90 days pre-notice prior to termination.	Operated by EMC and WHL jointly. (Japan-Taiwan-Haiphong Service)	—

## Business Development Outline

AGREEMENT	THE PARTY	DURATION	CONTENT	RESTRICTIONS
Vessel Sharing Agreement	1. OOCL (ASIA PACIFIC) LTD. 2. YANGMING (UK) LTD.	From: Apr.30,2006 Till: Apr.29,2007 Can be extended. It is subject to 90 days pre-notice prior to termination.	Operated by EMC, OOCL, and YM (UK) Ltd. jointly. (Taiwan-Hong Kong-Vietnam Service)	—
Vessel Sharing Agreement	1. WAN HAI LINES LTD. 2. HAPAG-LLOYD CONTAINER LINE	From: Apr.30,2006 Till: Apr.29,2020 Can be extended. It is subject to 90 days pre-notice prior to termination.	Operated by EMC, WHL and HLCL jointly. (Taiwan-China-Singapore-Malaysia-India Service)	—
Slot Exchange Agreement	WAN HAI LINES LTD.	From: Apr.10,2019 Till: Oct.10,2019 Can be extended. It is subject to 45 days pre-notice prior to termination.	EMC slot exchanges with WHL. ((Japan-Taiwan (EMC) ; China-Vietnam Services (WHL))	—
Vessel Sharing Agreement	1. NEW GOLDEN SEA SHIPPING PTE LTD. 2. FEEDERTECH PTE LTD.	From: Feb.21,2020 Till: Feb.20,2021 Can be extended. It is subject to 90 days pre-notice prior to termination.	Operated by EMC, NEW GOLDEN SEA SHIPPING, and FEEDERTECH jointly. (ASEAN-Persian Gulf-ISC Service)	—
Slot Exchange Agreement	CNC LINE	From: Apr.04,2017 Till: Oct.04,2017 Can be extended. It is subject to 30 days pre-notice prior to termination.	EMC slot exchanges with CNC. (South China-Taiwan (EMC); Central China-Taiwan (CNC))	—
Slot Exchange Agreement	CNC LINE	From: Jul.22,2019 Till: Jan.22,2020 Can be extended. It is subject to 30 days pre-notice prior to termination.	EMC slot exchanges with CNC. (Thailand-Vietnam (EMC); Taiwan-Hong Kong-Thailand Services (CNC))	—
Slot Exchange Agreement	CNC LINE	From: Dec.19,2019 Till: Jun.19,2020 Can be extended. It is subject to 30 days pre-notice prior to termination.	EMC slot exchanges with CNC. (Taiwan-Japan-Taiwan Services)	—

AGREEMENT	THE PARTY	DURATION	CONTENT	RESTRICTIONS
Slot Exchange Agreement	CNC LINE	From: Aug.28,2020 Till: Feb.28,2021 Can be extended. It is subject to 30 days pre-notice prior to termination.	EMC slot exchanges with CNC. (Taiwan-Hong Kong-Indonesia (EMC); Qingdao-Indonesia Service (CNC))	—
Vessel Sharing Agreement	1. Feedertech PTE LTD 2. ONE 3. T.S.LINES	From: Aug.09,2019 Till: Mar.31,2021 Can be extended. It is subject to 90 days pre-notice prior to termination.	Operated by EMC and Feedertech, ONE, TSL. (North China-India Service)	—
Vessel Sharing Agreement	1. YANG MING LINES 2. SINOTRANS CONTAINER LINES CO LTD. 3. TS LINES 4. HAPAG LLOYD	From: Jun.07,2013 Till: Jun.07,2020 Can be extended. It is subject to 90 days pre-notice prior to termination.	Operated by EMC, YML, SINOTRANS, TSL and HAPAG LLOYD jointly (China, Taiwan-Australia Service) (HAPAG LLOYD joined on 16th /Oct/2020)	—
Slot Exchange Agreement	X-Press	From: Jul.13,2018 Till: Jan.13,2019 Can be extended. It is subject to 30 days pre-notice prior to termination.	EMC slot exchanges with X-Press (Kaohsiung-Manila Service (EMC), Kaohsiung -Cebu Service (X-Press), Singapore-Thailand Service (X-Press), Dalian-Pusan Service (X-Press))	—
Slot Exchange Agreement	SINOKOR MERCHANT MARINE CO., LTD.	From: Sep.18,2019 Till: Mar.18,2020 Can be extended. It is subject to 60 days pre-notice prior to termination.	EMC slot exchanges with SKR. (Korea-Taiwan-Malaysia-Singapore-Philippines-Taiwan-Korea Services (EMC); Korea-Central China-Indonesia-Vietnam-Central China-Korea Services (SINOKOR))	—
Slot Exchange Agreement	T.S. LINE CO., LTD.	From: Feb.28,2020 Till: Aug.27,2020 Can be extended. It is subject to 60 days pre-notice prior to termination.	EMC slot exchanges with TSL. (Taiwan-Xiamen (EMC); Taiwan-Shanghai Services (TSL))	—

## Business Development Outline

AGREEMENT	THE PARTY	DURATION	CONTENT	RESTRICTIONS
Slot Exchange Agreement	SEALAND MAERSK ASIA	From: Dec.20,2017 Till: Mar.20,2018 Can be extended. It is subject to 30 days pre-notice prior to termination.	EMC slot exchanges with SEALAND (Indonesia-Japan (EMC); Japan-Thailand Service (SAS))	—
Slot Exchange Agreement	ADVANCE CONTAINER LINES (PTE) LTD.	From: Apr.21,2019 Till: Oct.20,2019 Can be extended. It is subject to 30 days pre-notice prior to termination.	EMC slot exchanges with ACL (Singapore-Malaysia (EMC); Singapore-Indonesia Service (ACL )	—
Vessel Sharing Agreement	1. NEW GOLDEN SEA SHIPPING PTE. LTD. 2. WAN HAI LINES LTD. 3. OCEAN NETWORK EXPRESS PTE. LTD. 4. INTERASIA LINES SINGAPORE PTE. LTD.	From: Jan.7,2020 Till: Jan.6,2021 Can be extended. It is subject to 90 days pre-notice prior to termination.	Operated by EMC, NGS,WHL,ONE, IAL jointly (Central,South China - Pakistan Service)	—
Slot Exchange Agreement	OCEAN NETWORK EXPRESS PTE. LTD.	From: Nov.20. 2019 Till: Feb.19. 2020 Can be extended. It is subject to 30 days pre-notice prior to termination.	EMC slot exchanges with ONE (Taiwan-Philippines Service (EMC); China-Korea (ONE))	—
Slot Exchange Agreement	COSCO CONTAINER LINES SHANGHAI PANASIA SHIPPING CO., LTD.	From: Sep.19.2014 Till: Mar.19. 2015 Can be extended. It is subject to 30 days pre-notice prior to termination.	EMC slot exchanges with COSCO (China-Japan ; China-Japan Service)	—
Slot Exchange Agreement	NEW GOLDEN SEA SHIPPING PTE. LTD.	From: Nov.25.2017 Till: May.25. 2018 Can be extended. It is subject to 30 days pre-notice prior to termination.	EMC slot exchanges with NGS (Taiwan-Indonesia (EMC); China-Hong Kong-Thailand Express Service (NGS))	—



AGREEMENT	THE PARTY	DURATION	CONTENT	RESTRICTIONS
Slot Exchange Agreement	NEW GOLDEN SEA SHIPPING PTE. LTD.	From: Apr.18.2018 Till: Oct.18.2019 Can be extended. It is subject to 30 days pre-notice prior to termination.	EMC slot exchanges with NGS (Indonesia- China (EMC) ; China-Vietnam Service (NGS))	—
Slot Charter Agreement	INTERASIA LINES LTD.	From: Aug.23.2019 Till: Feb.22.2020 Can be extended. It is subject to 30 days pre-notice prior to termination.	EMC charter slots to IAL (Hong Kong - China - Philippines Service)	—
Vessel Sharing Agreement	1. HYUNDAI MERCHANT MARINE CO., LTD. 2. HAPAG LLOYD CONTAINER LINE 3. ONE NETWORK EXPRESS PTE LTD	From: Apr.01,2020 Till: Mar.31,2021 Can be extended. It is subject to 30 days pre-notice prior to termination.	Operated by EMC, HMM, HPL&ONE (North East Asia -Australia Service)	—
Slot Exchange Agreement	FEEDERTSCH PTE LTD	From: Nov.23,2017 Till: Feb.23,2018 Can be extended. It is subject to 30 days pre-notice prior to termination.	Slot Charter from FPL (F.E.-East India Service)	—
Vessel Sharing Agreement	1. BENGAL TIGER LINE PTE LTD 2. WAN HAI LINES LTD	From: Mar.06,2019 Till: Mar.05,2020 Can be extended. It is subject to 60 days pre-notice prior to termination.	Operated by EMC, WHL, BTL (South East Asia - East India Service)	—
Slot Exchange Agreement	BENGAL TIGER LINE PTE LTD	From: Mar.06,2019 Till: Mar.05,2020 Can be extended. It is subject to 60 days pre-notice prior to termination.	EMC slot Exchange with BTL (South East Asia-East India Service )	—
Vessel Sharing Agreement	1. Gold Star Line Ltd. 2. Pendulum Express Lines LTD 3. KMTC Line Co Ltd 4. Emirates Shipping Lines	From: Dec.17,2019 Till: Dec.16,2020 Can be extended. It is subject to 90 days pre-notice prior to termination.	Operated by EMC, GSL, PEN, KMTC&ESL (North China- Northwest India Service)	—

## Business Development Outline

AGREEMENT	THE PARTY	DURATION	CONTENT	RESTRICTIONS
Vessel Sharing and Slot Exchange Agreement	1. CMA CGM 2. COSCO CONTAINER LINE 3. OOCL	From: Apr.01,2017 Till: Mar.31,2027 If no Line withdraws from this Agreement, the Agreement will be automatically extended to have an indefinite term with effect from April 1st, 2027. If some Line(s) withdraw from the Agreement, other Lines will discuss whether the Agreement will be amended to have an indefinite term with effect from April 1st, 2027.	Operated by OCEAN Alliance. (F.E.-EUR ; F.E.-MED ; F.E.-USWC ; F.E.-USEC ; EUR-USEC ; F.E.-GULF ; F.E.-RSEA Services)	—
Slot Charter Agreement	ONE	From: Apr.01,2017 Till: Subsequently extended 90 days pre-notice prior to termination	Slot Charter from ONE (Japan - USWC Service)	—
Vessel Sharing Agreement	1. CMA CGM 2. COSCO CONTAINER LINE 3. YANG MING LINE	From: Jan.20,2017 Till: Subsequently extended 90 days pre-notice prior to termination	Jointly operated by EMC, CMA, COS, YML (F.E. - East Coast of South America Service)	—
Vessel Sharing and Slot Exchange Agreement	1. PACIFIC INTERNATIONAL LINES 2. COSCO CONTAINER LINE 3. CMA CGM	From: Mar.28,2019 Till: Subsequently extended 90 days pre-notice prior to termination	Jointly operated by EMC, PIL, COS, CMA (F.E. - East Coast of South America Service)	—
Vessel Sharing Agreement	1. COSCO CONTAINER LINE 2. OOCL 3. ONE 4. PACIFIC INTERNATIONAL LINES 5. Gold Star Line Ltd.	From: Sep.29,2014 Till: Subsequently extended 90 days pre-notice prior to termination	Jointly operated by EMC, OOCL, ONE, PIL, GSL (F.E. - South Africa Services)	—

AGREEMENT	THE PARTY	DURATION	CONTENT	RESTRICTIONS
Vessel Sharing Agreement	1. CMA CGM 2. OOCL 3. X-PRESS	From: Jul.05,2018 Till: Subsequently extended 90 days pre-notice prior to termination	Jointly operated by EMC, CMA, OOCL, X-press (F.E. -East Africa Services)	—
Vessel Sharing Agreement	1. COSCO CONTAINER LINES 2. YANG MING LINES	From: Dec.26,2015 Till: Subsequently extended 90 days pre-notice prior to termination	Jointly operated by EMC, COS, YML (F.E. -West Coast of South America Service)	—
Vessel Sharing Agreement	1. COSCO CONTAINER LINE 2. PACIFIC INTERNATIONAL LINES 3. WAN HAI LINES	From: Dec.25.2015 Till: Subsequently extended 90 days pre-notice prior to termination	Jointly operated by EMC, COS, PIL, WHL, YML (F.E. -West Coast of South America Service)	—
Slot Exchange Agreement	1. COSCO CONTAINER LINES 2. CMA C GM	From: Apr.15.2018 Till: Subsequently extended 90 days pre-notice prior to termination	Slot Exchange between EMC, COS, CMA (F.E. -West Coast of South America Service)	—

## 6-1 Five-Year Financial Summary

## 1. Consolidated Condensed Balance Sheet

Unit: TWD thousand

Item	Year	Financial Summary for The Last Five Years					As of March 31, 2021 (Note)
		2016	2017	2018	2019	2020	
Current assets		53,977,007	60,951,228	67,898,508	66,050,355	85,837,891	123,425,089
Property, plant and equipment		99,470,430	97,687,454	117,219,185	108,393,511	118,642,644	124,442,839
Intangible assets		121,341	159,667	2,266,526	1,929,667	1,552,438	1,508,564
Other assets		36,184,986	41,281,548	41,627,736	130,222,105	128,187,867	141,692,519
Total assets		189,753,764	200,079,897	229,011,955	306,595,638	334,220,840	391,069,011
Current liabilities	Before distribution	42,031,169	44,760,401	50,061,985	63,449,644	72,490,805	84,890,926
	After distribution	-	45,562,872	-	-	-	-
Non-current liabilities		94,084,094	88,630,706	107,982,134	169,551,148	160,235,742	156,340,683
Total liabilities	Before distribution	136,115,263	133,391,107	158,044,119	233,000,792	232,726,547	241,231,609
	After distribution	-	134,193,578	-	-	-	-
Equity attributable to owners of the parent		50,987,493	63,398,554	66,844,230	70,045,779	94,281,711	137,788,315
Common stock		35,123,560	40,123,560	45,129,738	48,129,738	48,980,353	52,709,360
Capital Surplus		7,989,014	10,838,075	11,059,145	11,407,437	12,433,364	15,132,876
Retained earnings	Before distribution	4,985,031	11,754,606	9,462,191	9,373,982	33,449,400	69,532,520
	After distribution	-	8,945,957	-	-	-	-
Other equity interest		2,889,888	682,313	1,193,156	1,134,622	(581,406)	413,559
Treasury shares		-	-	-	-	-	-
Non-controlling interest		2,651,008	3,290,236	4,123,606	3,549,067	7,212,582	12,049,087
Total equity	Before distribution	53,638,501	66,688,790	70,967,836	73,594,846	101,494,293	149,837,402
	After distribution	-	65,886,319	-	-	-	-

Note: The consolidated financial statements as of March 31, 2021 have not been reviewed by independent auditors.

## 2. Consolidated Condensed Statement of Comprehensive Income

Unit: TWD thousand

Item	Year	Financial Summary for The Last Five Years					As of March 31, 2021 (Note)
		2016	2017	2018	2019	2020	
Operating revenue		124,467,608	150,582,692	169,236,653	190,589,281	207,077,912	89,953,060
Gross Profit		(3,494,113)	10,874,287	7,470,868	14,555,021	45,489,093	46,616,166
Operating income (loss)		(7,848,262)	4,817,470	926,217	4,658,270	34,667,864	43,984,597
Non-operating income and expenses		(960,721)	2,630,079	269,187	(3,879,370)	(2,828,035)	329,057
Profit (loss) before income tax		(8,808,983)	7,447,549	1,195,404	778,900	31,839,829	44,313,654
Profit (loss) from continuing operations		(8,565,311)	6,661,621	78,501	(223,013)	28,767,310	40,865,688
Profit (loss) from discontinued operation		-	-	-	-	-	-
Profit (loss) for the period		(8,565,311)	6,661,621	78,501	(223,013)	28,767,310	40,865,688
Other comprehensive income (loss), net of income tax		906,829	(2,971,907)	575,603	(427,792)	(2,359,806)	1,141,207
Total comprehensive income (loss)		(7,658,482)	3,689,714	654,104	(650,805)	26,407,504	42,006,895
Profit (loss), attributable to owners of the parent		(6,607,986)	7,005,171	293,919	112,519	24,364,926	36,083,120
Profit (loss), attributable to non-controlling interest		(1,957,325)	(343,550)	(215,418)	(335,532)	4,402,384	4,782,568
Comprehensive income (loss), attributable to owners of the parent		(7,015,935)	4,562,000	1,031,164	(143,740)	22,359,390	37,078,085
Comprehensive income (loss), attributable to non-controlling interests		(642,547)	(872,286)	(377,060)	(507,065)	4,048,114	4,928,810
Earnings per share (in dollar)		(1.88)	1.88	0.07	0.02	5.06	7.04

Note: The consolidated financial statements as of March 31, 2021 have not been reviewed by independent auditors.

## 3. Condensed Balance Sheet

Unit: TWD thousand

Item		Year	Financial Summary for The Last Five Years				
			2016	2017	2018	2019	2020
Current assets			26,797,737	29,795,801	30,035,812	27,259,252	32,779,259
Property, plant and equipment			26,055,383	27,118,687	35,045,526	36,934,484	37,425,681
Intangible assets			52,203	39,071	28,730	19,599	16,247
Other assets			53,141,674	63,841,016	62,818,147	85,665,128	102,954,658
Total assets			106,046,997	120,794,575	127,928,215	149,878,463	173,175,845
Current liabilities	Before distribution		14,761,758	15,220,244	15,248,630	18,261,998	21,681,686
	After distribution		-	16,022,715	-	-	-
Non-current liabilities			40,297,746	42,175,777	45,835,355	61,570,686	57,212,448
Total liabilities	Before distribution		55,059,504	57,396,021	61,083,985	79,832,684	78,894,134
	After distribution		-	58,198,492	-	-	-
Common stock			35,123,560	40,123,560	45,129,738	48,129,738	48,980,353
Capital surplus			7,989,014	10,838,075	11,059,145	11,407,437	12,433,364
Retained earnings	Before distribution		4,985,031	11,754,606	9,462,191	9,373,982	33,449,400
	After distribution		-	8,945,957	-	-	-
Other equity interest			2,889,888	682,313	1,193,156	1,134,622	(581,406)
Treasury shares			-	-	-	-	-
Total equity	Before distribution		50,987,493	63,398,554	66,844,230	70,045,779	94,281,711
	After distribution		-	62,596,083	-	-	-

## 4. Condensed Statement of Comprehensive Income

Unit: TWD thousand

Item	Year	Financial Summary for The Last Five Years				
		2016	2017	2018	2019	2020
Operating revenue		23,060,494	28,897,616	33,994,571	44,687,138	51,623,123
Gross Profit		910,018	2,011,325	1,481,708	2,606,665	8,652,211
Operating income (loss)		(764,840)	232,667	(418,690)	176,562	5,162,573
Non-operating income and expenses		(6,297,750)	6,985,241	928,194	(225,762)	20,947,405
Profit (loss) before income tax		(7,062,590)	7,217,908	509,504	(49,200)	26,109,978
Profit (loss) from continuing operations		(6,607,986)	7,005,171	293,919	112,519	24,364,926
Profit (loss) from discontinued operation		-	-	-	-	-
Profit (loss) for the year		(6,607,986)	7,005,171	293,919	112,519	24,364,926
Other comprehensive income, net of income tax		(407,949)	(2,443,171)	732,511	(256,259)	(2,005,536)
Total comprehensive income		(7,015,935)	4,562,000	1,026,430	(143,740)	22,359,390
Earnings per share (in dollar)		(1.88)	1.88	0.07	0.02	5.06

## 5. Auditors' Opinions from 2016 to 2020

Year	Accounting Firm	CPA	Audit Opinion
2020	PricewaterhouseCoopers, Taiwan	Lee, Hsiu-Ling Chih, Ping-Chiun	An unqualified opinion
2019	PricewaterhouseCoopers, Taiwan	Lee, Hsiu-Ling Chih, Ping-Chiun	An unqualified opinion
2018	PricewaterhouseCoopers, Taiwan	Lee, Hsiu-Ling Chih, Ping-Chiun	An unqualified opinion
2017	PricewaterhouseCoopers, Taiwan	Lai, Chung-His Chih, Ping-Chiun	An unqualified opinion
2016	PricewaterhouseCoopers, Taiwan	Lai, Chung-His Chih, Ping-Chiun	An unqualified opinion

## 6-2 Five- Year Financial Analysis

## 1. Consolidated Financial Analysis

Item	Year						As of
	2016	2017	2018	2019	2020	March 31, 2021 (Note)	
Financial structure (%)							
Debt ratio	71.73	66.67	69.01	76.00	69.63	61.69	
Long-term funds to property, plant and equipment	148.51	159.00	152.66	224.32	220.60	246.04	
Solvency (%)							
Current ratio	128.42	136.17	135.63	104.10	118.41	145.39	
Quick ratio	118.34	124.33	121.80	94.57	112.21	138.15	
Times interest earned (times)	(6.07)	6.39	1.64	1.14	8.02	51.16	
Operating performance							
Receivable turnover (times)	10.32	11.42	10.66	11.05	9.97	3.10	
Average collection days	35	32	34	33	37	29.03	
Inventory turnover (times)	-	-	-	-	-	-	
Accounts payable turnover (times)	9.94	9.81	9.08	9.61	8.70	1.89	
Average Inventory turnover days	-	-	-	-	-	-	
Property, plant and equipment turnover (times)	1.20	1.53	1.57	1.69	1.82	0.77	
Total assets turnover (times)	0.65	0.77	0.79	0.71	0.65	0.25	
Profitability							
Return on total assets (%)	(3.94)	4.01	0.74	1.61	10.11	11.46	
Return on total equity (%)	(14.90)	11.07	0.11	(0.31)	32.86	32.52	
Pre-tax income to paid-in capital (%)	(25.08)	18.56	2.65	1.62	65.01	84.87	
Profit ratio (%)	(6.88)	4.42	0.05	(0.12)	13.89	45.43	
Earnings per share (TWD)	(1.88)	1.88	0.07	0.02	5.06	7.04	



Item	Year						As of
		2016	2017	2018	2019	2020	March 31, 2021 (Note)
Cash flow (%)							
Cash flow ratio		(1.83)	25.00	6.08	31.20	71.54	52.14
Cash flow adequacy ratio		73.34	136.20	127.32	147.34	296.31	446.48
Cash flow reinvestment ratio		(0.36)	5.05	0.88	6.08	15.80	11.03
Leverage							
Operating leverage		(0.63)	3.93	17.19	7.34	2.11	1.24
Financial leverage		0.86	1.40	(0.97)	(4.58)	1.15	1.02

The explanation for the financial ratio which increased and decreased by more than 20% in the last two years are as follows:

1. Since profit before income tax is higher than last year, the time interest earned simultaneously increases.
2. Arise from the profit for the period and the increase of profit before income tax of 2020, the profitability related ratios are all higher than last year.
3. Compared with last year, the cash flow related ratios rise since the net cash flows from operating activities of 2020 increase.
4. The fluctuation of the leverage ratios stem from the increase of operating profit.

Note: The consolidated financial statements as of March 31, 2021 have not been reviewed by independent auditors.

## 2. Non-Consolidated Financial Analysis

Item	Year	2016	2017	2018	2019	2020
	Financial structure (%)					
Debt ratio		51.91	47.51	47.74	53.26	45.55
Long-term funds to property, plant and equipment		350.35	389.30	321.52	356.35	404.78
Solvency (%)						
Current ratio		181.53	195.76	196.97	150.29	151.18
Quick ratio		177.51	189.75	189.35	143.61	147.61
Times interest earned (times)		(1,048.67)	1,237.22	174.31	96.22	2,300.83
Operating performance						
Receivable turnover (times)		11.20	10.87	9.55	12.07	13.74
Average collection days		33	34	38	30	27
Inventory turnover (times)		-	-	-	-	-
Accounts payable turnover (times)		9.07	8.63	7.96	10.22	9.66
Average Inventory turnover days		-	-	-	-	-
Property, plant and equipment turnover (times)		0.85	1.08	1.09	1.24	1.38
Total assets turnover (times)		0.21	0.25	0.27	0.32	0.31
Profitability						
Return on total assets (%)		(5.62)	6.64	0.67	0.83	15.67
Return on total equity (%)		(12.12)	12.24	0.45	0.16	29.65
Pre-tax income to paid-in capital (%)		(20.10)	17.98	1.12	(0.10)	53.30
Profit ratio (%)		(28.65)	24.24	0.86	0.25	47.19
Earnings per share (TWD)		(1.88)	1.88	0.07	0.02	5.06

Item	Year				
	2016	2017	2018	2019	2020
Cash flow (%)					
Cash flow ratio	4.59	16.85	5.58	18.81	50.70
Cash flow adequacy ratio	258.89	183.38	100.05	113.20	247.20
Cash flow reinvestment ratio	0.68	2.24	0.03	2.81	7.44
Leverage					
Operating leverage	(3.29)	15.85	(12.88)	38.80	2.61
Financial leverage	0.55	(0.57)	0.37	(0.15)	1.29

The explanation for the financial ratio which increased and decreased by more than 20% in the last two years are as follows:

1. Since profit before income tax is higher than last year, the time interest earned simultaneously increases.
2. Arise from the profit for the period and the increase of profit before income tax of 2020, the profitability related ratios are all higher than last year.
3. Compared with last year, the cash flow related ratios rise since the net cash flows from operating activities of 2020 increase.
4. The fluctuation of the leverage ratios stem from the increase of operating profit.

### 1. Financial structure

(1) Debt ratio = Total liabilities / Total assets

(2) Long-term funds to property, plant and equipment = (Shareholders' equity + Non-current liabilities) / Net property, plant and equipment

### 2. Solvency

(1) Current ratio = Current assets / Current liabilities

(2) Quick ratio = (Current assets - Inventories - Prepaid expenses) / Current liabilities

(3) Times interest earned = Earnings before interest and taxes / Interest expenses

### 3. Operating performance

(1) Receivable turnover = Net sales / Average account receivables

(2) Average collection days = 365 / Receivable turnover

(3) Inventory turnover = Cost of sales / Average inventory

(4) Accounts payable turnover = Cost of sales / Average accounts payable

(5) Average inventory turnover days =  $365 / \text{Average inventory turnover}$

(6) Property, plant and equipment turnover =  $\text{Net Sales} / \text{Average property, plant and equipment}$

(7) Total assets turnover =  $\text{Net sales} / \text{Average total assets}$

#### 4. Profitability

(1) Return on total assets =  $(\text{Net income} + \text{Interest expenses} * (1 - \text{Effective tax rate})) / \text{Average total assets}$

(2) Return on total equity =  $\text{Net income} / \text{Average shareholders' equity}$

(3) Profit ratio =  $\text{Net income} / \text{Net sales}$

(4) Earnings per share =  $(\text{Net income} - \text{Preferred stock dividend}) / \text{Weighted average number of shares outstanding}$

#### 5. Cash flow

(1) Cash flow ratio =  $\text{Net cash provided by operating activities} / \text{Current liabilities}$

(2) Cash flow adequacy ratio =  $\text{Five-year sum of cash from operations} / \text{Five-year sum of capital expenditures, inventory additions, and cash dividend}$

(3) Cash flow reinvestment ratio =  $(\text{Cash provided by operating activities} - \text{Cash dividends}) / (\text{Gross property, plant and equipment} + \text{Long-term investments} + \text{Other assets} + \text{Working capital})$

#### 6. Leverage

(1) Operating leverage =  $(\text{Net sales} - \text{Variable cost}) / \text{Income from operations}$

(2) Financial leverage =  $\text{Income from operations} / (\text{Income from operations} - \text{Interest expenses})$

**6-3 The Company should disclose the financial impact to the Company if the Company and its affiliated companies have incurred any financial or cash flow difficulties in 2020 and as of the date of this Annual Report:**

None.

## 6-4 Audit Committee's Review Report

### Audit Committee's Review Report

To: 2021 Annual General Shareholders' Meeting  
EVERGREEN MARINE CORPORATION (TAIWAN) LTD.

The Board of Directors has prepared the Company's 2020 business report, financial report, and proposal for distribution of earnings. The CPA firm of PricewaterhouseCoopers, Taiwan has audited the financial report and issued the audit report. The above business report, financial report, and proposal for distribution of earnings have been reviewed and determined to be correct and accurate by the Audit Committee members of EVERGREEN MARINE CORPORATION (TAIWAN) LTD. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.

Convener of the Audit Committee: Li, Chang-Chou

March 22, 2021

**6-5 Consolidated Financial Statements and Report of Independent Accountants**

## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Evergreen Marine Corporation (Taiwan) Ltd.

***Introduction***

We have audited the accompanying consolidated balance sheets of Evergreen Marine Corporation (Taiwan) Ltd. (the“ Company”) and its subsidiaries (collectively referred herein as the “Group”) as of December 31, 2020 and 2019, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other independent auditors (please refer to Other Matter section of our report), the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2020 and 2019, and its financial performance and cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

***Basis for opinion***

We conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in 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 Group's 2020 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2020 consolidated financial statements are stated as follows:

#### ***Accuracy and cut-off of freight revenue***

##### Description

Please refer to Note 4(32) for accounting policies on revenue recognition, Note 5(2) for uncertainty of accounting estimates and assumptions applied on revenue recognition, and Note 6(22) for details of sales revenue.

Evergreen Marine Corporation (Taiwan) Ltd. primarily engages in global container shipping service covering ocean-going and near-sea shipping line, shipping agency business as well as container freight station business. In 2020, freight revenue from contracts with customers was NT\$ 186,426,489 thousand, representing 90.03% of operating revenue. Since ocean-going shipping often lasts for several days, voyages are sometimes completed after the balance sheet date. Also, demand for freight services is consistently sent by forwarders during voyage. Due to the factors mentioned above, freight revenue is recognized under the percentage-of-completion method for each vessel of which the service has been provided during the reporting period.

Despite the Group conducting business worldwide, its transactions are all in small amounts, whereas the freight rate is subject to fluctuation caused by cargo loading rate as well as market competition. Worldwide shipping agencies use a system to record the transactions by entering data including shipping departure, destination, counterparty, transit time, shipping amounts, and freight price for the Group. Therefore, the management could recognize freight revenue in accordance with the data on bill of lading reports generated from the system, accompanied by estimation made from past experience and current cargo loading conditions the revenue that would flow in, and calculate the revenue under the percentage-of-completion method. As the process of recording transactions, communicating with agencies, and maintaining the system are done manually, and the estimation of freight revenue are subject to management's judgement, therefore freight revenue involves high uncertainty and is material to the financial statements. Given the conditions mentioned above, we consider the accuracy of freight revenue and the appropriate use of cut-off by the Group and its investee companies as a key audit matter.

How our audit addressed the matter

Our key audit procedures performed in respect of the above key audit matter included the following:

1. Obtained an understanding of the operation and industry of the Group to assess the reasonableness of policies and procedures on revenue recognition, and confirmed whether it is appropriate to the financial statements.
2. Obtained an understanding of the procedures of revenue recognition from booking, picking, billing to receiving. Assessed and tested relevant internal controls, including checking freight items and amounts of delivery information against the approved contracts and booking list. In addition, recalculated the accuracy of freight revenue, and ensured its consistency with the bill of lading report.
3. Obtained the estimated freight income report for vessels underway as of balance sheet date, and inquired with management for the reasonableness of judgement. In addition, checked historical freight revenue for total voyage under each individual vessel, along with comparing with current cargo loading condition as well as actual revenue received after period end to ensure the reasonableness of revenue assumptions.
4. Confirmed the completeness of vessels underway for the reporting period, including tracking the movements of shipments on the internet to ensure the vessels that depart before period end have been taken into consideration in the freight revenue calculation.
5. Verified accuracy of data used in calculating percentage of completion under each voyage, including selecting samples and checking whether the total shipping days shown on the Company's website are in agreement with cruise timetables as well as recalculating the shipping days (days between departure and balance sheet date), in order to examine the reasonableness of percentage applied.



***Other matter – Reference to the reports of other independent auditors***

We did not audit the financial statements of all the consolidated subsidiaries. Those statements and the information disclosed in Note 13 were audited by other independent auditors whose reports thereon have been furnished to us, and our audit expressed herein is based solely on the reports of the other independent auditors. The statements reflect that total assets in these subsidiaries amounted to NT\$ 62,069,621 thousand and NT\$ 64,007,665 thousand, constituting 18.57% and 20.88% of the total consolidated assets as of December 31, 2020, and 2019, respectively. Net operating revenues in the subsidiaries amounted to NT\$ 40,599,878 thousand and NT\$ 41,978,500 thousand, constituting 19.61% and 22.03% of the total consolidated net operating revenues of 2020 and 2019 for the years then ended. In addition, we did not audit the financial statements of all the investee companies accounted for using equity method. Those statements and the information disclosed in Note 13 were audited by other independent auditors whose reports thereon have been furnished to us, and our audit expressed herein, insofar as it relates to the amounts included for those investee companies accounted for using equity method and information disclosed in Note 13 related to these long-term equity investments, is based solely on the reports of the other independent auditors. Long-term equity investments in these investee companies amounted to NT\$ 18,591,003 thousand and NT\$ 18,297,311 thousand, constituting 5.56% and 5.97% of the total consolidated assets as of December 31, 2020 and 2019, respectively, and comprehensive income (including share of profit or loss and share of other comprehensive income of associates and joint ventures accounted for using equity method) was NT\$ 958,072 thousand and NT\$ 331,944 thousand, constituting 3.63% and (51.01%) of the consolidated total comprehensive income and loss for the years then ended, respectively.

***Other matter – Parent company only financial reports***

We have audited the parent company only financial statement of Evergreen Marine Corporation (Taiwan) Ltd. as of and for the years ended December 31, 2020 and 2019 on which we have issued an unqualified opinion with explanatory paragraph thereon.

### ***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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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.

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 generally accepted auditing standards in 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 generally accepted auditing standards in 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.
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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the 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 of the current period 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.

Lee, Hsiu-Ling

Chih, Ping-Chiun

For and on behalf of PricewaterhouseCoopers, Taiwan

March 22, 2021

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The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

**EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2020		December 31, 2019		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 44,096,485	13	\$ 37,871,889	12
1110	Financial assets at fair value through profit or loss - current		4,289	-	-	-
1136	Current financial assets at amortised cost, net	6(3) and 8	6,768,603	2	1,769,815	1
1140	Current contract assets	6(22)	3,041,569	1	1,693,497	1
1150	Notes receivable, net	6(4)	113,313	-	129,545	-
1170	Accounts receivable, net	6(4)	20,955,878	6	13,979,251	5
1180	Accounts receivable, net - related parties	6(4) and 7	849,432	-	780,562	-
1200	Other receivables		239,653	-	283,739	-
1210	Other receivables - related parties	7	747,230	-	743,540	-
1220	Current income tax assets		205,171	-	381,933	-
130X	Inventories	6(5)	2,931,711	1	4,547,919	1
1410	Prepayments		1,562,365	1	1,500,038	1
1470	Other current assets	6(6) and 7	4,322,192	2	2,368,627	1
11XX	<b>Current assets</b>		<u>85,837,891</u>	<u>26</u>	<u>66,050,355</u>	<u>22</u>
<b>Non-current assets</b>						
1517	Non-current financial assets at fair value through other comprehensive income	6(2)	1,657,983	-	1,719,423	-
1535	Non-current financial assets at amortised cost, net	6(3)	348,609	-	350,721	-
1550	Investments accounted for using equity method	6(7)	29,919,994	9	29,400,925	10
1600	Property, plant and equipment, net	6(8), 8 and 9	118,642,644	36	108,393,511	35
1755	Right-of-use assets	6(9)	76,189,187	23	82,624,186	27
1760	Investment property, net	6(11) and 8	5,171,512	2	5,455,070	2
1780	Intangible assets		1,552,438	-	1,929,667	1
1840	Deferred income tax assets	6(30)	664,194	-	1,035,398	-
1900	Other non-current assets	6(4)(12) and 8	14,236,388	4	9,636,382	3
15XX	<b>Non-current assets</b>		<u>248,382,949</u>	<u>74</u>	<u>240,545,283</u>	<u>78</u>
1XXX	<b>Total assets</b>		<u>\$ 334,220,840</u>	<u>100</u>	<u>\$ 306,595,638</u>	<u>100</u>

(Continued)

EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2020		December 31, 2019		
		AMOUNT	%	AMOUNT	%	
<b>Current liabilities</b>						
2126	Current financial liabilities for hedging	6(9) and 7	\$ 898,484	-	\$ 1,861,026	1
2130	Current contract liabilities	6(22)	3,677,100	1	2,213,538	1
2150	Notes payable		3,973	-	-	-
2170	Accounts payable		20,327,030	6	16,169,710	5
2180	Accounts payable - related parties	7	236,204	-	411,102	-
2200	Other payables		5,455,869	2	4,406,879	2
2220	Other payables - related parties	7	130,767	-	706,239	-
2230	Current income tax liabilities		1,436,225	1	841,265	-
2280	Current lease liabilities	6(9) and 7	9,469,102	3	9,075,576	3
2300	Other current liabilities	6(13) and 7	30,856,051	9	27,764,309	9
21XX	<b>Current liabilities</b>		<u>72,490,805</u>	<u>22</u>	<u>63,449,644</u>	<u>21</u>
<b>Non-current liabilities</b>						
2511	Non-current financial liabilities for hedging	6(9) and 7	9,971,891	3	18,327,916	6
2530	Corporate bonds payable	6(14)	12,779,043	4	10,000,000	3
2540	Long-term loans	6(15)	77,040,500	23	83,859,972	27
2570	Deferred income tax liabilities	6(30)	2,872,242	1	2,027,378	1
2580	Non-current lease liabilities	6(9) and 7	53,831,455	16	51,967,317	17
2600	Other non-current liabilities	6(16)(17)	3,740,611	1	3,368,565	1
25XX	<b>Non-current liabilities</b>		<u>160,235,742</u>	<u>48</u>	<u>169,551,148</u>	<u>55</u>
2XXX	<b>Total liabilities</b>		<u>232,726,547</u>	<u>70</u>	<u>233,000,792</u>	<u>76</u>
Equity attributable to owners of the parent						
Capital						
3110	Common stock	6(18)	48,980,353	15	48,129,738	16
Capital surplus						
3200	Capital surplus	6(19)	12,433,364	4	11,407,437	4
Retained earnings						
3310	Legal reserve	6(20)	5,714,940	2	5,714,940	2
3350	Unappropriated retained earnings		27,734,460	8	3,659,042	1
Other equity interest						
3400	Other equity interest	6(21)	(581,406)	(1)	1,134,622	-
31XX	<b>Equity attributable to owners of the parent</b>		<u>94,281,711</u>	<u>28</u>	<u>70,045,779</u>	<u>23</u>
36XX	Non-controlling interest		<u>7,212,582</u>	<u>2</u>	<u>3,549,067</u>	<u>1</u>
3XXX	<b>Total equity</b>		<u>101,494,293</u>	<u>30</u>	<u>73,594,846</u>	<u>24</u>
Significant Contingent Liabilities And Unrecognized Contract Commitments						
Significant Events After The Balance Sheet Date						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 334,220,840</u>	<u>100</u>	<u>\$ 306,595,638</u>	<u>100</u>

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

**EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items	Notes	Year ended December 31				
		2020		2019		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(22) and 7	\$ 207,077,912	100	\$ 190,589,281	100
5000	Operating costs	6(28)(29) and 7	( 161,590,726)	( 78)	( 176,071,661)	( 92)
5900	Gross profit		45,487,186	22	14,517,620	8
5910	Unrealized (profit) loss from sales		( 9,216)	-	25,181	-
5920	Realized profit on from sales		11,123	-	12,220	-
5950	Gross profit		45,489,093	22	14,555,021	8
	Operating expenses	6(28)(29) and 7				
6100	Selling expenses		( 1,865,895)	( 1)	( 1,585,738)	( 1)
6200	General and administrative expenses		( 9,014,679)	( 4)	( 8,703,296)	( 5)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9		5,405	-	16,336	-
6000	Operating expenses		( 10,875,169)	( 5)	( 10,272,698)	( 6)
6500	Other gains - net	6(23) and 7	53,940	-	375,947	-
6900	Operating profit		34,667,864	17	4,658,270	2
	Other non-operating income and expenses					
7100	Interest income	6(24)	341,671	-	749,147	1
7010	Other income	6(25)	564,802	-	454,929	-
7020	Other gains and losses	6(26)	350,685	-	( 74,671)	-
7050	Finance costs	6(27) and 7	( 4,536,522)	( 2)	( 5,675,837)	( 3)
7060	Share of loss of associates and joint ventures accounted for using equity method		451,329	-	667,062	-
7000	Total non-operating income and expenses		( 2,828,035)	( 2)	( 3,879,370)	( 2)
7900	<b>Profit before income tax</b>		31,839,829	15	778,900	-
7950	Income tax expense	6(30)	( 3,072,519)	( 1)	( 1,001,913)	-
8200	<b>Profit (loss) for the year</b>		\$ 28,767,310	14	( \$ 223,013)	-

(Continued)

EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items	Notes	Year ended December 31				
		2020		2019		
		AMOUNT	%	AMOUNT	%	
<b>Other comprehensive income (loss)</b>						
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>						
8311	Losses on remeasurements of defined benefit plans	6(17)	(\$ 444,282)	-	(\$ 133,101)	-
8316	Unrealised gains (losses) on valuation of investments in equity instruments measured at fair value through other comprehensive income	6(2)(21)	( 34,251)	-	82,688	-
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		542,861	-	( 11,977)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(30)	<u>103,559</u>	-	<u>32,918</u>	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		<u>167,887</u>	-	<u>( 29,472)</u>	-
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>						
8361	Exchange differences on translating the financial statements of foreign operations		( 3,497,612)	( 1)	( 918,876)	-
8368	Gains on hedging instruments	6(9)(21)	554,654	-	460,138	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method		537,294	-	148,372	-
8399	Income tax relating to the components of other comprehensive loss	6(30)	<u>( 122,029)</u>	-	<u>( 87,954)</u>	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		<u>( 2,527,693)</u>	<u>( 1)</u>	<u>( 398,320)</u>	-
8300	<b>Other comprehensive loss for the year, net of income tax</b>		<u>(\$ 2,359,806)</u>	<u>( 1)</u>	<u>(\$ 427,792)</u>	-
8500	<b>Total comprehensive income (loss) for the year</b>		<u>\$ 26,407,504</u>	<u>13</u>	<u>(\$ 650,805)</u>	-
Profit (loss), attributable to:						
8610	Owners of the parent		<u>\$ 24,364,926</u>	<u>12</u>	<u>\$ 112,519</u>	-
8620	Non-controlling interest		<u>\$ 4,402,384</u>	<u>2</u>	<u>(\$ 335,532)</u>	-
Comprehensive income (loss) attributable to:						
8710	Owners of the parent		<u>\$ 22,359,390</u>	<u>11</u>	<u>(\$ 143,740)</u>	-
8720	Non-controlling interest		<u>\$ 4,048,114</u>	<u>2</u>	<u>(\$ 507,065)</u>	-
Basic earnings per share (in dollars) 6(31)						
9750	Basic earnings per share		<u>\$ 5.06</u>		<u>\$ 0.02</u>	
9850	Diluted earnings per share		<u>\$ 4.96</u>		<u>\$ 0.02</u>	

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



**EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**YEARS ENDED DECEMBER 31, 2020 AND 2019**  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Notes	Equity attributable to owners of the parent										Non-controlling interest	Total equity
	Common stock	Capital surplus, additional paid-in capital	Legal reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Other equity interest (losses) from financial assets measured at fair value through other comprehensive income	Gains (losses) on effective portion of cash flow hedges	Total				
<b>Year 2019</b>												
	\$ 45,129,738	\$ 11,059,145	\$ 5,685,548	\$ 3,776,643	\$ 17,580	\$ 1,234,225	\$ 58,649	\$ 66,844,230	\$ 4,123,606	\$ 70,967,836		
6(21) Balance at January 1, 2019	-	-	-	112,519	-	-	-	112,519	(335,532)	(223,013)		
6(20) Profit (loss) for the year	-	-	-	(197,673)	(874,353)	177,361	638,406	(256,259)	(171,533)	(427,792)		
6(21) Other comprehensive income (loss) for the year	-	-	-	(85,154)	(874,353)	177,361	638,406	(143,740)	(507,065)	(650,805)		
6(20) Total comprehensive income (loss)	-	-	-	-	-	-	-	-	-	-		
Distribution of 2018 earnings:												
	-	-	29,392	(29,392)	-	-	-	-	-	-		
6(18)(19) Legal capital reserve	3,000,000	333,934	-	-	-	-	-	3,333,934	-	3,333,934		
6(19) Issuance of common stock for cash	-	17,066	-	-	-	-	-	17,066	-	17,066		
6(19)(21) Employee stock options exercised	-	(4,077)	-	(49)	-	52	-	(4,074)	-	(4,074)		
6(19)(20) Adjustments to share of changes in equity of associates and joint ventures	-	1,369	-	(3,006)	-	-	-	(1,637)	(67,474)	(69,111)		
6(19)(20) Net change in non-controlling interests	\$ 48,129,738	\$ 11,407,437	\$ 5,714,940	\$ 3,659,042	\$ 856,773	\$ 1,411,638	\$ 579,757	\$ 70,045,779	\$ 3,549,067	\$ 73,594,846		
Balance at December 31, 2019												
<b>Year 2020</b>												
	\$ 48,129,738	\$ 11,407,437	\$ 5,714,940	\$ 3,659,042	\$ 856,773	\$ 1,411,638	\$ 579,757	\$ 70,045,779	\$ 3,549,067	\$ 73,594,846		
6(21) Balance at January 1, 2020	-	-	-	24,364,926	-	-	-	24,364,926	4,402,384	28,767,310		
6(20) Profit for the year	-	-	-	(291,317)	(3,471,571)	474,945	1,282,407	(2,005,536)	(354,270)	(2,359,806)		
6(21) Other comprehensive income (loss) for the year	-	-	-	24,073,609	(3,471,571)	474,945	1,282,407	22,359,390	4,048,114	26,407,504		
6(19)(21) Total comprehensive income (loss)	-	-	-	-	-	-	-	-	-	-		
6(19)(21) Adjustments to share of changes in equity of associates and joint ventures	-	22,463	-	1,809	-	(1,809)	-	22,463	-	22,463		
6(19) Other changes in capital surplus	-	623	-	-	-	-	-	623	-	623		
6(14)(19) Due to recognition of equity component of Euro-Convertible Bonds	-	379,915	-	-	-	-	-	379,915	-	379,915		
6(14)(18)(19) Conversion of Euro-Convertible Bonds	850,615	622,926	-	-	-	-	-	1,473,541	-	1,473,541		
6(19)(21) Changes in non-controlling interests	-	-	-	-	-	-	-	-	(384,599)	(384,599)		
6(19)(21) Balance at December 31, 2020	\$ 48,980,353	\$ 12,433,364	\$ 5,714,940	\$ 27,734,460	\$ 4,328,344	\$ 1,884,774	\$ 1,862,164	\$ 94,281,711	\$ 7,212,582	\$ 101,494,293		

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

## EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 31,839,829	\$ 778,900
Adjustments			
Income and expenses having no effect on cash flows			
Financial assets and liabilities at fair value through profit or loss	6(26)	( 30,027 )	-
Depreciation	6(8)(9)(11)(26)(28)	20,759,698	20,450,038
Amortization	6(28)	305,798	313,635
Expected credit gain	12(2)	( 5,405 )	( 16,336 )
Rental expense	6(9)	( 3,026 )	-
Other income	6(9)	( 863 )	-
Interest income	6(24)	( 341,671 )	( 749,147 )
Interest expense	6(27)	4,536,522	5,675,837
Dividend income	6(25)	( 100,691 )	( 112,966 )
Share of profit of associates and joint ventures accounted for using equity method		( 451,329 )	( 667,062 )
Gain from bargain purchase	6(25)(33)	( 3,415 )	-
Gains arising from lease modification	6(26)	( 2,033 )	( 8,937 )
Net gain on disposal of property, plant and equipment	6(23)	( 53,940 )	( 375,947 )
Net gain on disposal of right-of-use assets	6(26)	( 72,736 )	( 47,716 )
Net (loss) gain on disposal of investments	6(26)	( 200 )	( 49,117 )
Realized income with affiliated companies		( 11,123 )	( 12,220 )
Unrealized gain (loss) with affiliated companies		9,216	( 25,181 )
Employee stock options exercised	6(19)	-	17,066
Unrealized foreign exchange gain	6(9)	( 381,555 )	-
Changes in assets/liabilities relating to operating activities			
Changes in operating assets			
Financial assets at fair value through profit or loss		-	189
Current contract assets		( 1,432,114 )	513,065
Notes receivable, net		11,711	21,037
Accounts receivable, net		( 7,660,610 )	684,785
Accounts receivable, net - related parties		( 113,135 )	( 283,302 )
Other receivables		24,767	578,926
Other receivables - related parties		( 46,476 )	( 154,690 )
Inventories		1,387,840	452,022
Prepayments		( 105,432 )	105,010
Other current assets		( 1,954,859 )	355,601
Other non-current assets		( 7,710 )	( 8,685 )
Net changes in liabilities relating to operating activities			
Current contract liabilities		1,570,661	471,486
Notes payable		3,973	-
Accounts payable		4,838,613	( 3,285,621 )
Accounts payable - related parties		( 153,829 )	163,421
Other payables		878,762	353,008
Other payables - related parties		( 15,481 )	36,917
Other current liabilities		4,108,522	837,394
Other non-current liabilities		27,760	( 6,017 )
Cash inflow generated from operations		57,356,012	26,103,627
Interest received		341,671	749,147
Interest paid		( 4,795,498 )	( 5,776,049 )
Income tax paid		( 1,044,140 )	( 1,283,463 )
Net cash flows from operating activities		51,858,045	19,793,262

(Continued)

**EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2020	2019
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
(Increase) decrease in financial assets at amortised cost-current		(\$ 5,013,782 )	\$ 706,155
Increase in other receivables - related parties		( 4,440 )	-
Decrease (increase) in financial assets at amortised cost - non current		2,112	( 64,341 )
Acquisition of investments accounted for using equity method		( 305,000 )	( 1,248,694 )
Proceeds from disposal of investments accounted for using equity method		147,053	-
Proceeds from capital reduction of investments accounted for using equity method		-	66
Acquisition of property, plant and equipment	6(34)	( 5,470,690 )	( 6,731,119 )
Proceeds from disposal of property, plant and equipment		850,630	1,172,365
Acquisition of right-of-use assets		( 10,920 )	-
Proceeds from disposal of right-of-use assets		101,335	174,944
Acquisition of intangible assets		( 30,340 )	( 23,758 )
Increase in guarantee deposits paid		( 72,853 )	( 31,878 )
Decrease in guarantee deposits paid		54,102	24,595
Increase in other non-current assets	6(34)	( 24,114,411 )	( 12,371,737 )
Effect of initial consolidation of subsidiaries	6(34)	271,438	-
Cash dividend received		710,876	923,614
Net cash flows used in investing activities		( 32,884,890 )	( 17,469,788 )
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase in short-term loans		3,869,120	300,000
Decrease in short-term loans		( 3,869,120 )	( 300,000 )
Decrease other payables - related parties		( 515,494 )	( 477,872 )
Increase in long-term loans	6(35)	29,654,664	32,954,862
Decrease in long-term loans	6(35)	( 36,751,848 )	( 24,186,530 )
Increase in corporate bonds payable		8,635,118	-
Payments of lease liabilities	6(9)(35)	( 11,728,475 )	( 11,628,066 )
Net change in non-controlling interest	6(34)	( 371,710 )	( 69,111 )
Increase in guarantee deposits received	6(35)	509,290	110,353
Decrease in guarantee deposits received	6(35)	( 524,271 )	( 123,421 )
Other financing activities	6(19)	623	-
Proceeds from issuance of common stock	6(18)	-	3,333,934
Net cash flows used in financing activities		( 11,092,103 )	( 85,851 )
Effect of exchange rate changes		( 1,656,456 )	( 202,369 )
Net increase in cash and cash equivalents		6,224,596	2,035,254
Cash and cash equivalents at beginning of year		37,871,889	35,836,635
Cash and cash equivalents at end of year		\$ 44,096,485	\$ 37,871,889

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

EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in thousands of New Taiwan Dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

Evergreen Marine Corporation (Taiwan) Ltd. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Law of the Republic of China (R.O.C.) on September 25, 1968 and was established in the Republic of China. The Company and its subsidiaries (collectively referred herein as the “Group”) are mainly engaged in domestic and international marine transportation, shipping agency services, and the distribution of containers. The Company was approved by the Securities and Futures Bureau (SFB), Financial Supervisory Commission, Executive Yuan, R.O.C. to be a public company on November 2, 1982 and was further approved by the SFB to be a listed company on July 6, 1987. The Company’s shares have been publicly traded on the Taiwan Stock Exchange since September 21, 1987.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised for issuance by the Board of Directors on March 22, 2021.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by FSC effective from 2020 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 1 and IAS 8, ‘Disclosure initiative-definition of material’	January 1, 2020
Amendments to IFRS 3, ‘Definition of a business’	January 1, 2020
Amendments to IFRS 9, IAS 39 and IFRS 7, ‘Interest rate benchmark reform’	January 1, 2020
Amendment to IFRS 16, ‘Covid-19-related rent concessions’	June 1, 2020 (Note)

Note : Earlier application from January 1, 2020 is allowed by FSC.

Except for the following, the above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

A. Amendments to IAS 1 and IAS 8, ‘Disclosure initiative-definition of material’

The amendments clarify the definition of material that information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

B. Amendments to IFRS 3, ‘Definition of a business’

The amendments clarify the definition of a business that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together; narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs. Remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. Besides, add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

C. Amendment to IFRS 16, ‘Covid-19-related rent concessions’

This amendment provides a practical expedient for lessees from assessing whether a rent concession related to COVID-19, and that meets all of the following conditions, is a lease modification:

- (a) Changes in lease payments result in the revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) Any reduction in lease payments affects only payments originally due on or before June 30, 2021; and
- (c) There is no substantive change to other terms and conditions of the lease.

The Group has applied the practical expedient to “Covid-19-related rent concessions”. Please refer to Note 6(9) for details of the related explanation and effects.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2021 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 4, ‘Extension of the temporary exemption from applying IFRS 9’	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, ‘Interest Rate Benchmark Reform— Phase 2’	January 1, 2021

Except for the following, the above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, ‘Interest Rate Benchmark Reform—Phase 2’

The amendments address issues that arise during the reform of an interest rate benchmark, including the replacement of one benchmark with an alternative one. Given the pervasive nature of IBOR-based contracts, the amendments provide accounting for changes in the basis for determining contractual cash flows as a result of IBOR reform, end date for Phase 1 relief for non contractually specified risk components in hedging relationships, additional temporary exceptions from applying specific hedge accounting requirements, and additional IFRS 7 disclosures related to IBOR reform.

(3) Effect of IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, ‘Reference to the conceptual framework’	January 1, 2022
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by International Accounting Standards Board
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2023
Amendments to IAS 1, ‘Disclosure of accounting policies’	January 1, 2023
Amendments to IAS 8, ‘Definition of accounting estimates’	January 1, 2023
Amendments to IAS 16, ‘Property, plant and equipment: proceeds before intended use’	January 1, 2022
Amendments to IAS 37, ‘Onerous contracts—cost of fulfilling a contract’	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

Except for the following, the above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

A. Amendments to IFRS 3, ‘Reference to the conceptual framework’

The amendments were made to IFRS 3, ‘Business combinations’ to update the references to the 2018 Conceptual Framework for Financial Reporting, in determining what constitutes an asset or a liability in a business combination. In addition, the amendments added an exception in IFRS 3 for the recognition of liabilities and contingent liabilities. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37, ‘Provisions, Contingent Liabilities and Contingent Assets’ or IFRIC 21, ‘Levies’, rather than the 2018 Conceptual Framework. The amendments also confirmed that contingent assets, as defined in IAS 37, should not be recognised by the acquirer at the acquisition date.

B. Amendments to IAS 1, ‘Disclosure of accounting policies’

The amendments require an entity to disclose its material accounting policy information rather than its significant accounting policies. The amendments also explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material.

C. Amendments to IAS 8, ‘Definition of accounting estimates’

The amendments clarify how an entity should distinguish changes in accounting policies from changes in accounting estimates. The amendments also clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

These consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs” ).

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (b) Financial assets at fair value through other comprehensive income.
- (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

- (a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- (d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.



## B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2020	December 31, 2019	
The Company	TTSC	Cargo loading and discharging	55.00	55.00	
The Company	Peony	Investments in transport-related business	100.00	100.00	
The Company	ETS	Terminal Services	94.43	94.43	
The Company	EGH	Container shipping and agency services dealing with port formalities	79.00	79.00	
The Company	EIL	Agency services dealing with port formalities	59.00	59.00	
Peony	GMS	Container shipping	100.00	100.00	
Peony	Clove	Investments in container yards and port terminals	100.00	100.00	
Peony	EMU	Container shipping	51.00	51.00	
Peony	EHIC(M)	Manufacturing of dry steel containers and container parts	84.44	84.44	
Peony	Armand N.V.	Investments in container yards and port terminals	-	70.00	(f)
Peony	KTIL	Loading, discharging, storage, repairs and cleaning of containers	20.00	20.00	(i)
Peony	MBPI	Containers storage and inspections of containers at the customs house	95.03	95.03	
Peony	MBT	Inland transportation, repairs and cleaning of containers	17.39	17.39	(i)

Name of Investor	Name of Subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2020	December 31, 2019	
Peony	EGK	Agency services dealing with port formalities	100.00	100.00	
Peony	EGT	Agency services dealing with port formalities	85.00	85.00	
Peony	EGI	Agency services dealing with port formalities	99.99	99.99	
Peony	EMA	Agency services dealing with port formalities	100.00	100.00	
Peony	EIT	Agency services dealing with port formalities	55.00	55.00	
Peony	EES	Agency services dealing with port formalities	100.00	100.00	
Peony	ERU	Agency services dealing with port formalities	51.00	51.00	
Peony	EEU	Agency services dealing with port formalities	100.00	100.00	
Peony	ESA	Agency services dealing with port formalities	55.00	55.00	
Peony	EGB	Real estate leasing	95.00	95.00	
Peony	EGM	Agency services dealing with port formalities	100.00	100.00	
Peony	EGH	Container shipping and agency services dealing with port formalities	1.00	1.00	(i)
Peony	EGV	Agency services dealing with port formalities	100.00	100.00	
EGH	Ever shine (Shanghai)	Management consultancy and self-owned property leasing	100.00	100.00	
EGH	Ever shine (Ningbo)	Management consultancy and self-owned property leasing	100.00	100.00	

Name of Investor	Name of Subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2020	December 31, 2019	
EGH	EKH	Agency services dealing with port formalities	100.00	100.00	
EGH	EPE	Agency services dealing with port formalities	60.00	60.00	
EGH	ECO	Agency services dealing with port formalities	75.00	75.00	
EGH	ECL	Agency services dealing with port formalities	60.00	60.00	
EGH	EMX	Agency services dealing with port formalities	60.00	60.00	
EGH	EGRC	Agency services dealing with port formalities	60.00	60.00	
EGH	HMH	Agency services dealing with port formalities	-	-	(a)
EGH	Ever shine (Shenzhen)	Management consultancy and self-owned property leasing	100.00	100.00	(a)
EGH	Ever shine (Qingdao)	Management consultancy and self-owned property leasing	100.00	100.00	(a)
EGH	ECN	Agency services dealing with port formalities	65.00	52.00	(a)、(b)、(c)
EGH	KTIL	Loading, discharging, storage, repairs and cleaning of containers	20.00	20.00	(a)、(i)
EGH	EIL	Agency services dealing with port formalities	1.00	1.00	(i)
EGH	ELA	Management consultancy	100.00	16.50	(d)
EGH	EBR	Agency services dealing with port formalities	60.00	-	(e)
EGH	EGP	Agency services dealing with port formalities	100.00	-	(h)

Name of Investor	Name of Subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2020	December 31, 2019	
ETS	Whitney	Investments and leases of operating machinery and equipment of port terminals	100.00	100.00	
EMU	KTIL	Loading, discharging, storage, repairs and cleaning of containers	20.00	20.00	(i)
Clove	ETS	Terminal Services	5.57	5.57	(i)
Armand N.V.	Armand B.V.	Investments in container yards and port terminals	-	100.00	(g)
MBPI	MBT	Inland transportation, repairs and cleaning of containers	72.95	72.95	

- (a) On August 13, 2018, shareholders of the subsidiary, EGH, during their meeting resolved to make an equity transaction. EGH acquired a 100% equity interest of HMM and its indirect investees, wholly-owned Ever Shine (Shenzhen), wholly-owned Ever Shine (Qingdao), 49% owned MAC and 20% owned KTIL from other related party, Chestnut Estate B.V.. The transaction amount was US \$105,808. The applicable transactions were approved by the Investment Commission of the Ministry of Economic Affairs. The acquisition date was December 14, 2018. On December 21, 2018, shareholders of EGH during their meeting resolved to merge its subsidiary, HMM. EGH will be the surviving company and HMM will be dissolved after the merger. The liquidation process of HMM was completed by January 10, 2020.
- (b) On June 24, 2020, the Board of Directors of the subsidiary, EGH, resolved to participate in the capital increase of the indirect subsidiary, ECN, as the original shareholder and subscribe to all shares in total amount of CNY 4,048. The shareholding ratio of EGH is 65% after the capital increase.
- (c) On October 28, 2019, shareholders of the subsidiary, EGH, during their meeting resolved to make an equity transaction. EGH acquired the 3% ownership of MAC from Ningbo Jiang Dong Ever Elite Investment Consulting Ltd.. The transaction amount was RMB \$150. The shareholding ratio of EGH increased from 49% to 52%. The applicable transactions were approved by the Investment Commission of the Ministry of Economic Affairs. The acquisition date was December 10, 2019.

- (d) On December 20, 2019, the Board of Directors of the subsidiary, EGH, approved the ELA equity transaction and acquired 83.50% equity interests from EMC, EMU and other related parties. The transaction date was March 1, 2020 and the transaction amount was USD 544. After the transaction, the shareholding ratio which was the equity of ELA held by EGH increased from 16.50% to 100%. This company is primarily engaged in management consultancy in Latin America. Because the transaction did not meet the requirements of IFRS 3, 'Definition of a business', the accounting treatment of this equity transaction would be accounted as acquired assets and liabilities based on the principle.
- (e) On August 13, 2019, the Board of Directors of the subsidiary, EGH, approved to establish a subsidiary, EBR, in Brazil. The initial capital amounted to BRL 1,200 (approx. USD 247) and the date of the capital injection completion was March 16, 2020. This company is primarily engaged in freight and shipping agent.
- (f) On March 18, 2020, the shareholders of the subsidiary, Armand N.V., during their meeting approved the accelerated liquidation. At the same day, the investment amount returned to the shareholder, Peony Investment S.A, and non-controlling interests amounted to \$339,638 (approx. USD 11,237) and \$145,909 (approx. USD 4,827), respectively, based on local regulations. The liquidation process of Armand N.V. was completed by June 30, 2020.
- (g) On March 17, 2020, the shareholders of the subsidiary, Armand B.V., during their meeting approved the accelerated liquidation. At the same day, the investment amount returned to Armand N.V. amounted to \$491,294 (approx. USD 16,257) based on local regulations. The liquidation process of Armand B.V. was completed by June 25, 2020.
- (h) On June 30, 2020, the Board of Directors of the subsidiary, EGH, resolved to make an equity transaction. EGH acquired 40% and 60% equity interests of EGP from the other related parties, Evergreen International S.A., and Evergreen Logistics Philippines Corp., respectively, and obtained the control over EGP. The transaction date was July 1, 2020 and the transaction amount was PHP 239,500 (approx. \$141,760).
- (i) This company was included in the consolidated financial statements, given the comprehensive shareholding ratio and the majority voting rights on the Board of Directors held by the Group, resulting in the Group obtaining control over the company.
- C. Subsidiary not included in the consolidated financial statements: None.
- D. Adjustments for subsidiaries with different balance sheet dates: None.
- E. Significant restrictions: None.
- F. Subsidiaries that have non-controlling interests that are material to the Group:  
As of December 31, 2020 and 2019, the non-controlling interest amounted to \$7,212,582 and \$3,549,067, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest				Description
		December 31, 2020		December 31, 2019		
		Amount	Ownership (%)	Amount	Ownership (%)	
EMU	U.K.	\$ 3,389,842	49%	\$ 768,414	49%	
EGH	Hong Kong	3,220,801	20%	2,021,999	20%	

Summarised financial information of the subsidiaries:

Balance sheets

	EMU	
	December 31, 2020	December 31, 2019
Current assets	\$ 10,080,373	\$ 6,866,440
Non-current assets	41,255,545	46,043,283
Current liabilities	( 16,936,620)	( 16,584,869)
Non-current liabilities	( 27,481,254)	( 34,756,663)
Total net assets	\$ 6,918,044	\$ 1,568,191

	EGH	
	December 31, 2020	December 31, 2019
Current assets	\$ 23,082,438	\$ 12,300,364
Non-current assets	36,325,520	29,181,330
Current liabilities	( 20,688,802)	( 12,496,762)
Non-current liabilities	( 23,357,192)	( 19,659,040)
Total net assets	\$ 15,361,964	\$ 9,325,892

Statements of comprehensive income

	EMU	
	Year ended December 31, 2020	Year ended December 31, 2019
Revenue	\$ 41,748,063	\$ 42,008,989
Profit (loss) before income tax	\$ 5,755,825	(\$ 1,366,023)
Income tax expense	( 29,526)	( 26,245)
Profit (loss) for the period from continuing operations	5,726,299	( 1,392,268)
Other comprehensive loss, net of tax	( 17,302)	( 6,763)
Total comprehensive income (loss) for the period	\$ 5,708,997	(\$ 1,399,031)
Comprehensive income (loss) attributable to non-controlling interest	\$ 2,797,409	(\$ 685,525)

	EGH	
	Year ended	Year ended
	December 31, 2020	December 31, 2019
Revenue	\$ 39,980,133	\$ 27,131,993
Profit before income tax	\$ 7,406,623	\$ 720,884
Income tax expense	( 650,953)	( 454,748)
Profit for the period from continuing operations	6,755,670	266,136
Other comprehensive income, net of tax	-	-
Total comprehensive income for the period	\$ 6,755,670	\$ 266,136
Comprehensive income attributable to non-controlling interest	\$ 1,351,134	\$ 53,227

#### Statements of cash flows

	EMU	
	Year ended	Year ended
	December 31, 2020	December 31, 2019
Net cash provided by operating activities	\$ 8,098,988	\$ 3,346,892
Net cash used in investing activities	( 1,896,845)	( 949,263)
Net cash used in financing activities	( 5,137,926)	( 2,541,998)
Effect of exchange rates on cash and cash equivalents	( 150,899)	( 32,005)
Increase (decrease) in cash and cash equivalents	913,318	( 176,374)
Cash and cash equivalents, beginning of period	1,610,984	1,787,358
Cash and cash equivalents, end of period	\$ 2,524,302	\$ 1,610,984

	EGH	
	Year ended	Year ended
	December 31, 2020	December 31, 2019
Net cash provided by operating activities	\$ 12,521,690	\$ 4,638,610
Net cash used in investing activities	( 8,519,205)	( 7,349,565)
Net cash (used in) provided by financing activities	( 207,041)	4,207,514
Effect of exchange rates on cash and cash equivalents	( 462,344)	( 119,673)
Increase in cash and cash equivalents	3,333,100	1,376,886
Cash and cash equivalents, beginning of period	4,542,951	3,166,065
Cash and cash equivalents, end of period	\$ 7,876,051	\$ 4,542,951

#### (4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan Dollars, which is the Company's functional and the Group's presentation currency.

##### A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise, except when deferred in other comprehensive income as qualifying cash flow hedges.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses'.

##### B. Translation of foreign operations

- (a) The operating results and financial position of all the group entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
  - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
  - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
  - iii. All resulting exchange differences are recognised in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Group retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.



- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.
- (d) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(5) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
  - (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
  - (b) Assets held mainly for trading purposes;
  - (c) Assets that are expected to be realised within twelve months from the balance sheet date;
  - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
  - (a) Liabilities that are expected to be settled within the normal operating cycle;
  - (b) Liabilities arising mainly from trading activities;
  - (c) Liabilities that are to be settled within twelve months from the balance sheet date;
  - (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits with original maturities of three months or less that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets at fair value through profit or loss

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognises the

transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

- D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at fair value through other comprehensive income

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:

- (a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and  
 (b) The assets' contractual cash flows represent solely payments of principal and interest.

- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:

- (a) The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as other income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.  
 (b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognised in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

(9) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:

- (a) The objective of the Group's business model is achieved by collecting contractual cash flows.  
 (b) The assets' contractual cash flows represent solely payments of principal and interest.

- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

- D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity

period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Notes, accounts and other receivables

- A. Notes and account receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services. Receivables arising from transactions other than the sale of goods or service are classified as other receivables.
- B. The short-term notes receivable, accounts receivable and other receivables without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortised cost including accounts receivable or contract assets that have a significant financing component at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows from the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows from the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(13) Operating leases (lessor) - operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(14) Inventories

Inventories refer to fuel inventories and steel inventories. Fuel inventories are physically measured by the crew of each ship and reported back to the Head Office through telegraph for recording purposes at balance sheet date. Valuation of inventories is based on the exchange rate prevailing at balance sheet date.

The perpetual inventory system is adopted for steel inventory recognition. Steel inventories are stated at cost. The cost is determined using the weighted-average method. At the end of period, inventories are evaluated at the lower of cost or net realisable value, and the individual item approach is used in the comparison of cost and net realisable value. The calculation of net realisable value should be based on the estimated selling price in the normal course of business, net of estimated

costs of completion and estimated selling expenses.

(15) Investments accounted for using equity method / associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity that are not recognised in profit or loss or other comprehensive income of the associate and such changes not affecting the Group's ownership percentage of the associate, the Group recognises the Group's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealised gains and loss on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for using equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.
- G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are

reclassified to profit or loss proportionately in accordance with the aforementioned approach.

- H. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it still retains significant influence over this associate, then the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(16) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings (Including repairments)	5 ~ 135 years
Loading and unloading equipment	5 ~ 20 years
Ships (Except for docking repair and scrubber)	18 ~ 25 years
Ships (Docking repair)	2.6 ~ 5 years
Ships (Scrubber)	10 years
Transportation equipment	6 ~ 10 years
Other equipment	2 ~ 20 years

(17) Leasing arrangements (lessee) — right-of-use assets/ lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the

commencement date, discounted using the incremental borrowing interest rate.

Lease payments are comprised of the following:

- (a) Fixed payments, less any lease incentives receivable;
- (b) Variable lease payments that depend on an index or a rate; and
- (c) The exercise price of a purchase option, if the lessee is reasonably certain to exercise that option.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
- (a) The amount of the initial measurement of lease liability;
  - (b) Any lease payments made at or before the commencement date;
  - (c) Any initial direct costs incurred by the lessee; and
  - (d) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

- D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognise the difference between remeasured lease liability in profit or loss.

(18) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 20 ~ 60 years.

(19) Intangible assets

A. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 2~5 years.

B. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

### C. Customer relationship

Customer relationship arising from the business combination is measured initially at their fair values at the acquisition date. Customer relationship has a finite useful life and are amortised on a straight-line basis over their estimated useful lives of 2 to 10 years.

### (20) Impairment of non-financial assets

- A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.
- B. The recoverable amounts of goodwill are evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.

### (21) Borrowings

- A. Borrowings comprise long-term and short-term bank borrowings and other long-term and short-term loans. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.
- B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

### (22) Accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

### (23) Financial liabilities at fair value through profit or loss

- A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges or financial liabilities at fair value through profit or loss. Financial liabilities that meet one of the following criteria are designated as at fair value through profit or loss at initial recognition:

- (a) Hybrid (combined) contracts; or
- (b) They eliminate or significantly reduce a measurement or recognition inconsistency; or
- (c) They are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management policy.

B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(24) Bonds payable

Ordinary corporate bonds issued by the Group are initially recognised at fair value less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is presented as an addition to or deduction from bonds payable, which is amortised to profit or loss over the period of bond circulation using the effective interest method as an adjustment to ‘finance costs’.

(25) Convertible bonds payable (Compound financial instruments)

Convertible bonds issued by the Group contain conversion options (that is, the bondholders have the right to convert the bonds into the Group’s common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Group classifies the bonds payable upon issuance as a financial asset, a financial liability or an equity instrument in accordance with the contract terms. They are accounted for as follows:

- A. The embedded call options and put options are recognised initially at net fair value as ‘financial assets or financial liabilities at fair value through profit or loss’. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as ‘gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss’.
- B. The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to ‘finance costs’ over the period of circulation using the effective interest method.
- C. The embedded conversion options which meet the definition of an equity instrument are initially recognised in ‘capital surplus—share options’ at the residual amount of total issue price less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.
- D. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.
- E. When bondholders exercise conversion options, the liability component of the bonds (including bonds payable and ‘financial assets or financial liabilities at fair value through profit or loss’) shall be remeasured on the conversion date. The issuance cost of converted common shares is the total book value of the abovementioned liability component and ‘capital surplus—share



options’.

(26) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(27) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(28) Hedge accounting

A. At the inception of the hedging relationship, there is formal designation and documentation of the hedging relationship and the Group’s risk management objective and strategy for undertaking the hedge. That documentation shall include identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements.

B. The Group designates the hedging relationship as follows:

Cash flow hedge:

A hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

C. Cash flow hedges

(a) The cash flow hedge reserve associated with the hedged item is adjusted to the lower of the following (in absolute amounts):

- i. the cumulative gain or loss on the hedging instrument from inception of the hedge; and
- ii. the cumulative change in fair value of the hedged item from inception of the hedge.

(b) The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income. The gain or loss on the hedging instrument relating to the ineffective portion is recognised in profit or loss.

(c) The amount that has been accumulated in the cash flow hedge reserve in accordance with (a) is accounted for as follows:

- i. If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the Group shall remove that amount from the cash flow hedge reserve and include it directly in the initial cost or other carrying amount of the asset or liability.
- ii. For cash flow hedges other than those covered by item i. above, that amount shall be reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss.

iii. If that amount is a loss and the Group expects that all or a portion of that loss will not be recovered in one or more future periods, it shall immediately reclassify the amount that is not expected to be recovered into profit or loss as a reclassification adjustment.

(d) When the hedging instrument expires, or is sold, terminated, exercised or when the hedging relationship ceases to meet the qualifying criteria, if the forecast transaction is still expected to occur, the amount that has been accumulated in the cash flow hedge reserve shall remain in the cash flow hedge reserve until the forecast transaction occurs; if the forecast transaction is no longer expected to occur, the amount shall be immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment.

(29) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.

ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Past service costs are recognised immediately in profit or loss.

### C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognises expense as it can no longer withdraw an offer of termination benefits or it recognises relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

### D. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

## (30) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred income tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.
- F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(31) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(32) Revenue recognition

A. Sales of services

Revenue from delivering services is recognised under the percentage-of-completion method when the outcome of services provided can be estimated reliably. The stage of completion of a service contract is measured by the percentage of the actual services performed as of the financial reporting date to the total services to be performed. If the outcome of a service contract cannot be estimated reliably, contract revenue should be recognised only to the extent that contract costs incurred are likely to be recoverable. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

B. Rental revenue

The Group leases ships and shipping spaces under IFRS 16, 'Leases'. Lease assets are classified as finance leases or operating leases based on the transferred proportion of the risks and rewards incidental to ownership of the leased asset, and recognised in revenue over the lease term.

(33) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate.

**(34) Business combinations**

- A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.
- B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

**(35) Operating segments**

The Group's operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker is responsible for allocating resources and assessing performance of the operating segments.

**5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY**

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

## Lease term

In determining the lease term, the Group takes into consideration all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option, including the expected changes of all fact and situation for the period from the commencement date of lease to the execution date of options. Also, the Group took into consideration the main factors, such as the contract terms and conditions during the option covered period and the importance to lessee's operation if the significant lease improvement and underlying assets incurred during the contract terms. When significant events or significant changes occur within the Group's control, the lease term will be re-estimated.

(2) Critical accounting estimates and assumptions

## Revenue recognition

The Group primarily engages in global container shipping service covering ocean-going and near-sea shipping line. Despite the Group conducting business worldwide, its transactions are all in small amounts, whereas the freight rate is subject to fluctuation caused by cargo loading rate as well as market competition. Worldwide shipping agencies use a system to record the transactions by entering data including shipping departure, destination, counterparty, transit time, shipping amounts, and freight price for the Group. Therefore, the Group could recognize freight revenue in accordance with the data on bill of lading reports generated from the system, accompanied by estimation made from past experience and current cargo loading conditions the revenue that would flow in. Since ocean-going shipping often lasts for several days, voyages are sometimes completed after the balance sheet date. Also, demands for freight are consistently sent by forwarders during voyage. Due to the factors mentioned above, freight revenue is recognized under the percentage-of-completion method for each vessel during the reporting period. As the process of recording transactions, communicating with agencies, and maintaining the system are done manually, and the estimation of freight revenue are subject to management's judgement, therefore freight revenue involves high uncertainty. Given the conditions mentioned above, adjustment to the estimation amount might be caused.

6. DETAILS OF SIGNIFICANT ACCOUNTS(1) Cash and cash equivalents

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Cash on hand and petty cash	\$ 20,206	\$ 28,964
Checking accounts and demand deposits	11,183,079	6,903,864
Time deposits	32,893,200	30,939,061
	<u>\$ 44,096,485</u>	<u>\$ 37,871,889</u>

- A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. The Group has no cash and cash equivalents pledged to others.

(2) Financial assets at fair value through other comprehensive income

Items	December 31, 2020	December 31, 2019
Non-current items:		
Equity instruments		
Listed (TSE) stocks	\$ 490,801	\$ 490,801
Unlisted stocks	201,532	208,570
	692,333	699,371
Valuation adjustment	965,650	1,020,052
	\$ 1,657,983	\$ 1,719,423

A. The Group has elected to classify these investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$1,657,983 and \$1,719,423 as at December 31, 2020, and 2019, respectively.

B. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Year ended December 31, 2020	Year ended December 31, 2019
<u>Equity instruments at fair value</u>		
<u>through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 34,251)	\$ 82,688
Income tax recognised in other comprehensive income	(\$ 5,865)	\$ 7,716
Dividend income recognised in profit or loss - Held at end of period	\$ 100,691	\$ 112,966

C. Information relating to fair value of financial assets at fair value through other comprehensive income is provided in Note 12(3).

(3) Financial assets at amortised cost

Items	December 31, 2020	December 31, 2019
Current items:		
Time deposits exceeding 3 months	\$ 6,768,601	\$ 1,727,796
Restricted reserve account	2	1
Pledged time deposits	-	42,018
	\$ 6,768,603	\$ 1,769,815
Non-current items:		
Financial bonds	\$ 100,000	\$ 100,000
Pledged time deposits	248,609	250,721
	\$ 348,609	\$ 350,721

## Financial Information

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Year ended December 31, 2020	Year ended December 31, 2019
Interest income	\$ 39,647	\$ 43,028

B. As at December 31, 2020 and 2019, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was \$7,117,212 and 2,120,536, respectively.

C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).

(4) Notes and accounts receivable

	December 31, 2020	December 31, 2019
Notes receivable	\$ 113,314	\$ 129,547
Less: Allowance for bad debts	( 1)	( 2)
	<u>\$ 113,313</u>	<u>\$ 129,545</u>
Accounts receivable (including related parties)	\$ 21,812,052	\$ 14,772,158
Less: Allowance for bad debts	( 6,742)	( 12,345)
	<u>\$ 21,805,310</u>	<u>\$ 14,759,813</u>
Overdue receivables (recorded as other non-current assets)	\$ -	\$ 269,506
Less: Allowance for bad debts	-	( 269,506)
	<u>\$ -</u>	<u>\$ -</u>

A. The ageing analysis of accounts receivable and notes receivable are as follows:

	December 31, 2020		December 31, 2019	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	\$ 17,859,541	\$ 113,314	\$ 12,094,901	\$ 129,547
Up to 30 days	3,758,485	-	2,450,297	-
31 to 180 days	194,026	-	226,960	-
Over 180 days	-	-	269,506	-
	<u>\$ 21,812,052</u>	<u>\$ 113,314</u>	<u>\$ 15,041,664</u>	<u>\$ 129,547</u>

The above ageing analysis was based on past due date.

B. As of December 31, 2020, December 31, 2019 and January 1, 2019, the balances of receivables (including notes receivable) from contracts with customers amounted to \$20,711,143, \$13,084,484 and \$14,202,068, respectively.



- C. The Group has no notes and accounts receivable held by the Group pledged to others.
- D. As at December 31, 2020 and 2019, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable were \$113,313 and \$129,545, respectively; and the amount that best represents the Group's accounts receivable were \$21,805,310 and \$14,759,813, respectively.
- E. Information relating to credit risk of notes receivable and accounts receivable is provided in Note 12(2).

(5) Inventories

	December 31, 2020		
	Cost	Allowance for valuation loss	Book value
Ship fuel	\$ 2,546,614	\$ -	\$ 2,546,614
Steel and others	385,097	-	385,097
	<u>\$ 2,931,711</u>	<u>\$ -</u>	<u>\$ 2,931,711</u>
	December 31, 2019		
	Cost	Allowance for valuation loss	Book value
Ship fuel	\$ 4,273,258	\$ -	\$ 4,273,258
Steel and others	274,661	-	274,661
	<u>\$ 4,547,919</u>	<u>\$ -</u>	<u>\$ 4,547,919</u>

(6) Other current assets

	December 31, 2020	December 31, 2019
Shipowner's accounts	\$ 626,782	\$ 28,957
Agency accounts	2,802,786	1,502,487
Temporary debits	892,624	837,183
	<u>\$ 4,322,192</u>	<u>\$ 2,368,627</u>

A. Shipowner's accounts:

Temporary accounts, between Evergreen Line, constituted by the Group, Evergreen International S.A., Italia Marittima S.p.A., and Evergreen Marine (Singapore) Pte. Ltd., and Gaining Enterprise S.A. incurred due to foreign port formalities and pier rental expenses.

B. Agency accounts:

The Group entered into agency agreements with its related parties, whereby the related parties act as the Group's agents to deal with domestic and foreign port formalities, such as arrival and departure of the Group's ships, cargo stevedoring and forwarding, freight collection, and payment of expenses incurred in domestic and foreign ports.

## Financial Information

C. Temporary debits are mainly subject to the account of settlements between other carriers and the OCEAN Alliance, which Evergreen Line formed in response to market competition and enhancement of global transportation network to provide better logistics services to customers with Cosco Container Lines Co., Ltd., CMA CGM, Ltd., and the Orient Overseas Container Line, Ltd. on March 31, 2017 for trading of shipping space.

(7) Investments accounted for using equity method

A. Details of long-term equity investments accounted for using equity method are set forth below:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Evergreen International Storage and Transport Corporation	\$ 9,315,382	\$ 9,039,677
EVA Airways Corporation	11,327,144	11,399,909
Taipei Port Container Terminal Corporation	1,523,550	1,583,427
Charng Yang Development Co., Ltd.	557,549	553,210
Ningbo Victory Container Co., Ltd.	328,607	322,754
Ever Ecove Corporation	305,965	-
Luanta Investment (Netherlands) N.V.	1,485,739	1,884,647
Balsam Investment (Netherlands) N.V.	1,177,162	525,226
Colon Container Terminal S.A.	2,981,754	3,193,300
Others	917,142	898,775
	<u>\$ 29,919,994</u>	<u>\$ 29,400,925</u>

## B. Associates

(a) The basic information of the associates that are material to the Group is as follows:

<u>Company name</u>	<u>Principal place of business</u>	<u>Ownership(%)</u>		<u>Nature of relationship</u>	<u>Methods of measurement</u>
		<u>December 31, 2020</u>	<u>December 31, 2019</u>		
Evergreen International Storage and Transport Corporation	TW	40.36%	40.36%	With a right over 20% to vote	Equity method
EVA Airways Corporation	TW	16.00%	16.00%	Have a right to vote in the Board of Directors	Equity method

- (b) The summarised financial information of the associates that are material to the Group is as follows:

Balance sheet

	<u>Evergreen International Storage and Transport Corporation</u>	
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Current assets	\$ 6,947,311	\$ 6,121,815
Non-current assets	28,124,463	28,889,987
Current liabilities	( 3,517,476)	( 2,703,450)
Non-current liabilities	( 8,204,681)	( 9,485,576)
Total net assets	<u>\$ 23,349,617</u>	<u>\$ 22,822,776</u>
Share in associate's net assets	\$ 9,373,779	\$ 9,098,692
Unrealized income with affiliated companies	( 58,397)	( 59,015)
Carrying amount of the associate	<u>\$ 9,315,382</u>	<u>\$ 9,039,677</u>

	<u>EVA Airways Corporation</u>	
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Current assets	\$ 55,932,512	\$ 77,199,776
Non-current assets	273,634,743	279,051,918
Current liabilities	( 45,433,155)	( 82,441,715)
Non-current liabilities	( 207,474,571)	( 195,667,963)
Total net assets	<u>\$ 76,659,529</u>	<u>\$ 78,142,016</u>
Share in associate's net assets	<u>\$ 11,327,144</u>	<u>\$ 11,399,909</u>

Statement of comprehensive income

	<u>Evergreen International Storage and Transport Corporation</u>	
	<u>Year ended</u>	<u>Year ended</u>
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Revenue	\$ 6,966,387	\$ 7,730,682
Profit for the period	\$ 682,563	\$ 845,274
Other comprehensive income (loss), net of tax	313,479	( 180,711)
Total comprehensive income	<u>\$ 996,042</u>	<u>\$ 664,563</u>
Dividends received from associates	<u>\$ 129,208</u>	<u>\$ 150,742</u>

	EVA Airways Corporation	
	Year ended	Year ended
	December 31, 2020	December 31, 2019
Revenue	\$ 89,048,776	\$ 181,275,258
(Loss) profit for the period	(\$ 3,276,719)	\$ 4,851,875
Other comprehensive income , net of tax	4,020,120	1,800,103
Total comprehensive income	\$ 743,401	\$ 6,651,978
Dividends received from associates	\$ 194,135	\$ 374,935

- (c) The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarised below:

As of December 31, 2020 and 2019, the carrying amount of the Group's individually immaterial associates amounted to \$9,277,468 and \$8,961,339, respectively.

	Year ended	Year ended
	December 31, 2020	December 31, 2019
Profit (loss) for the period	\$ 1,742,178	(\$ 342,769)
Other comprehensive income (loss), net of tax	320,230	( 6,245)
Total comprehensive income (loss)	\$ 2,062,408	(\$ 349,014)

- C. Above stated certain investments accounted for using equity method are based on the financial statements of associates which were audited by independent auditors.

- D. The fair value of the Group's associates which have quoted market price was as follows:

	December 31, 2020	December 31, 2019
Evergreen International Storage and Transport Corporation	\$ 8,721,517	\$ 6,180,433
EVA Airways Corporation	10,211,516	10,677,440
	\$ 18,933,033	\$ 16,857,873

- E. To integrate the investment structure, on November 13, 2019, the shareholders of the subsidiary, Armand B.V., during their meeting approved to dispose 9.73% equity interests of Taipei Port Container Terminal Corporation. On February 7, 2020, the Company acquired 6.82% equity interests at par value of NT\$9.941 per share, consisting of 35,421 thousand shares, the transaction amounting to \$352,123. Additionally, other related party, EIS, also acquired 2.91% equity interests at par value of NT\$9.941 per share, consisting of 15,181 thousand shares, the transaction amounting to \$150,464. After the transaction, the shareholding ratio of the Group to Taipei Port Container Terminal Corporation decreased from 30.76% to 27.85%, and the investment is still valued using equity method.
- F. As the Company decided to go green and was optimistic about the renewable resource industry, the Board of Directors of the Company during its meeting on August 13, 2018 adopted a resolution to participate in the capital increase raised by Ever Ecove Corporation amounting to 30,500

- thousand shares, with a subscription price of NT\$10 (in dollars) per share, and a total price of \$305,000. In addition, the effective date was set on December 1, 2020 and after the acquisition, the Company's share interest was 19.06%. Ever Ecove Corporation was accounted for using equity method as the Company has influence over its Board of Directors.
- G. The Board of Directors of the Company during its meeting on December 21, 2018 adopted a resolution to participate in the capital increase raised by EVA Airways Corporation amounting to 39,150 thousand shares, with a subscription price of NT\$13 (in dollars) per share, and a total price of \$508,944. In addition, the effective date was set on January 24, 2019 and after the acquisition, the Company's share interest was decreased to 16.10%. Moreover, the Company purchased 70 thousand shares as a specific person, the purchasing proceeds amounted to \$700, and the share interest further decreased to 16% as of December 31, 2020 after many conversions from corporate bonds to stocks took place in EVA Airways Corporation for the year ended December 31, 2019.
- H. On November 10, 2019, the Board of Directors of the subsidiary, Peony, has resolved to participate in the capital increase of the investee, Balsam Investment (Netherlands) N.V., as the original shareholder. The amount of capital increase was USD 24,500. After the capital increase, Peony's shareholding ratio is still 49%.
- I. The Company is the single largest shareholder of EITC with a 40.36% equity interest. Given that the main source of economic profits of EITC is generated from Evergreen Line, the percentage of operating volume of the Group in Evergreen Line is equivalent to other related parties' and there is no agreement between other related parties and the Company to make decisions in consultation or collectively; however, in order to maintain the equity balance between the Group and other related parties, the Company governs EITC with other related parties to maintain mutual and other shareholders' best interests; apart from independent directors, the number of seats held by the Company on the Board are the same as other related parties', which indicates that the Group has no current ability to direct the relevant activities of EITC, thus, the Group has no control, but only has significant influence, over the investee.
- J. The Company is the single largest shareholder of EVA with a 16% equity interest. Given that the other top ten large shareholders (including other related parties and non-related parties) hold more shares than the Company, and there is no agreement between the shareholders to make decisions in consultation or collectively as they make decisions independently, which indicates that the Company has no current ability to direct the relevant decisions of EVA, thus, the Company has no control, but only has significant influence, over the investee.
- K. The Company is the single largest shareholder of TPCT with a 27.85% equity interest. Given that the other two large shareholders (non-related parties) also operate transportation business and hold more shares than the Company, and there is no agreement between the shareholders to make decisions in consultation or collectively as they make decisions independently, which indicates that the Company has no current ability to direct the relevant decisions of TPCT, thus, the Company has no control, but only has significant influence, over the investee.

(8) Property, plant and equipment, net

	2020										
	Land	Buildings	Machinery equipment	Loading and unloading equipment	Computer and communication equipment	Transportation equipment	Ships	Office equipment	Leasehold improvements	Others	Total
At January 1	\$ 823,377	\$ 7,589,613	\$ 653,005	\$ 11,587,972	\$ 1,317,804	\$ 28,726,237	\$ 122,361,439	\$ 581,306	\$ 852,610	\$ 221,576	\$ 174,714,939
Cost	-	( 1,420,875)	( 518,595)	( 8,182,213)	( 807,079)	( 9,328,119)	( 45,014,883)	( 454,356)	( 583,950)	( 11,358)	( 66,321,428)
Accumulated depreciation	\$ 823,377	\$ 6,168,738	\$ 134,410	\$ 3,405,759	\$ 510,725	\$ 19,398,118	\$ 77,346,556	\$ 126,950	\$ 268,660	\$ 210,218	\$ 108,393,511
Opening net book amount as at	\$ 823,377	\$ 6,168,738	\$ 134,410	\$ 3,405,759	\$ 510,725	\$ 19,398,118	\$ 77,346,556	\$ 126,950	\$ 268,660	\$ 210,218	\$ 108,393,511
January 1	161,028	57,584	654	29,271	130,457	3,706,985	603,002	39,372	539,619	25,773	5,293,745
Additions	-	-	( 1)	( 770)	( 750)	( 39,620)	( 756,326)	( 328)	-	-	( 797,795)
Disposals	( 90,128)	157,611	-	-	29,146	538,200	17,396,456	16,117	912,128	( 152,205)	18,807,325
Reclassifications	-	( 181,761)	( 14,270)	( 504,593)	( 279,178)	( 2,632,231)	( 5,035,138)	( 48,560)	( 184,111)	( 4,570)	( 8,884,412)
Depreciation	-	-	-	-	1,271	-	-	2,447	668	-	117,256
Acquired from business combinations	-	112,870	-	-	1,271	-	-	2,447	668	-	117,256
Net exchange differences	( 14,380)	( 320,654)	( 6,411)	( 97,304)	( 19,681)	( 929,742)	( 2,861,660)	( 3,776)	( 32,396)	( 982)	( 4,286,986)
Closing net book amount as at	\$ 879,897	\$ 5,994,388	\$ 114,382	\$ 2,832,363	\$ 371,990	\$ 20,041,710	\$ 86,692,890	\$ 132,222	\$ 1,504,568	\$ 78,234	\$ 118,642,644
December 31	\$ 879,897	\$ 5,994,388	\$ 114,382	\$ 2,832,363	\$ 371,990	\$ 20,041,710	\$ 86,692,890	\$ 132,222	\$ 1,504,568	\$ 78,234	\$ 118,642,644
At December 31	\$ 879,897	\$ 7,580,724	\$ 622,262	\$ 11,248,877	\$ 1,394,412	\$ 31,782,360	\$ 128,201,003	\$ 613,930	\$ 2,251,169	\$ 94,162	\$ 184,668,796
Cost	-	( 1,586,336)	( 507,880)	( 8,416,514)	( 1,022,422)	( 11,740,650)	( 41,508,113)	( 481,708)	( 746,601)	( 15,928)	( 66,026,152)
Accumulated depreciation	\$ 879,897	\$ 5,994,388	\$ 114,382	\$ 2,832,363	\$ 371,990	\$ 20,041,710	\$ 86,692,890	\$ 132,222	\$ 1,504,568	\$ 78,234	\$ 118,642,644

2019

	Land	Buildings	Machinery equipment	Loading and unloading equipment	Computer and communication equipment	Transportation equipment	Ships	Office equipment	Leased assets	Leasehold improvements	Others	Total
At January 1												
Cost	\$ 822,076	\$ 7,436,436	\$ 640,766	\$ 10,823,844	\$ 1,245,653	\$ 22,567,926	\$ 126,866,151	\$ 543,931	\$ 20,242,368	\$ 605,782	\$ 166,460	\$ 191,961,393
Accumulated depreciation	-	(1,258,082)	(511,626)	(7,327,291)	(617,547)	(7,371,302)	(50,041,877)	(423,622)	(6,703,192)	(480,658)	(7,011)	(74,742,208)
	<u>\$ 822,076</u>	<u>\$ 6,178,354</u>	<u>\$ 129,140</u>	<u>\$ 3,496,553</u>	<u>\$ 628,106</u>	<u>\$ 15,196,624</u>	<u>\$ 76,824,274</u>	<u>\$ 120,309</u>	<u>\$ 13,539,176</u>	<u>\$ 125,124</u>	<u>\$ 159,449</u>	<u>\$ 117,219,185</u>
Opening net book amount as at January 1	\$ 822,076	\$ 6,178,354	\$ 129,140	\$ 3,496,553	\$ 628,106	\$ 15,196,624	\$ 76,824,274	\$ 120,309	\$ 13,539,176	\$ 125,124	\$ 159,449	\$ 117,219,185
Additions	-	30,341	14,653	139,693	39,841	6,356,102	377,434	47,376	-	11,552	135,296	7,152,288
Disposals	-	-	(195)	(1,000)	(777)	(20,837)	(774,222)	(516)	-	-	-	(797,547)
Reclassifications	-	263,361	5,786	361,870	86,951	425,182	7,032,421	12,806	(13,539,176)	232,359	(74,174)	(5,192,614)
Depreciation	-	(162,211)	(13,767)	(558,934)	(234,355)	(2,182,031)	(5,057,609)	(51,346)	-	(100,284)	(4,347)	(8,364,884)
Net exchange differences	1,301	(141,107)	(1,207)	(32,423)	(9,041)	(376,922)	(1,055,742)	(1,679)	-	(91)	(6,006)	(1,622,917)
Closing net book amount as at December 31	<u>\$ 823,377</u>	<u>\$ 6,168,738</u>	<u>\$ 134,410</u>	<u>\$ 3,405,759</u>	<u>\$ 510,725</u>	<u>\$ 19,398,118</u>	<u>\$ 77,346,556</u>	<u>\$ 126,950</u>	<u>\$ -</u>	<u>\$ 268,660</u>	<u>\$ 210,218</u>	<u>\$ 108,393,511</u>
At December 31												
Cost	\$ 823,377	\$ 7,589,613	\$ 653,005	\$ 11,587,972	\$ 1,317,804	\$ 28,726,237	\$ 122,361,439	\$ 581,306	\$ -	\$ 852,610	\$ 221,576	\$ 174,714,939
Accumulated depreciation	-	(1,420,875)	(518,595)	(8,182,213)	(807,079)	(9,328,119)	(45,014,883)	(454,356)	-	(583,950)	(11,358)	(66,321,428)
	<u>\$ 823,377</u>	<u>\$ 6,168,738</u>	<u>\$ 134,410</u>	<u>\$ 3,405,759</u>	<u>\$ 510,725</u>	<u>\$ 19,398,118</u>	<u>\$ 77,346,556</u>	<u>\$ 126,950</u>	<u>\$ -</u>	<u>\$ 268,660</u>	<u>\$ 210,218</u>	<u>\$ 108,393,511</u>

A. The Group has issued a negative pledge to granting banks for drawing borrowings within the credit line to purchase the above transportation equipment.

B. Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(9) Leasing arrangements—lessee/ Financial liabilities for hedging

- A. The Group leases various assets including land, buildings, loading and unloading equipment, transportation equipment, ships, and business vehicles. Rental contracts are typically made for periods of 1 to 90 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months or less comprise of buildings and ships. Low-value assets comprise of office equipment and other equipment.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 9,833,608	\$ 12,228,498
Buildings	696,077	865,940
Loading and unloading equipment	103,825	101,493
Transportation equipment	885,275	2,230,717
Ships	64,607,963	67,134,641
Office equipment	51,878	39,930
Other equipment	10,561	22,967
	<u>\$ 76,189,187</u>	<u>\$ 82,624,186</u>

	<u>Year ended</u>	<u>Year ended</u>
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 1,944,183	\$ 1,940,936
Buildings	283,830	275,930
Loading and unloading equipment	108,759	129,289
Transportation equipment	664,077	996,046
Ships	8,677,296	8,536,432
Office equipment	19,853	17,290
Other equipment	22,434	23,560
	<u>\$ 11,720,432</u>	<u>\$ 11,919,483</u>

- D. For the years ended December 31, 2020 and 2019, the additions to right-of-use assets were \$8,631,954 and \$23,270,343, respectively.
- E. For the years ended December 31, 2020 and 2019, the disposals to right-of-use assets were \$28,599 and \$127,228, respectively.



F. The information on income and expense accounts relating to lease contracts is as follows:

	Year ended December 31, 2020	Year ended December 31, 2019
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 2,694,869	\$ 2,844,157
Expense on short-term lease contracts	4,275,563	6,227,119
Expense on leases of low-value assets	20,984	18,299
Expense on variable lease payments	4,142	2,808
Gains arising from lease modifications	2,033	8,937

G. For years ended December 31, 2020 and 2019, the Group's total cash outflow for leases amounted to \$18,724,033 and \$20,720,449, respectively.

H. As of December 31, 2020, the Group had entered into lease agreements that contained non-lease service component. Based on the fair value of the lease and non-lease component, the future commitment payment allocated to service component amounted to \$12,109,155.

I. The Group has applied the practical expedient to "Covid-19-related rent concessions", and recognised the gain from changes in lease payments arising from the rent concessions amounting to \$3,889 by decreasing rent expense in \$3,026 and increasing other income in \$863 for the year ended December 31, 2020.

J. To hedge the impact of expected variable exchange rate risk arising from US dollar denominated lease liabilities payable, the Company designated lease liabilities of US dollar denominated lease contracts as the hedging instruments for hedging the highly probable foreign exchange variation of future US dollar denominated marine freight income and adopted cash flow hedge accounting. Moreover, the effective portion with respect to the changes in the hedging instruments caused by exchange rate risk is deferred to recognise in gains (loss) on hedging instruments, which is under other equity interest, and will be reclassified to the marine freight income when the hedged items are occurred. Details of relevant transactions are as follows:

	December 31, 2020		
Hedged items	Designated as hedging instruments	Contract period	Book value
Expected US dollar denominated marine freight income transaction	US dollar denominated lease liabilities	2019.1.1~2034.8.15	<u>\$ 10,870,375</u>

December 31, 2019			
Hedged items	Designated as hedging instruments	Contract period	Book value
Expected US dollar denominated marine freight income transaction	US dollar denominated lease liabilities	2019.1.1~2034.8.15	\$ <u>20,188,942</u>

(a) Lease liabilities designated as hedges (recorded as financial liabilities for hedging)

	December 31, 2020	December 31, 2019
Cash flow hedges :		
<u>Exchange rate risk</u>		
Lease liability contracts designated as hedges		
Current liabilities	\$ 898,484	\$ 1,861,026
Non-current liabilities	<u>9,971,891</u>	<u>18,327,916</u>
	<u>\$ 10,870,375</u>	<u>\$ 20,188,942</u>

(b) Other equity - cash flow hedge reserve

	2020	2019
At January 1	\$ 460,138	\$ -
Add : Profit on hedge effectiveness -amount recognised in other comprehensive income	988,987	447,499
Add : Reclassified to freight revenue as the hedged item has affected profit or loss	( 52,778)	12,639
Less : Reclassified from equity to exchange gain for the period	( 381,555)	-
At December 31	<u>\$ 1,014,792</u>	<u>\$ 460,138</u>

(c) As of December 31, 2020 and 2019, there were no ineffective portion to be recognised in profit or loss for the unwritten-off cash flow hedge transactions.

(d) Information relating to the fair values of abovementioned hedging financial liabilities is provided in Note 12(3).

K. The amounts of lease liabilities (net of the lease liabilities designated as hedges) of the Group on December 31, 2020 and 2019 are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Current lease liabilities	\$ 8,730,653	\$ 8,479,576
Current lease liabilities - related parties	738,449	596,000
Non-current lease liabilities	53,612,107	51,284,350
Non-current lease liabilities - related parties	219,348	682,967
	<u>\$ 63,300,557</u>	<u>\$ 61,042,893</u>

(10) Leasing arrangements – lessor

A. For the years ended December 31, 2020 and 2021, the Group recognised rent income in the amounts of \$311,495 and \$324,341, respectively, based on the operating lease agreement, which does not include variable lease payments.

B. The maturity analysis of the lease payments under the operating leases is as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Within 1 year	\$ 335,930	\$ 226,434
1-2 years	202,020	213,688
2-3 years	54,161	86,516
3-4 years	53,747	56,783
4-5 years	53,726	56,326
After 5 years	138,792	201,758
	<u>\$ 838,376</u>	<u>\$ 841,505</u>

## Financial Information

(11) Investment property, net

	2020		
	Land	Buildings	Total
At January 1			
Cost	\$ 1,415,029	\$ 4,788,141	\$ 6,203,170
Accumulated depreciation	-	( 748,100)	( 748,100)
	<u>\$ 1,415,029</u>	<u>\$ 4,040,041</u>	<u>\$ 5,455,070</u>
Opening net book amount as at January 1	\$ 1,415,029	\$ 4,040,041	\$ 5,455,070
Reclassification to property, plant and equipment	( 18,209)	( 2,577)	( 20,786)
Reclassification from non-current assets	-	26,319	26,319
Depreciation	-	( 154,854)	( 154,854)
Net exchange differences	( 65)	( 134,172)	( 134,237)
Closing net book amount as at December 31	<u>\$ 1,396,755</u>	<u>\$ 3,774,757</u>	<u>\$ 5,171,512</u>
At December 31			
Cost	\$ 1,396,755	\$ 4,674,765	\$ 6,071,520
Accumulated depreciation	-	( 900,008)	( 900,008)
	<u>\$ 1,396,755</u>	<u>\$ 3,774,757</u>	<u>\$ 5,171,512</u>
	2019		
	Land	Buildings	Total
At January 1			
Cost	\$ 1,415,054	\$ 5,048,676	\$ 6,463,730
Accumulated depreciation	-	( 628,656)	( 628,656)
	<u>\$ 1,415,054</u>	<u>\$ 4,420,020</u>	<u>\$ 5,835,074</u>
Opening net book amount as at January 1	\$ 1,415,054	\$ 4,420,020	\$ 5,835,074
Reclassifications	-	( 135,738)	( 135,738)
Depreciation	-	( 165,671)	( 165,671)
Net exchange differences	( 25)	( 78,570)	( 78,595)
Closing net book amount as at December 31	<u>\$ 1,415,029</u>	<u>\$ 4,040,041</u>	<u>\$ 5,455,070</u>
At December 31			
Cost	\$ 1,415,029	\$ 4,788,141	\$ 6,203,170
Accumulated depreciation	-	( 748,100)	( 748,100)
	<u>\$ 1,415,029</u>	<u>\$ 4,040,041</u>	<u>\$ 5,455,070</u>

A. Rental income from the investment property and direct operating expenses arising from the investment property are shown below:

	Year ended December 31, 2020	Year ended December 31, 2019
Rental revenue from the lease of the investment property	\$ 211,366	\$ 154,330
Direct operating expenses arising from the investment property that generated rental income in the period	\$ 155,297	\$ 158,378
Direct operating expenses arising from the investment property that did not generate rental income in the period	\$ 769	\$ 769

B. The fair value of the investment property held by the Group as at December 31, 2020 and 2019 was \$7,100,979 and \$7,195,945, respectively. The fair value measurements were based on the market prices of recently sold properties in the immediate vicinity of a certain property, and were classified as Level 2.

C. Information about the investment property that were pledged to others as collaterals is provided in Note 8.

(12) Other non-current assets

	December 31, 2020	December 31, 2019
Prepayments for equipment	\$ 13,923,670	\$ 9,308,236
Refundable deposits	236,729	227,095
Others	75,989	101,051
	<u>\$ 14,236,388</u>	<u>\$ 9,636,382</u>

Movement analysis of prepayments for equipment are as follows:

	2020	2019
At January 1	\$ 9,308,236	\$ 4,619,738
Additions	24,507,892	12,565,222
Reclassification to property, plant and equipment	( 18,357,456)	( 7,521,096)
Reclassification to intangible assets	( 1,837)	-
Net exchange differences	( 1,533,165)	( 355,628)
At December 31	<u>\$ 13,923,670</u>	<u>\$ 9,308,236</u>

Amount of borrowing costs capitalised as part of prepayment for equipment and the range of the interest rates for such capitalisation are as follows:

	Year ended December 31, 2020	Year ended December 31, 2019
Amount capitalised	\$ 204,619	\$ 193,678
Interest rate	0.86%~4.10%	0.86%~4.70%

(13) Other current liabilities

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Receipt in advance	\$ 4,147	\$ 56,522
Long-term liabilities - current portion	18,201,548	22,841,596
Corporate bonds - current portion	4,000,000	-
Shipowner's accounts	5,180,333	2,366,770
Agency accounts	3,279,919	2,453,406
Others	190,104	46,015
	<u>\$ 30,856,051</u>	<u>\$ 27,764,309</u>

(14) Corporate bonds payable

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Domestic secured corporate bonds	\$ 10,000,000	\$ 10,000,000
Euro-Convertible Bond	7,149,181	-
Less: Discount on bonds payable	( 370,138)	-
Less: Current portion or exercise of put options	( 4,000,000)	-
	<u>\$ 12,779,043</u>	<u>\$ 10,000,000</u>

A. On April 25, 2017, the Company issued its thirteenth domestic secured corporate bonds (referred herein as the “Thirteenth Bonds”), totaling \$8,000,000. The Thirteenth Bonds are categorized into Bond A, B, C, D, E, F and G, depending on the guarantee institution. Bond A totals \$2,000,000, and the rest total \$6,000,000, with each par value of \$1,000,000. The major terms of the issuance are set forth below:

(a) Period: 5 years (April 25, 2017 to April 25, 2022)

(b) Coupon rate: 1.05% fixed per annum

(c) Principal repayment and interest payment

Repayments for the Thirteenth Bonds are paid annually on coupon rate, starting a year from the issuing date. For each category of the bonds mentioned above, half the principal must be paid at the end of the fourth year, and another half at the maturity date.

(d) Collaterals

The Thirteenth Bonds are secured. Bond A is guaranteed by Hua Nan Bank, Bond B is guaranteed by First Bank, Bond C is guaranteed by Mega International Commercial Bank, Bond D is guaranteed by Land Bank of Taiwan, Bond E is guaranteed by Chang Hwa Bank, Bond F is guaranteed by Taiwan Cooperative Bank, and Bond G is guaranteed by Bank Sinopac.

B. On June 27, 2018, the Company issued its fourteenth domestic secured corporate bonds (referred herein as the “Fourteenth Bonds”), totaling \$2,000,000 at face value. The major terms of the issuance are set forth below:

(a) Period: 5 years (June 27, 2018 to June 27, 2023)

(b) Coupon rate: 0.86% fixed per annum

(c) Principal repayment and interest payment

Repayments for the Fourteenth Bonds are paid annually at coupon rate, starting a year from the issuing date. The principal of the Fourteenth Bonds shall be repaid in lump sum at maturity.

(d) Collaterals

The Fourteenth Bonds are secured and are guaranteed by First Commercial Bank.

C. On September 29, 2020, the Company issued the first unsecured overseas convertible bonds (the “First Overseas Convertible Bonds”), totaling USD300,000 at the face value. The major terms of the issuance are set forth below:

(a) Period: 5 years (September 29, 2020 to September 29, 2025)

(b) Coupon rate: 0% fixed per annum

(c) Principal repayment:

Except for the First Overseas Convertible Bonds previously redeemed, repurchased and retired by the Company, or converted by the bondholders of the First Overseas Convertible Bonds (the “bondholders”), the Company will redeem the First Overseas Convertible Bonds in USD on the maturity date at the price of the face value plus 0.0% gross yield per annum of the face value, calculated semi-annually.

(d) Conversion period:

Except for the First Overseas Convertible Bonds previously redeemed or repurchased, or the stop transfer period as specified in the terms of the bond indenture for the First Overseas Convertible Bonds (the “bond indenture”) or the laws/regulations, the bondholders have the right to ask for the conversion of the First Overseas Convertible Bonds into the common stocks newly issued by the Company during the period from the date after 90 days of the issuance of the First Overseas Convertible Bonds to (1) 10 days before the maturity date, or (2) 5 business days before the date on which the bondholders exercise the put options or the Company exercise the early redemption (excluding the maturity date).

(e) Conversion price:

The conversion price of the First Overseas Convertible Bonds is NT\$18.2 (in dollars), 115.19% of the reference price. The reference price refers to the closing price of the Company’s common stocks on the Taiwan Stock Exchange on the pricing date, which was NT\$15.80 (in dollars), translated using the exchange rate of US\$1 to NT\$28.991.

## (f) Put options:

The bondholders have no right to require the Company to redeem the First Overseas Convertible Bonds, in whole or in part, unless the following events occur:

- i. Except for the First Overseas Convertible Bonds previously redeemed, repurchased and retired, or converted, the bondholders have the right to require the Company to redeem the First Overseas Convertible Bonds, in whole or in part, on the date three years after the issuance at the price of the face value plus 0.0% per annum of the face value (calculated semi-annually) as the interests (the “early redemption amount”).
- ii. The bondholders have the right to require the Company to redeem the First Overseas Convertible Bonds, in whole or in part, at the early redemption amount if the Company’s common stocks are unlisted from the Taiwan Stock Exchange or ceased trading over 30 consecutive business days.
- iii. The bondholders have the right to require the Company to redeem the First Overseas Convertible Bonds, in whole or in part, at the early redemption amount if any changes occur to the Company’s controlling power as defined in the bond indenture.

The exercise of the aforementioned put options by the bondholders and the acceptance of the bondholders’ requests by the Company shall be conducted in accordance with the procedures as specified in the bond indenture. The Company will redeem the First Overseas Convertible Bonds in cash on the payment date as specified in the bond indenture.

The early redemption amount is first translated into NTD using the fixed exchange rate, and it was then translated from NTD to USD using the exchange rate on the day for repayment (by reference to the fixing rate which was 1:28.991 at 11 a.m. quoted by Taipei Forex Inc.).

## (g) Redemption:

The Company may redeem the First Overseas Convertible Bonds early when one of the following conditions is met:

- i. The Company may redeem the First Overseas Convertible Bonds, in whole, at the early redemption amount if the closing price of the Company’s common stocks on the Taiwan Stock Exchange (translated into USD based on the exchange rate on the day) reaches over 130% of the total amount of early redemption amount (defined later) multiplied by the conversion price on the day (translated into USD at the fixed exchange rate) and divided by the face value for 20 trade dates out of 30 consecutive business days during the period from the day after three years of the issuance to the maturity date.
- ii. The Company may redeem the outstanding First Overseas Convertible Bonds, in whole, at the early redemption amount if over 90% of the First Overseas Convertible Bonds have been redeemed, converted, repurchased and retired.



iii. The Company may redeem the First Overseas Convertible Bonds, in whole, at the early redemption amount if changes to the R.O.C.'s tax regulations occur after the issue date and cause the Company to bear more tax or to pay extra interest expenses or increase in costs for the First Overseas Convertible Bonds. Also, the bondholders have no right to require the Company to cover extra tax and expense for their nonparticipation of the redemption. The early redemption amount is first translated into NTD using the fixed exchange rate, and it was then translated from NTD to USD using the exchange rate on the day for repayment (by reference to the fixing rate which was 1:28.991 at 11 a.m. quoted by Taipei Forex Inc.).

D. Regarding the issuance of convertible bonds, the equity conversion options amounting to \$312,290 were separated from the liability component and were recognised in 'capital surplus—share options' in accordance with IAS 32. The call options and redemption embedded in bonds payable were separated from their host contracts and were recognised in 'financial assets or liabilities at fair value through profit or loss' in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts.

(15) Long-term loans

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Secured bank loans	\$ 59,213,235	\$ 55,633,704
Unsecured bank loans	36,211,178	51,053,234
Add : Unrealised foreign exchange (gains) losses	( 148,493)	49,713
Less: Hosting fee credit	( 33,872)	( 35,083)
	<u>95,242,048</u>	<u>106,701,568</u>
Less: Current portion (recorded as other current liabilities)	( 18,201,548)	( 22,841,596)
	<u>\$ 77,040,500</u>	<u>\$ 83,859,972</u>
Borrowing period	2021.01~2030.06	2020.01~2029.11
Interest rate	0.93%~5.15%	1.12%~5.15%

Please refer to Note 8 for details of the collaterals pledged for the above long-term loans.

(16) Other non-current liabilities

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Accrued pension liabilities	\$ 3,423,829	\$ 3,028,061
Guarantee deposits received	300,820	325,987
Unrealised gain on sale and leaseback	1,594	3,495
Others	14,368	11,022
	<u>\$ 3,740,611</u>	<u>\$ 3,368,565</u>

(17) Pension

- A. (a) The Company and its domestic subsidiary-TTSC have a defined benefit pension plan in accordance with the Labor Standards Act (“the Act”), covering all regular employees’ service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiary-TTSC contribute monthly an amount equal to 15% of the employees’ monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiary-TTSC would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiary-TTSC will make contributions for the deficit by next March.
- (b) The employees with R.O.C. nationality of the Group’s subsidiaries, EGH, GMS and EMU, adopted the Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement.
- (c) The amounts recognised in the balance sheet are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Present value of defined benefit obligations (\$	4,921,339)	(\$ 4,406,518)
Fair value of plan assets	<u>1,497,510</u>	<u>1,378,457</u>
Net defined benefit liability	<u>(\$ 3,423,829)</u>	<u>(\$ 3,028,061)</u>

(d) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
<u>Year ended December 31, 2020</u>			
Balance at January 1	(\$ 4,406,518)	\$ 1,378,457	(\$ 3,028,061)
Current service cost	( 160,343)	-	( 160,343)
Interest (expense) income	( 46,995)	17,679	( 29,316)
Past service cost	-	-	-
Curtailement (Settlement)	( 65)	( 8,737)	( 8,802)
	<u>( 4,613,921)</u>	<u>1,387,399</u>	<u>( 3,226,522)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	19,277	19,277
Change in demographic assumptions	( 3,517)	-	( 3,517)
Change in financial assumptions	( 374,032)	-	( 374,032)
Experience adjustments	( 86,010)	-	( 86,010)
	<u>( 463,559)</u>	<u>19,277</u>	<u>( 444,282)</u>
Pension fund contribution	33	171,525	171,558
Paid settlement	6,056	-	6,056
Paid pension	187,366	( 94,936)	92,430
Exchange difference	( 14,026)	14,245	219
Effect of business combination	( 23,288)	-	( 23,288)
Balance at December 31	<u>(\$ 4,921,339)</u>	<u>\$ 1,497,510</u>	<u>(\$ 3,423,829)</u>

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
<u>Year ended December 31, 2019</u>			
Balance at January 1	(\$ 4,240,280)	\$ 1,304,691	(\$ 2,935,589)
Current service cost	( 187,564)	-	( 187,564)
Interest (expense) income	( 54,636)	19,024	( 35,612)
Past service cost	665	-	665
Curtailement (Settlement)	335	( 8,537)	( 8,202)
	<u>( 4,481,480)</u>	<u>1,315,178</u>	<u>( 3,166,302)</u>
Remeasurements:			
Return on plan assets			
(excluding amounts included in			
interest income or expense)			
	-	10,740	10,740
Change in demographic assumptions	( 1,494)	-	( 1,494)
Change in financial assumptions	( 100,010)	-	( 100,010)
Experience adjustments	( 42,337)	-	( 42,337)
	<u>( 143,841)</u>	<u>10,740</u>	<u>( 133,101)</u>
Pension fund contribution	55	173,986	174,041
Paid settlement	6,056	-	6,056
Paid pension	179,969	( 93,848)	86,121
Exchange difference	32,723	( 27,599)	5,124
Balance at December 31	<u>(\$ 4,406,518)</u>	<u>\$ 1,378,457</u>	<u>(\$ 3,028,061)</u>

- (e) The Bank of Taiwan was commissioned to manage the Fund of the Company's and its domestic subsidiaries-TTSC's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earning is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Group has no right to participate in managing and operating that fund and hence the Group is unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2020 and 2019 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(f) The principal actuarial assumptions used were as follows:

	Year ended December 31, 2020	Year ended December 31, 2019
Discount rate	<u>0.28%~7%</u>	<u>1%~8%</u>
Future salary increases	<u>0.5%~10%</u>	<u>1%~10%</u>

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	<u>Discount rate</u>		<u>Future salary increases</u>	
	Increase <u>0.25%~1.00%</u>	Decrease <u>0.25%~1.00%</u>	Increase <u>0.25%~1.00%</u>	Decrease <u>0.25%~1.00%</u>
<u>December 31, 2020</u>				
Effect on present value of defined benefit obligation	(\$ 202,401)	\$ 221,547	\$ 145,999	(\$ 127,504)
	<u>Discount rate</u>		<u>Future salary increases</u>	
	Increase <u>0.25%~1.00%</u>	Decrease <u>0.25%~1.00%</u>	Increase <u>0.25%~1.00%</u>	Decrease <u>0.25%~1.00%</u>
<u>December 31, 2019</u>				
Effect on present value of defined benefit obligation	( 166,156)	172,062	117,149	( 110,937)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

- (g) Expected contributions to the defined benefit pension plans of the Company and its subsidiary-TTSC for the year ending December 31, 2020 amount to \$ 119,712.
- (h) As of December 31, 2020, the weighted average duration of the retirement plan is 10~28 years.
- B. (a) Effective July 1, 2005, the Company and its domestic subsidiary-TTSC have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiary-TTSC contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon

termination of employment.

- (b) The Group's mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.
- (c) The Group's certain overseas subsidiaries have a defined contribution plan. Monthly contributions to an independent fund in accordance with the local regulations and the pension regulations of each subsidiaries are based on certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.
- (d) The pension costs and expenses under defined contribution pension plans of the Group for the years ended December 31, 2020 and 2019 were \$316,622 and \$300,962, respectively.

(18) Capital stock

- A. As of December 31, 2020, the Company's authorized capital was \$70,000,000, and the paid-in capital was \$ 48,980,353, consisting of 4,898,035 thousand shares of common stocks with a par value of NT\$10 (in dollars) per share. All proceeds from shares issued have been collected.
- B. The Company issued 85,062 shares of new shares during the period from December 29, 2020 to December 31, 2020 due to the exercise of conversion options by the overseas convertible corporate bondholders. All proceeds from share issuance have been collected by February 19, 2021.
- C. On June 24, 2020, the shareholders meeting of the Company resolved to increase authorized capital from \$50,000,000 to \$70,000,000. All proceeds from share issuance have been collected by July 22, 2020.
- D. On August 13, 2019, the Board of Directors of the Company resolved to increase capital \$3,000,000 by issuing 300,000 thousand shares at a par value of NT\$10 (in dollars) per share, of which 30,000 thousand shares are reserved for employee preemption. The proposal of capital increase has been reported and became effective on December 3, 2019. The total amount of shares was \$3,333,934. All proceeds from share issuance have been collected by December 31, 2019.
- E. On December 31, 2020 and 2019, the numbers of the Company's shares held by its associate accounted for using equity method, EITC, were 25,084 and 25,254 thousand shares, respectively.

(19) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	2020				
	Share premium	Employee stock options exercised	Adjustments to share of changes in equity of associates and joint ventures	Donated assets	Others
At January 1	\$ 9,167,217	\$ 110,956	\$ 2,122,105	\$ 446	\$6,713
Expired unclaimed dividends	-	-	-	-	623
Proceeds from issuance of Euro-Convertible Bonds	-	379,915	-	-	-
Conversion of Euro-Convertible Bonds	690,551	( 67,625)	-	-	-
Recognition of change in equity of associates in proportion to the Company's ownership	-	-	22,463	-	-
At December 31	<u>\$ 9,857,768</u>	<u>\$ 423,246</u>	<u>\$ 2,144,568</u>	<u>\$ 446</u>	<u>\$7,336</u>
	2019				
	Share premium	Employee stock options exercised	Adjustments to share of changes in equity of associates and joint ventures	Donated assets	Others
At January 1	\$ 8,833,283	\$ 93,890	\$ 2,124,813	\$ 446	\$6,713
Issuance of common stock for cash	333,934	17,066	-	-	-
Recognition of change in equity of associates in proportion to the Company's ownership	-	-	( 2,708)	-	-
At December 31	<u>\$ 9,167,217</u>	<u>\$ 110,956</u>	<u>\$ 2,122,105</u>	<u>\$ 446</u>	<u>\$6,713</u>

(20) Retained earnings

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
At January 1	\$ 3,659,042	\$ 3,776,643
Profit for the year	24,364,926	112,519
Distribution of earnings	-	( 29,392)
Remeasurement on post employment benefit obligations, net of tax	( 291,317)	( 197,673)
Adjustments to share of changes in equity of associates and joint ventures	1,809	( 49)
Net change in non-controlling interests	-	( 3,006)
At December 31	<u>\$ 27,734,460</u>	<u>\$ 3,659,042</u>

A. According to the Company's Articles of Incorporation, if there is any profit for a fiscal year, the Company shall first make provision for all taxes and cover prior years' losses and then appropriate 10% of the residual amount as legal reserve. Dividends shall be proposed by the Board of Directors and resolved by the stockholders.

## B. Dividend policy

In order to facilitate future expansion plans, dividends to stockholders are distributed mutually in the form of both cash and stocks with the basic principle that the ratio of cash dividends to total stock dividends shall not be lower than 10%.

## C. Legal reserve

Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

E. The appropriation of earnings of year 2018 as resolved by the shareholders meeting of the Company on June 21, 2019 is as follows:

	<u>Year ended December 31, 2018</u>
Accrual of legal reserve	<u>\$ 29,392</u>

F. For the year ended December 31, 2019, the Company's net income after tax plus other items including current unappropriated retained earnings are negative, thus the Company will not provision for legal reserve. Additionally, the shareholders of the Company during its meeting on June 24, 2020 adopted a resolution to retain distributable earnings for its future operating plan, thus, the Company will not appropriate for shareholders' bonus.



G. The appropriation of 2020 earnings resolved by the Board of Directors on March 22, 2021 is as follows:

	Year ended December 31, 2020	
	Amount	Dividend per share (in dollars)
Accrual of legal reserve	\$ 2,407,542	
Accrual of special reserve	\$ 581,406	
Appropriation of cash dividends to shareholders	\$ 13,156,234	\$ 2.5

As of March 22, 2021, the above-mentioned 2020 earnings appropriation had not been resolved by the stockholders' meeting.

(21) Other equity items

	2020			
	Unrealised gains (losses) on valuation	Hedging reserve	Currency translation	Total
At January 1	\$ 1,411,638	\$ 579,757	(\$ 856,773)	\$ 1,134,622
Revaluation – gross	( 34,251)	-	-	( 34,251)
Revaluation – tax	5,865	-	-	5,865
Revaluation – associates	503,331	-	-	503,331
Revaluation transferred to retained earnings – associates	( 1,809)	-	-	( 1,809)
Cash flow hedges:				
– Fair value gain in the period				
– Group	-	554,654	-	554,654
– Group – tax	-	( 126,618)	-	( 126,618)
– Associates	-	854,371	-	854,371
Currency translation differences:				
– Group	-	-	( 3,160,573)	( 3,160,573)
– Group – tax	-	-	4,589	4,589
– Associates	-	-	( 315,587)	( 315,587)
At December 31	\$ 1,884,774	\$ 1,862,164	(\$ 4,328,344)	(\$ 581,406)

	2019			
	Unrealised	Hedging	Currency	Total
	gains (losses) on valuation			
At January 1	\$ 1,234,225	(\$ 58,649)	\$ 17,580	\$ 1,193,156
Revaluation – gross	82,688	-	-	82,688
Revaluation – tax	7,716	-	-	7,716
Revaluation – associates	86,957	-	-	86,957
Revaluation transferred to retained earnings – associates	52	-	-	52
Cash flow hedges:				
– Fair value loss in the period				
– Group	-	460,138	-	460,138
– Group – tax	-	( 87,972)	-	( 87,972)
– Associates	-	266,240	-	266,240
Currency translation differences:				
– Group	-	-	( 755,051)	( 755,051)
– Group – tax	-	-	18	18
– Associates	-	-	( 119,320)	( 119,320)
At December 31	<u>\$ 1,411,638</u>	<u>\$ 579,757</u>	<u>(\$ 856,773)</u>	<u>\$ 1,134,622</u>

(22) Operating revenue

	Year ended	Year ended
	December 31, 2020	December 31, 2019
Revenue from contracts with customers	\$ 204,900,823	\$ 188,151,293
Other - ship rental and slottage income	2,177,089	2,437,988
	<u>\$ 207,077,912</u>	<u>\$ 190,589,281</u>

## A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of services over time (Ship-owners, agents and terminals) and at a point in time (other services) in the following major businesses:

Year ended December	Year ended December				
	31, 2020	Ship-owners	Agents	Terminals	Other
Total segment revenue	\$ 209,936,692	\$ 6,941,112	\$ 13,522,643	\$ 1,314,358	\$ 231,714,805
Inter-segment revenue	( 16,536,376)	( 3,384,705)	( 6,892,901)	-	( 26,813,982)
Revenue from external customer contracts	<u>\$ 193,400,316</u>	<u>\$ 3,556,407</u>	<u>\$ 6,629,742</u>	<u>\$ 1,314,358</u>	<u>\$ 204,900,823</u>
Year ended December	Year ended December				
	31, 2019	Ship-owners	Agents	Terminals	Other
Total segment revenue	\$ 191,815,784	\$ 7,038,998	\$ 14,600,839	\$ 1,902,461	\$ 215,358,082
Inter-segment revenue	( 16,241,391)	( 3,289,033)	( 7,676,365)	-	( 27,206,789)
Revenue from external customer contracts	<u>\$ 175,574,393</u>	<u>\$ 3,749,965</u>	<u>\$ 6,924,474</u>	<u>\$ 1,902,461</u>	<u>\$ 188,151,293</u>

## B. Contract assets and liabilities

The Group has recognised the following revenue-related contract assets and liabilities:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>January 1, 2019</u>
Contract assets:			
Contract assets			
– relating to marine freight income	\$ 3,041,569	\$ 1,693,497	\$ 2,244,065
Contract liabilities:			
Contract liabilities			
– unearned marine freight income	(\$ 3,677,100)	(\$ 2,213,538)	(\$ 1,774,392)

Revenue recognised that was included in the contract liability balance at the beginning of the period:

	<u>Year ended December 31, 2020</u>	<u>Year ended December 31, 2019</u>
Marine freight income	\$ 2,213,538	\$ 1,774,392

(23) Other income and expenses, net

	<u>Year ended December 31, 2020</u>	<u>Year ended December 31, 2019</u>
Net gains on disposal of property, plant and equipment	\$ 53,940	\$ 375,947

(24) Interest income

	<u>Year ended December 31, 2020</u>	<u>Year ended December 31, 2019</u>
Interest income from bank deposits	\$ 302,024	\$ 706,119
Interest income from financial assets measured at amortised cost	39,647	43,028
	<u>\$ 341,671</u>	<u>\$ 749,147</u>

(25) Other income

	<u>Year ended December 31, 2020</u>	<u>Year ended December 31, 2019</u>
Rent income	\$ 219,412	\$ 200,561
Dividend income	100,691	112,966
Gain recognised in bargain purchase transaction	3,415	-
Other income, others	241,284	141,402
	<u>\$ 564,802</u>	<u>\$ 454,929</u>

## Financial Information

(26) Other gains and losses

	Year ended <u>December 31, 2020</u>	Year ended <u>December 31, 2019</u>
Net gains (losses) on disposal of investments	\$ 200	(\$ 49,117)
Gains arising from lease modifications	2,033	8,937
Net currency exchange gains	601,300	217,597
Gains on financial assets at fair value through profit or loss	30,027	-
Net gains on disposal of right-of-use assets	72,736	47,716
Depreciation on investment property	( 154,854)	( 165,671)
Other non-operating expenses	( 200,757)	( 134,133)
	<u>\$ 350,685</u>	<u>(\$ 74,671)</u>

(27) Finance costs

	Year ended <u>December 31, 2020</u>	Year ended <u>December 31, 2019</u>
Interest expense:		
Bank loans	\$ 1,921,490	\$ 2,924,158
Corporate bonds	124,782	101,200
Lease liabilities	2,694,869	2,844,157
	<u>4,741,141</u>	<u>5,869,515</u>
Less: Capitalized borrowing costs	( 204,619)	( 193,678)
	<u>\$ 4,536,522</u>	<u>\$ 5,675,837</u>

(28) Expenses by nature

	Year ended <u>December 31, 2020</u>	Year ended <u>December 31, 2019</u>
Employee benefit expense	\$ 10,529,019	\$ 9,469,734
Depreciation charges on property, plant and equipment	8,884,412	8,364,884
Depreciation charges on right-of-use assets	11,720,432	11,919,483
Amortisation charges on intangible assets	305,798	313,635
Other operating costs and expenses	141,026,234	156,276,623
	<u>\$ 172,465,895</u>	<u>\$ 186,344,359</u>

(29) Employee benefit expense

	Year ended December 31, 2020	Year ended December 31, 2019
Wages and salaries	\$ 8,841,324	\$ 7,707,224
Labor and health insurance fees	693,618	728,494
Pension costs	515,083	531,675
Directors' remuneration	22,869	9,074
Other personnel expenses	456,125	493,267
	<u>\$ 10,529,019</u>	<u>\$ 9,469,734</u>

A. According to the Articles of Incorporation of the Company, when distributing earnings, the Company shall distribute bonus to the employees that account for no less than 0.5% and pay remuneration to the directors and supervisors that account for no more than 2% of the total distributed amount.

B. (a) In accordance with the Articles of Incorporation of the Company, based on the profit for the year ended December 31, 2020, employees' compensation and directors' remunerations were accrued based on 0.5% and 0.04% at \$131,254 and \$9,500, respectively. The aforementioned amount was recognised in salary expenses. The actual distributed amounts as resolved by the Board of Directors were in agreement with the accrued amounts. The employees' compensation will be distributed in the form of cash.

(b) For the year ended December 31, 2019, the Company generated loss and thus did not accrue employees' and supervisors' remuneration.

Information about the appropriation of employees', directors' and supervisors' remuneration by the Company as proposed by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(30) Income tax

## A. Income tax expense

## (a) Components of income tax expense:

	Year ended December 31, 2020	Year ended December 31, 2019
Current tax:		
Current tax on profits for the period	\$ 1,829,473	\$ 1,182,535
Prior year income tax underestimation (overestimation)	14,698	( 7,319)
Total current tax	<u>1,844,171</u>	<u>1,175,216</u>
Deferred tax:		
Origination and reversal of temporary differences	1,228,348	( 173,303)
Total deferred tax	<u>1,228,348</u>	<u>( 173,303)</u>
Income tax expense	<u>\$ 3,072,519</u>	<u>\$ 1,001,913</u>

- (b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Year ended <u>December 31, 2020</u>	Year ended <u>December 31, 2019</u>
Changes in fair value of financial assets at fair value through other comprehensive loss	(\$ 5,865)	(\$ 7,716)
Exchange differences on translating the financial statements of foreign operations	( 4,589)	( 18)
Remeasurement of defined benefit obligations	( 97,694)	( 25,202)
Cash flow hedges	<u>126,618</u>	<u>87,972</u>
	<u>\$ 18,470</u>	<u>\$ 55,036</u>

- (c) The income tax charged/(credited) to equity during the period is as follows:

	Year ended <u>December 31, 2020</u>	Year ended <u>December 31, 2019</u>
Reduction in capital surplus caused by recognition of foreign investees based on the shareholding ratio	\$ 70	(\$ 86)
Reduction in retained earnings caused by recognition of foreign investees based on the shareholding ratio	<u>-</u>	<u>2</u>
	<u>\$ 70</u>	<u>(\$ 84)</u>

B. Reconciliation between income tax expense and accounting profit:

	Year ended <u>December 31, 2020</u>	Year ended <u>December 31, 2019</u>
Tax calculated based on profit before tax and statutory tax rate	\$ 6,515,297	\$ 1,158,273
Expenses disallowed by tax regulation	35,211	34,706
Tax exempt income by tax regulation	( 3,492,687)	( 183,747)
Prior year income tax overestimation	<u>14,698</u>	<u>( 7,319)</u>
Income tax expense	<u>\$ 3,072,519</u>	<u>\$ 1,001,913</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences, tax losses and investment tax credits are as follows:

	2020						
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	Acquired from business combinations	Translation differences	December 31
Temporary differences:							
– Deferred tax assets:							
Loss on valuation of financial assets	\$ 743	\$ 126	(\$ 743)	\$ -	\$ 98	\$ 9	\$ 233
Deferred profit	12,801	( 1,779)	-	-	-	-	11,022
Unrealized expense	110,609	7,684	-	-	-	( 4,726)	113,567
Unrealized exchange loss	25,929	( 24,415)	-	-	-	( 202)	1,312
Pension expense and actuarial losses/(gains)	399,975	( 18,403)	85,615	-	3,668	( 363)	470,492
Others	55,030	15,816	-	-	-	( 3,278)	67,568
Tax losses	430,311	( 429,797)	-	-	-	( 514)	-
Subtotal	<u>\$ 1,035,398</u>	<u>(\$ 450,768)</u>	<u>\$ 84,872</u>	<u>\$ -</u>	<u>\$ 3,766</u>	<u>(\$ 9,074)</u>	<u>\$ 664,194</u>
– Deferred tax liabilities:							
Temporary differences:							
Gain on valuation of financial assets	\$ -	\$ -	(\$ 2,907)	\$ -	\$ -	\$ -	(\$ 2,907)
Unrealized exchange gain	-	-	-	-	-	-	-
Unrealized gain	( 4,914)	481	-	-	-	415	( 4,018)
Pension expense and actuarial losses/(gains)	( 516)	-	-	-	-	( 12)	( 528)
Foreign investment income	( 718,451)	( 767,174)	10,496	( 70)	-	816	( 1,474,383)
Gains (losses) on hedging instruments	( 92,027)	-	( 110,931)	-	-	-	( 202,958)
Others	( 1,211,470)	( 10,887)	-	-	( 41,429)	76,338	( 1,187,448)
Subtotal	<u>(\$ 2,027,378)</u>	<u>(\$ 777,580)</u>	<u>(\$ 103,342)</u>	<u>(\$ 70)</u>	<u>(\$ 41,429)</u>	<u>\$ 77,557</u>	<u>(\$ 2,872,242)</u>
Total	<u>(\$ 991,980)</u>	<u>(\$ 1,228,348)</u>	<u>(\$ 18,470)</u>	<u>(\$ 70)</u>	<u>(\$ 37,663)</u>	<u>\$ 68,483</u>	<u>(\$ 2,208,048)</u>

	2019					
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	Translation differences	December 31
Temporary differences:						
— Deferred tax assets:						
Loss on valuation of financial assets	\$ -	\$ -	\$ 743	\$ -	\$ -	\$ 743
Deferred profit	14,589	( 1,788)	-	-	-	12,801
Unrealized expense	54,409	58,540	-	-	( 2,340)	110,609
Unrealized exchange loss	28,968	( 3,118)	-	-	79	25,929
Pension expense and actuarial losses/(gains)	391,317	( 12,088)	23,226	-	( 2,480)	399,975
Others	1,079	54,091	-	-	( 140)	55,030
Tax losses	<u>345,617</u>	<u>84,905</u>	<u>-</u>	<u>-</u>	<u>( 211)</u>	<u>430,311</u>
Subtotal	<u>\$ 835,979</u>	<u>\$ 180,542</u>	<u>\$ 23,969</u>	<u>\$ -</u>	<u>(\$ 5,092)</u>	<u>\$1,035,398</u>
— Deferred tax liabilities:						
Temporary differences:						
Gain on valuation of financial assets	(\$ 4,371)	\$ -	\$ 4,371	\$ -	\$ -	\$ -
Unrealized exchange gain	( 118)	114	-	-	4	-
Unrealized gain	( 5,016)	( 104)	-	-	206	( 4,914)
Pension expense and actuarial losses/(gains)	( 491)	-	( 47)	-	22	( 516)
Foreign investment income	( 799,551)	72,701	8,698	( 84)	( 215)	( 718,451)
Gains (losses) on hedging instruments	-	-	( 92,027)	-	-	( 92,027)
Others	<u>( 1,161,020)</u>	<u>( 79,950)</u>	<u>-</u>	<u>-</u>	<u>29,500</u>	<u>( 1,211,470)</u>
Subtotal	<u>(\$1,970,567)</u>	<u>(\$ 7,239)</u>	<u>(\$ 79,005)</u>	<u>(\$ 84)</u>	<u>\$ 29,517</u>	<u>(\$2,027,378)</u>
Total	<u>(\$1,134,588)</u>	<u>\$ 173,303</u>	<u>(\$ 55,036)</u>	<u>(\$ 84)</u>	<u>\$ 24,425</u>	<u>(\$ 991,980)</u>

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2020 : None.



## December 31, 2019

Year incurred	Amount filed/		Unrecognised deferred tax		Expiry year
	assessed	Unused amount	assets		
2019	\$ 392,576	\$ 392,576	\$ -		2029
2018	671,047	671,047	-		2028
2017	12,894	12,894	-		2027
2016	747,045	747,045	-		2026
2015	269,787	269,787	-		2025
	<u>\$ 2,093,349</u>	<u>\$ 2,093,349</u>	<u>\$ -</u>		

E. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2020 and 2019, the amounts of temporary difference unrecognised as deferred tax liabilities were \$26,906,819 and \$12,524,548, respectively.

F. The Company and its subsidiary-TTSC's income tax returns through 2017 and 2018 have been assessed and approved by the Tax Authority, respectively.

(31) Earnings per share

	Year ended December 31, 2020		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Net profit attributable to ordinary shareholders of the parent	\$ 24,364,926	4,813,206	\$ 5.06
<u>Diluted earnings per share</u>			
Net profit attributable to ordinary shareholders of the parent	\$ 24,364,926	4,813,206	
Assumed conversion of all dilutive potential ordinary shares			
Euro-Convertible Bond	23,582	100,886	
Employees' compensation	-	3,225	
Net profit attributable to ordinary shareholders of the parent	<u>\$ 24,388,508</u>	<u>4,917,317</u>	<u>\$ 4.96</u>

	Year ended December 31, 2019		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Net profit attributable to ordinary shareholders of the parent	\$ 112,519	4,536,809	\$ 0.02
<u>Diluted earnings per share</u>			
Net profit attributable to ordinary shareholders of the parent	\$ 112,519	4,536,809	\$ 0.02

(32) Transactions with non-controlling interest

## A. Acquisition of additional equity interest in a subsidiary

Subsidiary, EGH, purchased 3% of outstanding shares of ECN for cash of \$650 (approx. USD 21) on December 10, 2019. The carrying amount of non-controlling interest in ECN was \$2,019 at the acquisition date. This transaction resulted in a decrease in the non-controlling interest by \$2,019 and an increase in the equity attributable to owners of the parent by \$1,369.

## B. The Group did not participate in the capital increase raised by a subsidiary proportionally to its interest to the subsidiary

Indirect subsidiary, ECO, of the Group increased its capital by issuing new shares on May 31, 2019. The subsidiary, EGH, did not acquire shares proportionally to its interest. As a result, the Group decreased its share interest by 25%. The transaction increased non-controlling interest by \$6,387 and decreased the equity attributable to owners of parent by \$3,006.

## C. For the year ended December 31, 2020, the amount of cash dividends paid to non-controlling interests was \$244,719.

(33) Business combinations

On June 30, 2020, the Board of Directors of the subsidiary, EGH, resolved to make an equity transaction. EGH acquired 40% and 60% equity interests of EGP from the other related party, EIS, and a non-related party, respectively, and obtained the control over EGP. The transaction date was July 1, 2020 and the transaction amount was PHP 239,500 (approx. \$141,760).

The company primarily provides cargo and shipping agency services in the Philippines. As a result of the acquisition, the Group is expected to increase its presence in these markets. It also expects to reduce costs through economies of scale.

- A. The following table summarises the consideration paid and the fair values of the assets acquired and liabilities assumed at the acquisition date, as well as the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets at the acquisition date:

	<u>July 1, 2020</u>	
Purchase consideration		
Cash paid	\$	141,760
Fair value of the identifiable assets acquired and liabilities assumed		
Cash and cash equivalents		413,198
Notes receivable		3,742
Accounts receivable		200,995
Current income tax assets		2,565
Prepayments		36,966
Other current assets		204,677
Non-current financial assets at fair value through other comprehensive income		118
Property, plant and equipment, net		117,256
Right-of-use assets		2,419
Intangible assets		4,823
Other non-current assets		1,498
Deferred tax assets		3,766
Accounts payable	(	119,922)
Other payables	(	462,644)
Current income tax liabilities	(	2,462)
Other current liabilities	(	194,503)
Current lease liabilities	(	1,575)
Deferred income tax liabilities	(	41,429)
Non-current lease liabilities	(	1,011)
Other non-current liabilities	(	23,302)
Total identifiable net assets		<u>145,175</u>
Goodwill/Gain from bargain purchase	(\$	<u>3,415)</u>

- B. As at December 31, 2020, the fair value of the acquired identifiable intangible assets – customer relationship was estimated to be \$4,441.
- C. Had EGP been acquired from January 1, 2020, the consolidated statement of comprehensive income for the year ended December 31, 2020 would show operating revenue and profit before income tax of \$66,131, and \$111,666, respectively.

(34) Supplemental cash flow information

## A. Investing activities with partial cash payments

## (a) Property, plant and equipment

	Year ended <u>December 31, 2020</u>	Year ended <u>December 31, 2019</u>
Purchase of property, plant and equipment	\$ 5,293,745	\$ 7,152,288
Add: Opening balance of payable on equipment	455,427	34,258
Less: Ending balance of payable on equipment	( 278,482)	( 455,427)
Cash paid during the period	<u>\$ 5,470,690</u>	<u>\$ 6,731,119</u>

## (b) Prepayments for equipment (recorded as other non-current assets)

	Year ended <u>December 31, 2020</u>	Year ended <u>December 31, 2019</u>
Purchase of prepayments for equipment	\$ 24,507,892	\$ 12,565,222
Add: Opening balance of payable on prepayments for equipment	-	194
Less: Ending balance of payable on prepayments for equipment	( 188,862)	-
Capitalized borrowing costs	( 204,619)	( 193,678)
Cash paid during the period	<u>\$ 24,114,411</u>	<u>\$ 12,371,738</u>

- (c) The balances of the assets and liabilities of consolidated subsidiaries for the current period are as follows:

	<u>July 1, 2020</u>	
Cash and cash equivalents	\$	413,198
Notes receivable		3,742
Accounts receivable		200,995
Current income tax assets		2,565
Prepayments		36,966
Other current assets		204,677
Non-current financial assets at fair value		118
Property, plant and equipment, net		117,256
Right-of-use assets		2,419
Intangible assets		4,823
Other non-current assets		1,498
Deferred tax assets		3,766
Accounts payable	(	119,922)
Other payables	(	462,644)
Current income tax liabilities	(	2,462)
Other current liabilities	(	194,503)
Current lease liabilities	(	1,575)
Deferred income tax liabilities	(	41,429)
Non-current lease liabilities	(	1,011)
Other non-current liabilities	(	23,302)
Goodwill/Gain from bargain purchase	(	3,415)
	<u>\$</u>	<u>141,760</u>
Cash paid for the acquisition	\$	141,760
Cash and cash equivalents	(	413,198)
Net cash paid for the acquisition	<u>(\$</u>	<u>271,438)</u>

- (d) Change in non-controlling interest

	<u>Year ended</u> <u>December 31, 2020</u>	<u>Year ended</u> <u>December 31, 2019</u>
Change in transactions with non-controlling interest	(\$ 384,599)	(\$ 69,111)
Less: Opening balance of payable on investments	-	-
Add: Ending balance of payable on investments	<u>12,889</u>	<u>-</u>
Cash paid during the period	<u>(\$ 371,710)</u>	<u>(\$ 69,111)</u>

## Financial Information

(35) Changes in liabilities from financing activities

	Corporate bonds payable (including current portion)	Long-term borrowings (including current portion)	Guarantee deposits received	Lease liabilities and financial liabilities for hedging	Liabilities from financing activities-gr
At January 1, 2020	\$ 10,000,000	\$ 106,701,568	\$ 325,987	\$ 81,231,835	\$ 198,259,3
Changes in cash flow from financing activities	8,635,118	( 7,097,184)	( 14,981)	( 11,728,475)	( 10,205,5
Acquired from business combinations	-	-	13	2,586	2,5
Additions to lease liabilities	-	-	-	8,621,034	8,621,0
Remeasurement of lease liabilities	-	-	-	953,252	953,2
Changes in other non-cash items	( 1,856,075)	-	-	( 3,889)	( 1,859,9
Impact of changes in foreign exchange rate	-	( 4,362,336)	( 10,199)	( 4,905,411)	( 9,277,9
At December 31, 2020	<u>\$ 16,779,043</u>	<u>\$ 95,242,048</u>	<u>\$ 300,820</u>	<u>\$ 74,170,932</u>	<u>\$ 186,492,8</u>
	Corporate bonds payable (including current portion)	Long-term borrowings (including current portion)	Guarantee deposits received	Lease liabilities (lease payable) and financial liabilities for hedging	Liabilities from financing activities-gr
At January 1, 2019	\$ 10,000,000	\$ 99,360,501	\$ 347,115	\$ 11,639,698	\$ 121,347,3
Adjustments under new standards	-	-	-	60,563,079	60,563,0
Changes in cash flow from financing activities	-	8,768,332	( 13,068)	( 11,628,066)	( 2,872,8
Additions to lease liabilities	-	-	-	23,269,569	23,269,5
Remeasurement of lease liabilities	-	-	-	( 812,723)	( 812,7
Impact of changes in foreign ex	-	( 1,427,265)	( 8,060)	( 1,799,722)	( 3,235,0
At December 31, 2019	<u>\$ 10,000,000</u>	<u>\$ 106,701,568</u>	<u>\$ 325,987</u>	<u>\$ 81,231,835</u>	<u>\$ 198,259,3</u>

7. RELATED PARTY TRANSACTIONS(1) Names of related parties and their relationship with the Group

Names of related parties	Relationship with the Group
Evergreen International Storage and Transport Corp. (EITC)	Associate
Eva Airways Corp. (EVA)	Associate
Evergreen Security Corp. (ESC)	Associate
Charng Yang Development Co., Ltd. (CYD)	Associate
Taipei Port Container Terminal Corp. (TPCT)	Associate
Ningbo Victory Container Co. Ltd. (NVC)	Associate
Qingdao Evergreen C&T Co., Ltd. (QECT)	Associate
Ever Ecove Corporation (EEC)	(An associate since December 1, 2020)
Green Peninsula Agencies Sdn. Bhd. (GPP)	Associate

Names of related parties	Relationship with the Group
Luanta Investment (Netherlands) N.V. (Luanta)	Associate
Balsam Investment (Netherlands) N.V. (Balsam)	Associate
Italia Marittima S.p.A. (ITS)	Associate
Colon Container Terminal S.A. (CCT)	Associate
PT. Evergreen Shipping Agency Indonesia (EMI)	Associate
Evergreen Shipping Agency Co. (U.A.E) LLC (UAE)	Associate
Evergreen Shipping Agency Lanka (Private) Limited (ELK)	(An associate since March 1, 2019)
VIP Greenport Joint Stock Company (VGP)	Associate
Ics Depot Services Sdn. Bhd. (IDS)	Associate
Evergreen Marine (Latin America) S.A. (ELA)	(An subsidiary since March 1, 2020)
Evergreen International Corp. (EIC)	Other related party
Evergreen Airline Service Corp. (EGAS)	Other related party
Chang Yung-Fa Charity Foundation (CYFC)	Other related party
Chang Yung-Fa Foundation (CYFF)	Other related party
Evergreen Steel Corp. (EGST)	Other related party
Eever Accord Construction Corporation (EAC)	Other related party
Evergreen Aviation Technologies Corporation (EGAT)	Other related party
Evergreen Sky Catering Corporation (EGSC)	Other related party
Evergreen Air Cargo Services Corporation (EGAC)	Other related party
Evergreen Aviation Precision Corporation (EGAP)	(Has been merged with FGAT on February 28, 2019)
Central Reinsurance Corporation(CRC)	Other related party
Evergreen International S.A.(EIS)	Other related party
Evergreen Marine (Singapore) Pte. Ltd.(EMS)	Other related party
Gaining Enterprise S.A. (GESA)	Other related party
Evergreen Insurance Company Ltd. (EINS)	Other related party
Evergreen Shipping Agency (America) Corporation (EGA)	Other related party
Evergreen Shipping Agency (Japan) Corporation (EGJ)	Other related party
Evergreen Shipping Agency Philippines Corporation (EGP)	Other related party
Evergreen International Myanmar Co., Ltd. (EIM)	Other related party
Chestnut Estate B.V. (Chestnut)	Other related party
Advanced Business Process, Inc. (ABPI)	Other related party
Unigreen Marine S.A.(UMS)	Other related party
Evergreen Logistics Philippines Corp. (ELCP)	Other related party
Round the World S.A. (RTW)	Other related party
Evergreen Logistics Co., Ltd. (ELCSH)	Other related party
Evergreen Logistics (HK) Ltd. (ELCHK)	Other related party
Directors, General manager and Vice General Manager	Key management

## Financial Information

### (2) Significant related party transactions and balances

#### A. Operating revenue:

	Year ended December 31, 2020	Year ended December 31, 2019
Sales of services:		
Associates	\$ 2,016,084	\$ 1,859,166
Other related parties	<u>12,230,309</u>	<u>13,772,984</u>
	<u>\$ 14,246,393</u>	<u>\$ 15,632,150</u>

The business terms on which the Group transacts with related parties are of no difference from those with non-related parties.

#### B. Purchases:

	Year ended December 31, 2020	Year ended December 31, 2019
Purchases of services:		
Associates	\$ 3,988,736	\$ 3,476,170
Other related parties	<u>7,306,331</u>	<u>7,720,670</u>
	<u>\$ 11,295,067</u>	<u>\$ 11,196,840</u>

Goods and services are purchased from associates and other related parties on normal commercial terms and conditions.

#### C. Receivables from related parties:

	December 31, 2020	December 31, 2019
Accounts receivable:		
Associates	\$ 95,943	\$ 121,156
Other related parties	<u>753,489</u>	<u>659,406</u>
Subtotal	<u>\$ 849,432</u>	<u>\$ 780,562</u>
Other receivables:		
Associates	\$ 3,859	\$ 1,818
Other related parties	<u>16,005</u>	<u>18,796</u>
Subtotal	<u>\$ 19,864</u>	<u>\$ 20,614</u>
Total	<u>\$ 869,296</u>	<u>\$ 801,176</u>

The receivables from related parties arise mainly from sale transactions. The receivables are unsecured in nature and bear no interest. The receivables include provisions against receivables from related parties.



## D. Payables to related parties:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Accounts payable:		
Associates	\$ 89,633	\$ 143,074
Other related parties	<u>146,571</u>	<u>268,028</u>
Subtotal	<u>\$ 236,204</u>	<u>\$ 411,102</u>
Other payables:		
Associates	\$ 22,400	\$ 31,825
Other related parties	<u>99,118</u>	<u>149,671</u>
Subtotal	<u>\$ 121,518</u>	<u>\$ 181,496</u>
Total	<u><u>\$ 357,722</u></u>	<u><u>\$ 592,598</u></u>

The payables to related parties arise mainly from purchase transactions. The payables bear no interest.

## E. Property transactions:

## (a) Acquisition of property, plant and equipment:

	<u>Year ended December 31, 2020</u>	<u>Year ended December 31, 2019</u>
Associates	\$ 197,806	\$ 4,446
Other related parties	<u>74,787</u>	<u>172</u>
	<u>\$ 272,593</u>	<u>\$ 4,618</u>

## (b) Disposal of property, plant and equipment:

	<u>Year ended December 31, 2020</u>		<u>Year ended December 31, 2019</u>	
	<u>Disposal proceeds</u>	<u>Gain on disposal</u>	<u>Disposal proceeds</u>	<u>Gain on disposal</u>
Associates	\$ -	\$ -	\$ 149	\$ 14

## F. Leasing arrangements - lessee

(a) The Group leases buildings, ships as well as loading and unloading equipment from associates and other related parties. Rental contracts are typically made for periods of 2 to 10 years, rents are paid in accordance with the contract terms.

## (b) Acquisition of right-of-use assets:

i. The Group leases buildings, ships as well as loading and unloading equipment from associates and other related parties under IFRS 16 'Leases'. Accordingly, on January 1, 2019, the Group increased 'right-of-use asset' by \$3,196,381.

ii. The Group leased loading and unloading equipment from other related parties for the year ended December 31, 2020 and increased 'right-of-use asset' by \$217,518.

## Financial Information

## (c) Lease liabilities:

## i. Outstanding balance:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Associates	\$ 390,161	\$ 791,302
Other related parties	<u>567,636</u>	<u>487,665</u>
	<u>\$ 957,797</u>	<u>\$ 1,278,967</u>

## ii. Interest expense:

	<u>Year ended December 31, 2020</u>	<u>Year ended December 31, 2019</u>
Associates	\$ 27,742	\$ 42,655
Other related parties	<u>29,636</u>	<u>19,682</u>
	<u>\$ 57,378</u>	<u>\$ 62,337</u>

## (d) Lease liabilities designated as hedges:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Associates	\$ -	\$ 94,049
Other related parties	<u>-</u>	<u>610,456</u>
	<u>\$ -</u>	<u>\$ 704,505</u>

## G. Agency accounts:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Debit balance of agency accounts:		
Associates	\$ -	\$ 513
Other related parties		
-EIC	1,207,412	337,038
-Other	<u>937,631</u>	<u>98,580</u>
	<u>\$ 2,145,043</u>	<u>\$ 436,131</u>
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Credit balance of agency accounts:		
Associates	(\$ 25,815)	(\$ 135,281)
Other related parties		
-EGJ	( 523,231)	( 523,778)
-Other	<u>-</u>	<u>( 49,274)</u>
	<u>(\$ 549,046)</u>	<u>(\$ 708,333)</u>

## H. Shipowner's accounts:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Debit balance of shipowner's accounts:		
Associates		
-ITS	\$ 301,718	\$ -
Other related parties		
-EIS	309,179	-
-GESA	15,885	28,957
	<u>\$ 626,782</u>	<u>\$ 28,957</u>
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Credit balance of shipowner's accounts:		
Associates		
-ITS	\$ -	(\$ 277,877)
Other related parties		
-EIS	-	( 1,027,141)
-EMS	( 5,180,333)	( 1,061,752)
	<u>(\$ 5,180,333)</u>	<u>(\$ 2,366,770)</u>

## I. Loans to/from related parties:

## (a) Loans to related parties:

## i. Outstanding balance:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Associates	<u>\$ 727,366</u>	<u>\$ 722,926</u>

## ii. Interest income:

	<u>Year ended December 31, 2020</u>	<u>Year ended December 31, 2019</u>
Associates	<u>\$ 12,617</u>	<u>\$ 19,784</u>

The loans to associates carry interest at floating rates for the years ended December 31, 2020 and 2019.

## (b) Loans from related parties:

## i. Outstanding balance:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Other related parties	<u>\$ 9,249</u>	<u>\$ 524,743</u>

## ii. Interest expense:

	<u>Year ended December 31, 2020</u>	<u>Year ended December 31, 2019</u>
Other related parties	<u>\$ 7,329</u>	<u>\$ 30,485</u>

The loans from associates carry interest at floating rates for the years ended December 31, 2020 and 2019.

## Financial Information

J. Endorsements and guarantees provided to related parties:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Associates	\$ 1,827,476	\$ 3,674,191

K. On June 30, 2020, the Board of Directors of the subsidiary, EGH, approved to acquire 40% and 60% equity interests of EGP from the other related party, EIS, and a non-related party. The transaction date was July 1, 2020, and the transaction price amounted to \$141,760 (approx. PHP 239,500).

L. On December 20, 2019, the Board of Directors of the subsidiary, EGH, approved to acquire 16.50% equity interests of ELA from the associate, ITS, and each other related party, EIS and EMS. The transaction date was set on March 1, 2020, and the transaction price amounted to \$9,712 (approx. USD 323).

M. On November 13, 2019, the shareholders at the shareholders' meeting of the subsidiary, Armand B.V., approved to sell 2.91% equity interests of the associate, Taipei Port Container Terminal Corporation, to other related party, EIS. The transaction date was set on February 1, 2020, and the transaction price amounted to \$150,464 (approx. USD 4,997).

N. On November 10, 2019, the Board of Directors of the subsidiary, Peony, has resolved to participate in the capital increase of the investee, Balsam, accounted for using equity method, as the original shareholder. The amount of capital increase was USD 24,500. The effective date was set on November 14, 2019.

O. The Board of Directors of the Company during its meeting on December 21, 2018 adopted a resolution to participate in the capital increase raised by EVA Airways Corporation amounting to 39,150 thousand shares, with a subscription price of NT\$13 (in dollars) per share and a total price of \$508,944. The effective date was set on January 24, 2019. Moreover, the Company purchased 70 thousand shares as a specific person and the purchase amounted to \$700.

(3) Key management compensation

	<u>Year ended</u> <u>December 31, 2020</u>	<u>Year ended</u> <u>December 31, 2019</u>
Salaries and other short-term employee benefits	\$ 221,183	\$ 179,520
Post-employment benefits	3,411	2,530
	<u>\$ 224,594</u>	<u>\$ 182,050</u>

## 8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

Pledged assets	Book value		Purpose
	December 31, 2020	December 31, 2019	
Financial assets at amortised cost			Performance guarantee
- Restricted reserve account	\$ 2	\$ 1	"
- Pledged time deposits	248,608	292,739	"
Property, plant and equipment			
-Land	514,312	514,312	Long-term loan
-Buildings	5,222,674	5,631,364	"
-Loading and unloading equipment	1,383,031	1,900,801	"
-Ships	79,606,284	71,742,174	"
-Computer and communication equipment	-	314,161	"
Investment property			
-Land	1,285,781	1,285,781	Long-term loan
-Buildings	3,599,168	3,972,653	"
	<u>\$ 91,859,860</u>	<u>\$ 85,653,986</u>	

## 9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT

### COMMITMENTS

#### (1) Contingencies

None.

#### (2) Commitments

- A. As of December 31, 2020 and 2019, the Group had delegated DBS Bank to issue Standby Letter of Credit all amounting to USD 5,000.
- B. As of December 31, 2020 and 2019, the long-term and medium-term loan facilities granted by the financial institutions with the resolution from the Board of Directors to finance the Group's purchase of new ships and general working capital requirement amounted to \$117,309,468 and \$126,988,260, respectively, and the unutilized credit was \$21,876,445 and \$20,251,608, respectively.
- C. As of December 31, 2020 and 2019, the amount of guaranteed notes issued by the Company for loans borrowed was \$92,037,348 and \$72,607,919, respectively.
- D. To meet its operational needs, the Company signed the shipbuilding contracts with Samsung Heavy Industries, Hyundai Mipo Dockyard Co., Ltd, Jiangnan Shipyard (Group) Co., Ltd. and China Shipbuilding Trading Company Ltd. As of December 31, 2020, the total price of the contracts, wherein the vessels have not yet been delivered amounted to USD 1,921,312, of which USD 1,151,272 remain unpaid.

- E. In response to international regulations on sulfur content in shipping fuel, the Group entered into sulfur emission abatement equipment purchase contracts with Wartsila Finland Oy. As of December 31, 2020, the total price of the contracts amounted to USD 21,806, of which USD 11,200 remain unpaid. The Group signed installation contracts with Huarun Dadong Dockyard Co., Ltd., and COSCO Shipping Heavy Industry (Zhoushan) Co., Ltd.. As of December 31, 2020, the total price of the contracts amounted to USD 34,201, of which USD 28,216 h remain unpaid.
- F. To meet its operational needs, the Group signed the loading and unloading equipment purchase contracts. As of December 31, 2020, the total price of the contracts, wherein the equipment have not yet been delivered, amounted to USD 271,435, of which USD 261,374 remain unpaid.
- G. To meet its operational needs, the Group signed the transportation equipment purchase contracts. As of December 31, 2020, the total price of the contracts, wherein the equipment have not yet been delivered, amounted to USD 140,937, of which USD 140,937 remain unpaid.
- H. For the Group's lease contracts which were entered into but not yet completed, as of December 31, 2020, the expected minimum lease payment in the future was \$98,342,990.
- I. As of December 31, 2020, the Group had entered into a service contract which was not belonging to lease component. The amount of future commitment payment is provided in Note 6(9).

#### 10. SIGNIFICANT DISASTER LOSS

None.

#### 11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

- (1) For details of appropriation of earnings as proposed by the Board of Directors on March 22, 2021, please refer to Note 6(20).
- (2) On January 27, 2021, to meet its operational needs, the Board of Directors of the Group resolved to order 18,500 set containers from CXIC Group Container Company Ltd., Dong Fang International Container (Hong Kong) Limited and Guangdong Fuwa Equipment Manufacturing Co., Ltd.. The total transaction amount was USD 104,064. As of the financial report issuance date, the relevant payments have not been paid.
- (3) Considering the fleet's future overall plan and replacing the old shipping vessels with new ones in order to improve operational efficiency, the second-tier subsidiary, GMS, planned to make selective purchases among its supplier, namely Samsung Heavy Industries Co., Ltd., Imabari Shipbuilding Co., Ltd., Hyundai Heavy Industries Co., Ltd., Jiangnan Shipyard (Group) Co. Ltd. and Hudong-Zhonghua Shipbuilding (Group) Co., Ltd. and order 20 full container ships of 15,000 TEU at a consideration of approximately USD 2,300,000 to USD 2,600,000 as resolved by the Board of Directors on March 22, 2021.
- (4) In order to strengthen the Company's operational competitiveness, the Company planned to establish a wholly-owned subsidiary, Evergreen Marine (Asia) Pte. Ltd., in Singapore with an investment amount of USD 50,000 as resolved by the Board of Directors on March 22, 2021.

(5) In order to obtain funds for mid-to-long-term operation and improve the financial structure, the Company issued \$5,000,000, 0% fourth domestic unsecured convertible bonds at face value of \$100 or its integral multiple per share as resolved by the Board of Directors on March 22, 2021. The bonds mature 5 years from the issue date. The issuance price was based on 100%-101% of the bonds' face value.

## 12. OTHERS

### (1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders and issue new shares to maintain an optimal capital.

### (2) Financial instruments

#### A. Financial instruments by category

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 4,289	\$ -
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	\$ 1,657,983	\$ 1,719,423
Financial assets at amortised cost		
Cash and cash equivalents	\$ 44,096,485	\$ 37,871,889
Financial assets at amortised cost	7,117,212	2,118,536
Notes receivable	113,313	129,545
Accounts receivable	21,805,310	14,759,813
Other accounts receivable	986,883	1,027,279
Guarantee deposits paid	236,729	227,095
	<u>\$ 74,355,932</u>	<u>\$ 56,134,157</u>

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Accounts payable	\$ 20,563,234	\$ 16,580,812
Other accounts payable	5,586,636	5,113,118
Bonds payable (including current portion)	16,779,043	10,000,000
Lease payable (including current portion)	63,300,557	61,042,893
Long-term borrowings (including current portion)	95,242,048	106,701,568
Guarantee deposits received	300,820	325,987
	<u>\$ 201,772,338</u>	<u>\$ 199,764,378</u>
Financial liabilities for hedging (including current portion)	<u>\$ 10,870,375</u>	<u>\$ 20,188,942</u>

#### B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial position and financial performance.
- (b) Risk management is carried out by the Group's Finance Department under policies approved by the Board of Directors. The Group's Finance Department identifies, evaluates and hedges financial risks in close co-operation with the Group's Operating Department. The Board of Directors provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

#### C. Significant financial risks and degrees of financial risks

##### (a) Market risk

##### Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and CNY. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investment in foreign operations.



- ii. The Group's management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The group companies are required to hedge their entire foreign exchange risk exposure with the Group's Finance Department. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Group use forward foreign exchange contracts, transacted with Group's Finance Department. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a foreign currency that is not the entity's functional currency.
- iii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD, EUR, CNY and others). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2020		
	Foreign currency amount	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,076,225	28.0960	\$ 30,237,618
JPY:USD	467,408	0.0097	127,383
GBP:USD	4,507	1.3644	172,772
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,105,844	28.0960	\$ 31,069,793
HKD:USD	129,291	0.1290	468,600
GBP:USD	4,332	1.3644	166,064
EUR:USD	4,713	1.2271	162,488
CNY:USD	250,655	0.1533	1,079,600

	December 31, 2019		
	Foreign currency amount	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 582,814	30.0130	\$ 17,491,997
GBP:USD	2,889	1.3118	113,743
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,080,163	30.0130	\$ 32,418,932
HKD:USD	97,479	0.1284	375,652
GBP:USD	3,807	1.3118	149,886
EUR:USD	4,190	1.1233	141,260
CNY:USD	225,390	0.1431	968,019

iv. The total exchange (loss) gain, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2020 and 2019 amounted to \$601,300 and \$217,597, respectively.

v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	Year ended December 31, 2020		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 302,376	\$ -
JPY:USD	1%	1,274	-
GBP:USD	1%	1,728	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 201,994	\$ 108,704
HKD:USD	1%	4,686	-
GBP:USD	1%	1,661	-
EUR:USD	1%	1,625	-
RMB:USD	1%	10,796	-

	Year ended December 31, 2019		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 174,920	\$ -
GBP:USD	1%	1,137	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 122,300	\$ 201,889
HKD:USD	1%	3,757	-
GBP:USD	1%	1,499	-
CNY:USD	1%	9,680	-
EUR:USD	1%	1,413	-

Price risk

- i. The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated balance sheet at fair value through other comprehensive income. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- ii. The Group's investments in equity securities comprise domestic listed and unlisted stocks. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, equity would have increased/decreased by \$16,303 and \$16,845 for the years ended December 31, 2020 and 2019, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During the years ended December 31, 2020 and 2019, the Group's borrowings at variable rate were denominated in the NTD and USD.

ii. At December 31, 2020 and 2019, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the years ended December 31, 2020 and 2019 would have been \$853,750 and \$946,578 lower/higher, respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the notes receivable, accounts receivable, contract asset and financial assets at amortised cost based on the agreed terms.
- ii. The Group manages their credit risk taking into consideration the entire group's concern. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.
- iii. The Group manages their credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with good credit rating are accepted.
- iv. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:  
If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- v. The default occurs when the contract payments are past due over 30 days.
- vi. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
  - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
  - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
  - (iii) Default or delinquency in interest or principal repayments;
  - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- vii. The Group classifies customer's accounts receivable and contract assets in accordance with geographic area. The Group applies the modified approach based on the loss rate methodology to estimate expected credit loss.
- viii. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. As of December 31, 2020 and 2019, the Group has no written-off financial assets that are still under recourse procedures.

ix. The Group used the forecastability to adjust historical, timely information, economic conditions of the industry, GDP forecast and trade growth rate to assess the default possibility of notes receivable, accounts receivable (including related parties), contract assets and overdue receivable. As of December 31, 2020 and 2019, the loss rate methodology is as follows:

Notes receivable			
<u>December 31, 2020</u>	<u>Total book value</u>	<u>Expected loss rate</u>	<u>Loss allowance</u>
Not past due	\$ 113,314	0.0225%	\$ 1
	<u>\$ 113,314</u>		<u>\$ 1</u>
Accounts receivable (including related parties)			
<u>December 31, 2020</u>	<u>Total book value</u>	<u>Expected loss rate</u>	<u>Loss allowance</u>
Not past due	\$ 17,859,541	0.0009%~0.0225%	\$ 1,029
Up to 30 days	3,758,485	0.0046%~0.2506%	2,374
31 to 180 days	194,026	0.0028%~16.126%	3,339
	<u>\$ 21,812,052</u>		<u>\$ 6,742</u>
Contract assets			
<u>December 31, 2020</u>	<u>Total book value</u>	<u>Expected loss rate</u>	<u>Loss allowance</u>
Not past due	\$ 3,041,774	0.0016%~0.0028%	\$ 205
	<u>\$ 3,041,774</u>		<u>\$ 205</u>
Notes receivable			
<u>December 31, 2019</u>	<u>Total book value</u>	<u>Expected loss rate</u>	<u>Loss allowance</u>
Not past due	\$ 129,547	0.045%	\$ 2
	<u>\$ 129,547</u>		<u>\$ 2</u>
Accounts receivable			
<u>December 31, 2019</u>	<u>Total book value</u>	<u>Expected loss rate</u>	<u>Loss allowance</u>
Not past due	\$ 12,094,901	0.03%~0.08%	\$ 10,107
Up to 30 days	2,450,297	0.03%~0.08%	2,048
31 to 180 days	226,960	0.03%~0.08%	190
	<u>\$ 14,772,158</u>		<u>\$ 12,345</u>
Contract assets			
<u>December 31, 2019</u>	<u>Total book value</u>	<u>Expected loss rate</u>	<u>Loss allowance</u>
Not past due	\$ 1,694,072	0.03%	\$ 575
	<u>\$ 1,694,072</u>		<u>\$ 575</u>
Overdue receivable			
<u>December 31, 2019</u>	<u>Total book value</u>	<u>Expected loss rate</u>	<u>Loss allowance</u>
Over 180 days	\$ 269,506	100%	\$ 269,506
	<u>\$ 269,506</u>		<u>\$ 269,506</u>

- x. Movements in relation to the group applying the modified approach to provide loss allowance for notes receivable, accounts receivable (including related parties), contract assets and overdue receivable are as follows:

	2020			
	Notes receivable	Accounts receivable	Contract assets	Overdue receivable
At January 1	(\$ 2)	(\$ 12,345)	(\$ 575)	(\$ 269,506)
Provision for impairment	-	( 2,086)	( 32)	-
Reversal of impairment loss	1	7,137	385	-
Write-offs	-	-	-	265,621
Effect of foreign exchange	-	552	17	3,885
At December 31	<u>(\$ 1)</u>	<u>(\$ 6,742)</u>	<u>(\$ 205)</u>	<u>\$ -</u>
	2019			
	Notes receivable	Accounts receivable	Contract assets	Overdue receivable
At January 1	(\$ 4)	(\$ 96,468)	(\$ 692)	(\$ 202,654)
Provision for impairment	-	( 1,312)	( 126)	-
Reversal of impairment loss	2	17,534	238	-
Reclassifications	-	66,913	-	( 66,913)
Write-offs	-	665	-	-
Effect of foreign exchange	-	323	5	61
At December 31	<u>(\$ 2)</u>	<u>(\$ 12,345)</u>	<u>(\$ 575)</u>	<u>(\$ 269,506)</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group's Finance Department. Group's Finance Department monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- ii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities.

Non-derivative financial liabilities:

December 31, 2020	Less than 3 months	Between 3				Over 5 years	Total
		months and 1 year	Between 1 and 2 years	Between 2 and 5 years			
Notes payable	\$ 3,973	\$ -	\$ -	\$ -	\$ -	\$ 3,973	
Accounts payable	20,192,859	134,171	-	-	-	20,327,030	
Accounts payable - related parties	236,204	-	-	-	-	236,204	
Other payables	4,760,272	695,597	-	-	-	5,455,869	
Other payables - related parties	121,518	-	-	-	9,249	130,767	
Bonds payable	-	4,101,200	4,059,200	9,166,381	-	17,326,781	
Long-term loans (including current portion)	3,531,587	15,807,525	22,915,040	40,304,550	16,301,419	98,860,121	
Lease payable and financial liabilities for hedging (including current portion)	3,331,990	9,118,680	16,533,263	25,291,130	29,755,185	84,030,248	

Non-derivative financial liabilities:

December 31, 2019	Less than 3 months	Between 3				Over 5 years	Total
		months and 1 year	Between 1 and 2 years	Between 2 and 5 years			
Accounts payable	\$16,165,426	\$ 4,284	\$ -	\$ -	\$ -	\$16,169,710	
Accounts payable - related parties	369,044	42,058	-	-	-	411,102	
Other payables	4,115,041	288,335	3,503	-	-	4,406,879	
Other payables - related parties	696,438	-	-	-	9,801	706,239	
Bonds payable	-	101,200	4,101,200	6,076,400	-	10,278,800	
Long-term loans (including current portion)	4,063,463	21,210,732	23,999,762	47,550,813	17,454,788	114,279,558	
Lease payable and financial liabilities for hedging (including current portion)	3,815,715	9,799,502	12,274,193	34,201,995	34,848,315	94,939,720	

- iii. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value estimation

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active if it meets all the following conditions: the items traded in the market are homogeneous; willing buyers and sellers can normally be found at any time; and prices are available to the public. The fair value of the Group's investment in listed stocks, beneficiary certificates and derivative instruments with quoted market prices is included in Level.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. Fair value information of investment property at cost is provided in Note 6(11).

C. Financial instruments not measured at fair value

(a) Except for those listed in the table below, the carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, financial assets measured at amortised cost, financial liabilities for hedging, notes payable, accounts payable, other payables and lease liabilities are approximate to their fair values.

	December 31, 2020		
	Book value	Fair value	Fair value
		Level 2	Level 3
Financial liabilities:			
Bonds payable (including current portion)	\$ 16,779,043	\$ 6,779,043	\$ 10,155,165
Long-term loans (including current portion)	95,242,048	-	98,724,856
	<u>\$ 112,021,091</u>	<u>\$ 6,779,043</u>	<u>\$ 108,880,021</u>
	December 31, 2019		
	Book value	Fair value	Fair value
		Level 2	Level 3
Financial liabilities:			
Bonds payable	\$ 10,000,000	-	\$ 10,154,063
Long-term loans (including current portion)	106,701,568	-	114,134,001
	<u>\$ 116,701,568</u>	<u>\$ -</u>	<u>\$ 124,288,064</u>



D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

(a) The related information of natures of the assets and liabilities is as follows:

December 31, 2020	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets:</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Derivative instruments	\$ -	\$ 4,289	\$ -	\$ 4,289
Financial assets at fair value through other comprehensive income				
Equity securities	<u>1,131,969</u>	<u>-</u>	<u>526,014</u>	<u>1,657,983</u>
	<u>\$ 1,131,969</u>	<u>\$ 4,289</u>	<u>\$ 526,014</u>	<u>\$ 1,662,272</u>
December 31, 2019	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets:</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	<u>\$ 989,850</u>	<u>\$ -</u>	<u>\$ 729,573</u>	<u>\$ 1,719,423</u>

(b) The methods and assumptions the Group used to measure fair value are as follows:

i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed shares</u>
Market quoted price	Closing price

- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date (i.e. yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters).
- iii. When assessing non-standard and low-complexity financial instruments, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

- iv. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate. Structured interest derivative instruments are measured by using appropriate option pricing models (i.e. Black-Scholes model) or other valuation methods, such as Monte Carlo simulation).
- v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
- vi. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.
- E. For the years ended December 31, 2020 and 2019, there was no transfer between Level 1 and Level 2.
- F. The following chart is the movement of Level 3 for the years ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
At January 1	\$ 729,573	\$ 800,149
Gains and losses recognised in other comprehensive income (Note 1)	( 203,559)	( 70,576)
At December 31	<u>\$ 526,014</u>	<u>\$ 729,573</u>

Note 1: Recorded as unrealised gains or losses on valuation of investments in equity instruments measured at fair value through other comprehensive income and exchange differences on translating the financial statements of foreign operations.

- G. For the years ended December 31, 2020 and 2019, there was no transfer into or out from Level 3.

- H. The Group is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.
- I. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 519,242	Market comparable companies	Price to earnings ratio multiple	7.83~51.52	The higher the multiple and control premium, the higher the fair value
			Price to book ratio multiple	0.49~2.55	The higher the multiple and control premium, the higher the fair value
			Discount for lack of marketability	20%~30%	The higher the weighted average cost of capital and discount for lack of control, the lower the fair value
Venture capital shares Private equity fund investment	6,772	Net asset value	Not applicable		Not applicable

## Financial Information

	Fair value at December 31, 2019	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 722,800	Market comparable companies	Price to earnings ratio multiple	8.82~46.24	The higher the multiple and control premium, the higher the fair value
			Price to book ratio multiple	0.54~3.06	The higher the multiple and control premium, the higher the fair value
			Discount for lack of marketability	20%~30%	The higher the weighted average cost of capital and discount for lack of control, the lower the fair value
Venture capital shares Private equity fund investment	6,773	Net asset value	Not applicable		Not applicable

J. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in difference measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets categorised within Level 3 if the inputs used to valuation models have changed:

	Input	Change	December 31, 2020			
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to earnings ratio/ price to book ratio/ discount for lack of marketability	±1%	\$ -	\$ -	\$ 5,192	\$ 5,192

		December 31, 2019			
		Recognised in profit or loss		Recognised in other comprehensive income	
		Favourable change	Unfavourable change	Favourable change	Unfavourable change
	Input	Change			
Financial assets					
Equity instrument	Price to earnings ratio/ price to book ratio/ discount for lack of marketability	±1%	\$ -	\$ -	\$ 7,228
					\$ 7,228

### 13. SUPPLEMENTARY DISCLOSURES

#### (1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 4.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Please refer to table 6.

#### (2) Information on investees (not including investees in Mainland China)

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 7.

#### (3) Information on investments in Mainland China

- A. Basic information: Please refer to table 8.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

#### (4) Information of major shareholder

Information of major shareholder: Please refer to table 9.

## 14. SEGMENT INFORMATION

(1) General information

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

There is no material change in the basis for formation of entities and division of segments in the Group or in the measurement basis for segment information in this period.

(2) Segment information

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	Year ended December 31, 2020			
	Transportation Department	Other Departments	Adjustments and written-off	Total
Revenue from external customers	\$ 205,763,554	\$ 1,314,358	\$ -	\$ 207,077,912
Revenue from internal customers	29,802,774	-	( 29,802,774)	-
Segment revenue	235,566,328	1,314,358	( 29,802,774)	207,077,912
Interest income	323,606	18,065	-	341,671
Interest expense	( 4,529,210)	( 7,312)	-	( 4,536,522)
Depreciation and amortisation	( 20,803,858)	( 261,638)	-	( 21,065,496)
Share of income (loss) of associates and joint ventures accounted for using equity method	( 26,377)	477,706	-	451,329
Other items	( 149,121,773)	( 1,307,292)	-	( 150,429,065)
Segment profit (loss)	<u>\$ 61,408,716</u>	<u>\$ 233,887</u>	<u>(\$ 29,802,774)</u>	<u>\$ 31,839,829</u>
Recognisable assets	\$ 295,079,671	\$ 9,221,175	\$ -	\$ 304,300,846
Investments accounted for using equity method	24,008,259	5,911,735	-	29,919,994
Segment assets	<u>\$ 319,087,930</u>	<u>\$ 15,132,910</u>	<u>\$ -</u>	<u>\$ 334,220,840</u>
Segment liabilities	<u>\$ 231,773,218</u>	<u>\$ 953,329</u>	<u>\$ -</u>	<u>\$ 232,726,547</u>

	Year ended December 31, 2019			
	Transportation Department	Other Departments	Adjustments and written-off	Total
Revenue from external customers	\$ 188,686,820	\$ 1,902,461	\$ -	\$ 190,589,281
Revenue from internal customers	30,651,874	-	(30,651,874)	-
Segment revenue	219,338,694	1,902,461	(30,651,874)	190,589,281
Interest income	712,617	36,530	-	749,147
Interest expense	(5,660,355)	(15,482)	-	(5,675,837)
Depreciation and amortisation	(20,507,958)	(255,715)	-	(20,763,673)
Share of loss of associates and joint ventures accounted for using equity method	1,177,998	(510,936)	-	667,062
Other items	(162,787,475)	(1,999,605)	-	(164,787,080)
Segment profit (loss)	<u>\$ 32,273,521</u>	<u>(\$ 842,747)</u>	<u>(\$ 30,651,874)</u>	<u>\$ 778,900</u>
Recognisable assets	\$ 268,786,834	\$ 8,407,879	\$ -	\$ 277,194,713
Investments accounted for using equity method	23,096,965	6,303,960	-	29,400,925
Segment assets	<u>\$ 291,883,799</u>	<u>\$ 14,711,839</u>	<u>\$ -</u>	<u>\$ 306,595,638</u>
Segment liabilities	<u>\$ 232,051,920</u>	<u>\$ 948,872</u>	<u>\$ -</u>	<u>\$ 233,000,792</u>

### (3) Reconciliation for segment income (loss)

- Sales between segments are carried out at arm's length. The revenue from external parties reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.
- The amounts provided to the chief operating decision-maker with respect to total assets are measured in a manner consistent with that in the balance sheet.
- The amounts provided to the chief operating decision-maker with respect to total liabilities are measured in a manner consistent with that in the balance sheet.
- The amounts provided to the chief operating decision-maker with respect to segment profit (loss) are measured in a manner consistent with the income (loss) before tax from continuing operations.

### (4) Trading information

Service routes	Year ended December 31, 2020		Year ended December 31, 2019	
	Amount	% of Account Balance	Amount	% of Account Balance
North America	\$ 82,027,655	44	\$ 69,118,979	41
Europe	44,742,357	24	37,088,233	22
Asia	39,149,563	21	38,774,061	23
Others	20,506,914	11	23,601,603	14
	<u>\$ 186,426,489</u>	<u>100</u>	<u>\$ 168,582,876</u>	<u>100</u>

## Financial Information

### (5) Geographical information

Service routes	Year ended December 31, 2020		Year ended December 31, 2019	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 47,182,881	\$ 61,653,401	\$ 40,933,013	\$ 62,437,652
America	84,222,973	75,477,168	84,672,217	69,085,976
Europe	38,896,684	41,677,335	38,952,059	46,765,549
Asia	36,447,213	36,963,219	25,531,053	29,719,173
Others	328,161	21,046	500,939	32,466
	<u>\$ 207,077,912</u>	<u>\$ 215,792,169</u>	<u>\$ 190,589,281</u>	<u>\$ 208,040,816</u>

### (6) Major customer information

The Group provides services to customers all over the world. No single customer of the Group accounts for more than 10% of the Group's operating revenues.



Evergreen Marine Corporation (Taiwan) Ltd.  
Loans to others  
For the year ended December 31, 2020

Expressed in thousands of TWD

Number (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2020 (Note 3)	Balance at December 31, 2020 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
1	Peony Investment S.A.	Luanta Investment (Netherlands) N.V.	Receivables from related parties	Yes	63,674	\$ 28,096	\$ 28,096	1.2413~1.2450	2	\$ -	Working capital requirement	\$ -	None	\$ -	7,867,594	\$ 19,668,984	
1	Peony Investment S.A.	Clove Holding Ltd.	Receivables from related parties	Yes	782,282	224,768	210,720	1.24375~1.24375	2	-	Working capital requirement	-	None	-	15,735,188	19,668,984	(Note 9)
1	Peony Investment S.A.	Colon Container Terminal S.A.	Receivables from related parties	Yes	585,750	567,539	567,539	1.22663~1.25275	2	-	Working capital requirement	-	None	-	7,867,594	19,668,984	
2	Clove Holding Ltd.	Colon Container Terminal S.A.	Receivables from related parties	Yes	539,714	-	-	-	2	-	Working capital requirement	-	None	-	516,376	1,032,752	
3	Evergreen Marine (Hong Kong) Ltd.	Colon Container Terminal S.A.	Receivables from related parties	Yes	133,896	127,696	127,696	1.22763~1.31575	2	-	Working capital requirement	-	None	-	2,254,665	4,509,330	
4	Everport Terminal Services	Whitney Equipment LLC.	Receivables from related parties	Yes	265,140	252,864	252,864	2.5054~2.5517	2	-	Working capital requirement	-	None	-	485,113	1,212,783	(Note 9)

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Fill in the name of account in which the loans are recognised, such as receivables-related parties, current account with stockholders, prepayments, temporary payments, etc.

Note 3: Fill in the maximum outstanding balance of loans to others during the year ended December 31, 2020

Note 4: The column of Nature of loan shall fill in: 'Business transaction' or '2: Short-term financing'.

Note 5: Fill in the amount of business transactions when nature of the loan is related to business transactions, which is the amount of business transactions occurred between the creditor and borrower in the current period.

Note 6: Fill in purpose of loan when nature of loan is for short-term financing, for example, repayment of loan, acquisition of equipment, working capital, etc.

Note 7: Fill in limit on loans granted to a single party and ceiling on total loans granted as prescribed in the creditor company's "Procedures for Provision of Loans", and state each individual party to which the loans have been provided and the calculation for ceiling on total loans granted in the footnote.

1. According to the Company's credit policy, the total amount of loans granted to a single company should not exceed 20% of the net worth stated in the latest financial statements.

PEONY : USD 1,400,127\*28.0960\*20%=7,867,594

Clove Holding Ltd. : USD 91,895\*28.0960\*20%=51,6376

Evergreen Marine (Hong Kong) Ltd. : USD 401,243\*28.0960\*20%=2,254,665

Everport Terminal Services : USD 86,331\*28.0960\*20%=485,113

The Company held 100% voting shares directly and indirectly in foreign company, that the total amount of loans granted to a single company should not exceed 40% of the net worth stated in the latest financial statements.

PEONY : USD 1,400,127\*28.0960\*40%=15,735,188

2. According to the Company's credit policy, the total amount of loans granted should not exceed 50% of the net worth stated in the latest financial statements.

Evergreen Marine (Hong Kong) Ltd. : USD 401,243\*28.0960\*50%=19,668,984

Clove Holding Ltd. : USD 91,895\*28.0960\*50%=12,12,783

Everport Terminal Services : USD 86,331\*28.0960\*50%=12,12,783

The Company held 100% voting shares directly and indirectly in foreign company, that the total amount of loans granted should not exceed 50% of the net worth stated in the latest financial statements.

PEONY : USD 1,400,127\*28.0960\*50%=19,668,984

Everport Terminal Services : USD 86,331\*28.0960\*50%=12,12,783

Note 8: The amounts of funds to be loaned to others which have been approved by the Board of Directors of a public company in accordance with Article 14, Item 1 of the "Regulations Governing Loans of Funds and Making of Endorsements/Guarantees by Public Companies" should be included in its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears, even though they have not yet been appropriated. However, this balance should exclude the loans repaid when repayments are done subsequently to reflect the risk adjustment. In addition, if the Board of Directors of a public company has authorized the Chairman to loan funds in instalments or in revolving within certain lines and within one year in accordance with Article 14, Item 2 of the "Regulations Governing Loans of Funds and Making of Endorsements/Guarantees by Public Companies", the published balance of loans to others at the end of the reporting period should also include these lines of loaning approved by the Board of Directors, and these lines of loaning should not be excluded from this balance even though the loans are repaid subsequently, for taking into consideration that they could be loaned again thereafter.

Note 9: This transaction was written off when the consolidated financial statements were prepared.

Evergreen Marine Corporation (Taiwan) Ltd.  
Provision of endorsements and guarantees to others  
For the year ended December 31, 2020

Expressed in thousands of TWD

Table 2

Number (Note 1)	Endorser/Guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2020 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2020 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)										
0	Evergreen Marine Corporation	Greencompass Marine S.A.	2	\$ 188,563,421	\$ 63,059,535	\$ 24,925,721	\$ -	-	66.88%	\$ 235,704,277	N	N	
0	Evergreen Marine Corporation	Peony Investment S.A.	2	188,563,421	151,605	-	-	-	0.15%	235,704,277	N	N	
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	2	188,563,421	34,562,054	25,501,057	-	-	33.45%	235,704,277	N	N	
0	Evergreen Marine Corporation	Whitney Equipment LLC.	2	188,563,421	104,254	-	-	-	-	235,704,277	N	N	
0	Evergreen Marine Corporation	Colon Container Terminal S.A.	6	47,140,855	2,323,801	639,964	-	-	0.81%	235,704,277	N	N	
0	Evergreen Marine Corporation	Balsam Investment (Netherlands) N.V.	6	47,140,855	891,437	826,022	-	-	0.88%	235,704,277	N	N	
0	Evergreen Marine Corporation	Everport Terminal Services Inc.	2	188,563,421	2,657,778	748,993	-	-	2.39%	235,704,277	N	N	
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	2	188,563,421	33,589,686	17,879,157	-	-	33.24%	235,704,277	N	N	
1	Evergreen Marine (Hong Kong) Ltd.	Ever Shine (Shanghai) Enterprise Management Consulting Co., Ltd.	2	22,546,652	36,357	-	-	-	-	28,183,315	N	Y	
1	Evergreen Marine (Hong Kong) Ltd.	Colon Container Terminal S.A.	6	5,636,663	522,855	143,992	-	-	2.14%	28,183,315	N	N	

Evergreen Marine Corporation (Taiwan) Ltd.  
Provision of endorsements and guarantees to others  
For the year ended December 31, 2020

Expressed in thousands of TWD

Table 2

Number (Note 1)	Endorser/Guarantor	Party being endorsed/guaranteed		Limit on endorsements/guarantees provided for a single party (Note 3)	Maximum outstanding endorser/guarantee amount as of December 31, 2020 (Note 4)	Outstanding endorser/guarantee amount at December 31, 2020 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorser/guarantees secured with collateral	Ratio of accumulated endorser/guarantee amount to net asset value of the endorser/guarantor company	Ceiling on total amount of endorser/guarantees provided (Note 3)	Provision of endorser/guarantees by parent company to subsidiary (Note 7)	Provision of endorser/guarantees by subsidiary to parent company (Note 7)	Provision of endorser/guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/guarantor (Note 2)											
1	Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine (Hong Kong) Ltd.	2	\$ 22,546,652	\$ 2,329,180	\$ -	\$ -	\$ -	-	\$ 28,183,315	N	N	N	
2	Greencompass Marine S.A.	Everport Terminal Services Inc.	1	11,584,528	150,065	140,480	-	-	0.61%	57,922,638	N	N	N	

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following six categories; fill in the number of category each case belongs to:

(1) Having business relationship.

(2) The endorser/guarantor parent company directly and indirectly owns more than 50% voting shares of the endorsed/guaranteed company.

(3) The endorser/guaranteed parent company directly and indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.

(4) The parent company directly or indirectly owns more than 90% voting shares of the companies that make endorsements/guarantees for each other.

(5) The parent company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.

(6) Due to joint venture, all capital contributing shareholders make endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

(7) Companies in the same industry provide themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: Fill in limit on endorsements/guarantees provided for a single party and ceiling on total amount of endorsements/guarantees provided as prescribed in the endorser/guarantor company's "Procedures for Provision of Endorsements and Guarantees", and state each individual party to which the endorsements/guarantees have been provided and the calculation for ceiling on total amount of endorsements/guarantees provided in the footnote.

The calculation is as follows:

The Company:  $94,281,711 * 250\% = 235,704,277$

Limit on endorsement or guarantees provided by the Company for a single entity is \$47,140,855 (Amounting to 50% of its net worth).

(When the Company owns more than 50% voting shares of the endorsed/guaranteed company, the limit on endorsement or guarantee provided by the Company should not exceed 200% of its net worth, which equals to \$188,563,421.)

According to the credit policy of Evergreen Marine (Hong Kong) Ltd., the calculation for total amount of endorsements/guarantees is as follows:

Ceiling on total amount of endorsements/guarantees:  $USD 401,243 * 28.0960 * 250\% = 28,183,315$

Limit on endorsements or guarantees provided for a single entity:  $5,636,663$  (Amounting to 50% of its net worth).

(When the Company owns more than 50% voting shares of the endorsed/guaranteed company, the limit on endorsement or guarantee provided by the Company should not exceed 200% of its net worth, which equals to \$22,546,652.)

According to the credit policy of Greencompass Marine S.A., the calculation for total amount of endorsements/guarantees is as follows:

Ceiling on total amount of endorsements/guarantees:  $USD 824,639 * 28.0960 * 250\% = 57,922,638$

Limit on endorsements or guarantees provided for a single entity:  $11,584,528$  (Amounting to 50% of its net worth).

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 5: Fill in the amount approved by the Board of Directors or the chairman if the chairman has been authorized by the Board of Directors.

Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary, provision by subsidiary to listed parent company, and provision to the party in Mainland China.

Evergreen Marine Corporation (Taiwan) Ltd.  
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)  
For the year ended December 31, 2020

Expressed in thousands of shares/thousands of TWD/thousands of foreign currency

Table 3

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2020				Footnote (Note 4)
				Number of shares	Book value (Note 3)	Ownership (%)	Fair value	
Evergreen Marine Corporation	Stock:							
	Power World Fund Inc.		Financial asset measured at fair value through other comprehensive income - non-current	677	\$ 6,772	5.68%	\$ 6,772	
	Linden Technologies, Inc.		"	50	27,787	1.44%	27,787	
	TopLogis, Inc.		"	2,464	24,220	17.48%	24,220	
	Ever Accord Construction Corp.	Other related party	"	10,500	121,610	17.50%	121,610	
	Central Reinsurance Corp.	Other related party	"	49,866	1,131,969	8.45%	1,131,969	
	Financial bonds:							
	Sunny Bank 2nd Subordinate Financial Debentures-B Issue in 2015		Financial asset measured at amortised cost - non-current	-	50,000	-	50,000	
Peony Investment S.A.	Sunny Bank 3rd Subordinate Financial Debentures-B Issue in 2017		"	-	50,000	-	50,000	
	Hutchison Inland Container Depots Ltd.		Financial asset measured at fair value through other comprehensive income - non-current	0.75	USD 264	5.27%	USD 264	
	South Asia Gateway Terminals (Private) Ltd.		"	18,942	USD 12,021	5.00%	USD 12,021	
Evergreen Shipping Agency (Europe) GmbH	Zoll Pool Hafen Hamburg AG		"	10	EUR 10	2.86%	EUR 10	
Evergreen Shipping Agency Philippines Corporation	Eagle Ridge Golf & Country Club Inc.		"	0.001	PHP 200	1.67%	PHP 200	

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IFRS9, 'Financial instruments: recognition and measurement'.

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

## Evergreen Marine Corporation (Taiwan) Ltd.

Purchases or sales of goods from or to related parties reaching TWD 100 million or 20% of paid-in capital or more

For the year ended December 31, 2020

Expressed in thousands of TWD/thousands of foreign currency

Table 4

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction			Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)		
			Purchases/sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance		Percentage of total notes/accounts receivable (payable)	
Evergreen Marine Corporation	Everport Terminal Services Inc.	Subsidiary	Purchases	\$ 1,669,028	4%	30-60 days	\$ -	-	(\$ 156,956)	3%	(Note)	
	Greencompass Marine S.A.	Subsidiary	Purchases	1,569,036	3%	30-60 days	-	-	( 705)	-	(Note)	
	Taiwan Terminal Services Co., Ltd.	Subsidiary	Sales	2,553,480	5%	30-60 days	-	-	767	-	(Note)	
	Italia Marittima S.p.A.	Associates	Purchases	876,413	2%	30-60 days	-	-	( 129,051)	2%	(Note)	
	Evergreen International Storage and Transport Corp.	Associates	Purchases	287,925	1%	30-60 days	-	-	-	-		
	Evergreen Shipping Agency (America) Corporation	Other related parties	Sales	389,329	1%	30-60 days	-	-	1,787	-		
	Evergreen International Corp.	Other related parties	Purchases	364,325	1%	30-60 days	-	-	( 17,420)	-		
	Evergreen Marine (UK) Limited	Subsidiary	Purchases	430,312	1%	30-60 days	-	-	-	-		
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Purchases	529,035	1%	30-60 days	-	-	( 3,962)	-		
	Evergreen Shipping Agency (Europe) GmbH (EEU)	Subsidiary	Purchases	573,031	1%	30-60 days	-	-	-	-	(Note)	
	Gaining Enterprise S.A.	Other related parties	Sales	744,548	1%	30-60 days	-	-	383	-	(Note)	
				Purchases	412,409	1%	30-60 days	-	-	-	-	
				Sales	1,697,301	3%	30-60 days	-	-	1,031	-	
				Purchases	1,204,508	3%	30-60 days	-	-	( 284)	-	(Note)
				Sales	1,114,774	2%	30-60 days	-	-	26,277	1%	(Note)
				Purchases	289,517	1%	30-60 days	-	-	-	-	(Note)
			Purchases	576,232	1%	30-60 days	-	-	-	-	(Note)	

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Evergreen Marine Corporation	Evergreen Insurance Company Ltd.	Other related parties	Purchases	\$ 111,302	-	30-60 days	\$ -	-	\$ -	-	
	Taiwan Terminal Services Co., Ltd.	Associates	Purchases	228,789	-	30-60 days	-	-	-	-	
Taiwan Terminal Services Co., Ltd.	Evergreen Marine Corp.	The parent	Sales	876,413	100%	30-60 days	-	-	129,051	100%	(Note)
Everport Terminal Services Inc.	Evergreen Marine Corp.	The parent	Sales	56,710	14%	30-60 days	-	-	USD 5,586	13%	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	98,183	24%	30 days	-	-	USD 8,311	20%	
Evergreen Marine (UK) Limited	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	30,962	7%	30 days	-	-	USD 4,205	10%	(Note)
	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	76,318	18%	30 days	-	-	USD 5,841	14%	(Note)
Italia Marittima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Investee of Balsam Investment (NetherLands) N.V.	Sales	8,951	2%	30 days	-	-	USD 1,097	3%	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	39,397	10%	30 days	-	-	USD 3,394	8%	(Note)
Evergreen Marine (Hong Kong) Ltd.	Evergreen Shipping Agency (America) Corporation	Investee of the Parent Company's major shareholder	Purchases	8,224	2%	30 days	-	-	-	-	
	Evergreen Marine Corp.	The parent	Sales	40,926	5%	30-60 days	-	-	USD 10	-	(Note)
Greencompass Marine S.A.	Evergreen Marine Corp.	The parent	Purchases	37,877	5%	30-60 days	-	-	(USD 935)	1%	(Note)
	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	59,344	7%	30-60 days	-	-	USD 24	-	(Note)
Italia Marittima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Investee of Balsam Investment (NetherLands) N.V.	Purchases	37,459	5%	30-60 days	-	-	(USD 422)	-	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	10,354	1%	30-60 days	-	-	USD 1	-	
Evergreen Marine (Singapore) Pte. Ltd.	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Purchases	33,504	5%	30-60 days	-	-	(USD 722)	1%	
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	68,126	8%	30-60 days	-	-	USD 28	-	
Evergreen International Corp.	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Purchases	11,388	1%	30-60 days	-	-	(USD 128)	-	
	Evergreen International Corp.	Investee of the Parent Company's major shareholder	Sales	4,385	1%	30-60 days	-	-	USD 175	-	
	Evergreen International Corp.	Investee of the Parent Company's major shareholder	Purchases	10,404	1%	30-60 days	-	-	-	-	

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	USD 30,761	4%	30-60 days	\$ -	-	USD 11	-	(Note)
	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 93,914	13%	30-60 days	-	-	(USD 234)	-	(Note)
	Evergreen Shipping Agency (America) Corporation	Investee of the Parent Company's major shareholder	Purchases	USD 39,397	6%	30 days	-	-	(USD 3,394)	3%	(Note)
	Evergreen Shipping Agency (Europe) GmbH	Indirect subsidiary of the Parent Company	Purchases	USD 12,834	2%	30-60 days	-	-	(USD 1)	-	
	Taiwan Terminal Services Co., Ltd.	Associates	Purchases	USD 3,499	-	30-60 days	-	-	-	-	
	Evergreen Shipping Agency (China) Co., Ltd.	Indirect subsidiary of the Parent Company	Purchases	USD 33,064	5%	30-60 days	-	-	(USD 6,382)	6%	(Note)
	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	USD 34,768	1%	30-60 days	-	-	USD 1,582	1%	(Note)
	Evergreen Marine Corp.	The parent	Purchases	USD 25,039	1%	30-60 days	-	-	-	-	(Note)
	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Sales	USD 53,312	2%	30-60 days	-	-	USD 25	-	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Purchases	USD 86,761	4%	30-60 days	-	-	(USD 27)	-	(Note)
Greencoast Marine S.A.	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 30,962	1%	30 days	-	-	(USD 4,205)	1%	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	USD 75,611	3%	30-60 days	-	-	USD 736	-	
	Italia Marittima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Purchases	USD 25,950	1%	30-60 days	-	-	(USD 314)	-	
	Evergreen Shipping Agency (America) Corporation	Investee of the Parent Company's major shareholder	Sales	USD 19,483	1%	30-60 days	-	-	USD 81	-	
	Evergreen International Corp.	Investee of the Parent Company's major shareholder	Purchases	USD 40,684	2%	30-60 days	-	-	(USD 748)	-	
	Evergreen Shipping Agency (Japan) Corporation	Investee of the Parent Company's major shareholder	Purchases	USD 25,979	1%	30-60 days	-	-	-	-	
	Evergreen Shipping Agency (Europe) GmbH	Indirect subsidiary of the Parent Company	Purchases	USD 12,637	1%	30-60 days	-	-	-	-	
	Evergreen Marine Co. (Malaysia) SDN.BHD.	Indirect subsidiary of the Parent Company	Purchases	USD 6,157	-	30-60 days	-	-	-	-	
				USD 11,162	-	30-60 days	-	-	-	-	(Note)
				USD 4,931	-	30-60 days	-	-	-	-	(Note)

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction			Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance	
Greencoast Marine S.A.	Evergreen Insurance Company Limited	Investee of the Parent Company's major shareholder	Purchases	USD 4,998	-	30-60 days	\$ -	(USD 751)	-	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	USD 37,459	1%	30-60 days	-	USD 422	-	(Note)
	Evergreen Shipping Agency (Vietnam) Corp.	Indirect subsidiary of the Parent Company	Purchases	USD 59,344	2%	30-60 days	-	(USD 24)	-	(Note)
	Taiwan Terminal Services Co., Ltd.	Associates	Purchases	USD 7,088	-	30-60 days	-	-	-	(Note)
	Greencoast Marine S.A.	Indirect subsidiary of the Parent Company	Sales	USD 25,039	2%	30-60 days	-	-	-	(Note)
	Evergreen Marine Corp.	The Parent	Purchases	USD 34,768	3%	30-60 days	-	(USD 1,582)	1%	(Note)
	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 19,470	1%	30-60 days	-	-	-	(Note)
	Italia Marittima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Purchases	USD 25,298	2%	30-60 days	-	(USD 14)	-	(Note)
	Evergreen Shipping Agency (Europe) GmbH	Indirect subsidiary of the Parent Company	Purchases	USD 76,318	6%	30 days	-	(USD 5,841)	4%	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Purchases	USD 6,291	1%	30-60 days	-	( 487)	-	(Note)
Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Evergreen Shipping Agency (America) Corporation	Indirect subsidiary of the Parent Company	Purchases	USD 4,388	-	30-60 days	-	-	-	(Note)
	Evergreen Marine (Hong Kong) Ltd.	Investee of the Parent Company's major shareholder	Sales	USD 30,752	2%	30-60 days	-	USD 912	1%	
	Evergreen Shipping Agency (America) Corporation	Subsidiary of the Parent Company	Purchases	USD 9,535	1%	30-60 days	-	-	-	
	Evergreen Marine (Hong Kong) Ltd.	Investee of the Parent Company's major shareholder	Sales	USD 24,445	2%	30-60 days	-	-	-	
	Evergreen Shipping Agency (America) Corporation	Subsidiary of the Parent Company	Purchases	USD 93,914	7%	30-60 days	-	USD 234	-	(Note)
	Evergreen Marine (Hong Kong) Ltd.	Investee of the Parent Company's major shareholder	Sales	USD 30,761	3%	30-60 days	-	(USD 11)	-	(Note)
	Evergreen Shipping Agency (America) Corporation	Subsidiary of the Parent Company	Purchases	USD 5,105	-	30-60 days	-	-	-	
	Evergreen Marine (Hong Kong) Ltd.	Investee of the Parent Company's major shareholder	Sales	MYR 187,752	100%	45 days	-	MYR 48,234	100%	
	Gaining Enterprise S.A.	Investee of EITC	Sales							



Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Evergreen Shipping Agency (Europe) GmbH	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	EUR 9,772	24%	30-60 days	\$ -	-	-	-	(Note)
	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	EUR 3,841	9%	30-60 days	-	-	-	-	(Note)
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	EUR 3,162	8%	30-60 days	-	-	-	-	(Note)
Evergreen Marine Co. (Malaysia) SDN.BHD.	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	EUR 9,688	24%	30-60 days	-	-	EUR 1,289	2%	
	Evergreen Marine Corp.	The Parent	Sales	EUR 8,612	21%	30-60 days	-	-	-	-	
Evergreen Shipping Agency (Vietnam) Corp.	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	MYR 20,729	23%	30-60 days	-	-	-	-	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	MYR 15,445	17%	30-60 days	-	-	-	-	
Evergreen Shipping Agency (China) Co., Ltd.	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	VND 107,480,258	27%	30-60 days	-	-	-	-	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	VND 108,728,429	27%	30-60 days	-	-	VND 21,116,438	6%	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	CNY 228,122	100%	30-60 days	-	-	CNY 41,632	100%	(Note)

Note: This transaction was written off when the consolidated financial statements were prepared.

Note 1: If terms of related-party transactions are different from third-party transactions, explain the differences and reasons in the 'Unit price' and 'Credit term' columns.

Note 2: In case related-party transaction terms involve advance receipts (prepayments) transactions, explain in the footnote the reasons, contractual provisions, related amounts, and differences in types of transactions compared to third-party transactions.

Note 3: Paid-in capital referred to herein is the paid-in capital of parent company.

Evergreen Marine Corporation (Taiwan) Ltd.  
Receivables from related parties reaching TWD 100 million or 20% of paid-in capital or more  
For the year ended December 31, 2020

Table 5

Expressed in thousands of TWD/thousands of foreign currency

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2020 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts	Footnote
					Amount	Action taken			
Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Gaining Enterprise S.A.	Investee of EITC	MYR 48,234	-	\$ -	-	MYR 30,169	\$ -	
Peony Investment S.A.	Clove Holding Ltd.	Subsidiary	USD 7,503	-	-	-	-	-	Note
Peony Investment S.A.	Colon Container Terminal, S.A.	Investee of Clove Holding Ltd. accounted for using equity method	USD 20,307	-	-	-	-	-	
Everport Terminal Services Inc.	Evergreen Marine (UK) Limited	Indirectly subsidiary of the Parent Company	USD 5,841	-	-	-	USD 4,809	-	Note
Everport Terminal Services Inc.	Evergreen Marine (Singapore) Pte. Ltd.	Other related party	USD 8,311	-	-	-	USD 6,842	-	
Everport Terminal Services Inc.	Evergreen Marine Corp.	The parent	USD 5,586	-	-	-	USD 4,599	-	Note
Everport Terminal Services Inc.	Greencompass Marine S.A.	Subsidiary of the Parent Company	USD 4,205	-	-	-	USD 3,462	-	Note
Evergreen Marine (Hong Kong) Ltd.	Colon Container Terminal, S.A.	Investee of Evergreen Marine (Hong Kong) Limited accounted for using equity method	USD 4,576	-	-	-	-	-	

Note: This transaction was written off when the consolidated financial statements were prepared.

Note 1: Fill in separately the balances of accounts receivable-related parties, notes receivable-related parties, other receivables-related parties, etc.

Note 2: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Evergreen Marine Corporation (Taiwan) Ltd.  
Significant inter-company transactions during the reporting periods  
For the year ended December 31, 2020

Expressed in thousands of TWD

Table 6

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount			
0	Evergreen Marine Corporation	Taiwan Terminal Services Co., Ltd.	1	Operating cost	\$ 876,413	Note 4	0.42	
0	Evergreen Marine Corporation	Taiwan Terminal Services Co., Ltd.	1	Accounts payable	129,051	"	0.04	
0	Evergreen Marine Corporation	Greencompass Marine S. A.	1	Operating revenue	2,553,480	"	1.23	
0	Evergreen Marine Corporation	Greencompass Marine S. A.	1	Operating cost	1,569,036	"	0.76	
0	Evergreen Marine Corporation	Everport Terminal Services Inc.	1	Accounts payable	156,956	"	0.05	
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	1	Operating revenue	744,548	"	0.36	
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	1	Operating cost	573,031	"	0.28	
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	1	Shipowner's account - credit	214,357	"	0.06	
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	1	Operating revenue	1,114,774	"	0.54	
0	Evergreen Marine Corporation	Evergreen Shipping Agency (Europe) GmbH	1	Operating cost	289,517	"	0.14	
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	1	Operating cost	1,204,508	"	0.58	
0	Evergreen Marine Corporation	Everport Terminal Services Inc.	1	Operating cost	1,669,028	"	0.81	
1	Greencompass Marine S.A.	Evergreen Marine (UK) Limited	3	Operating cost	736,922	"	0.36	
1	Greencompass Marine S.A.	Evergreen Shipping Agency (Europe) GmbH	3	Operating cost	328,513	"	0.16	
1	Greencompass Marine S.A.	Evergreen Marine (Hong Kong) Ltd.	3	Operating cost	1,746,559	"	0.84	
1	Greencompass Marine S.A.	Everport Terminal Services Inc.	3	Operating cost	911,248	"	0.44	
2	Evergreen Marine (UK) Limited	Evergreen Marine (Hong Kong) Ltd.	3	Operating revenue	2,764,004	"	1.33	
2	Evergreen Marine (UK) Limited	Greencompass Marine S. A.	3	Operating cost	1,023,256	"	0.49	

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
2	Evergreen Marine (UK) Limited	Evergreen Marine (Hong Kong) Ltd.	3	Operating cost	\$ 905,337	Note 4	0.44
2	Evergreen Marine (UK) Limited	Everport Terminal Services Inc.	3	Operating cost	2,246,118	"	1.08
2	Evergreen Marine (UK) Limited	Everport Terminal Services Inc.	3	Accounts payable	164,121	"	0.05
3	Evergreen Marine (Hong Kong) Ltd.	Greencompass Marine S.A.	3	Operating cost	1,102,457	"	0.53
3	Evergreen Marine (Hong Kong) Ltd.	Everport Terminal Services Inc.	3	Operating cost	1,159,484	"	0.56
3	Evergreen Marine (Hong Kong) Ltd.	Evergreen Shipping Agency (China) Co., Ltd.	3	Operating cost	973,098	"	0.47
3	Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine (UK) Limited	3	Shipowner's account - credit	938,863	"	0.28
3	Evergreen Marine (Hong Kong) Ltd.	Greencompass Marine S.A.	3	Shipowner's account - credit	1,273,446	"	0.38
4	Peony Investment S.A.	Clove Holding Ltd.	3	Other receivables	210,793	"	0.06

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; Fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1) Parent company to subsidiary.

(2) Subsidiary to parent company

(3) Subsidiary to subsidiary

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Terms are approximately the same as for general transactions.

Note 5: The Company may decide to disclose or not to disclose transaction details in this table based on the Materiality Principle.

Evergreen Marine Corporation (Taiwan) Ltd.  
Information on investees (not including investee company of Mainland China)  
For the year ended December 31, 2020

Expressed in thousands of shares/thousands of TWD

Investor	Investee (Note 1 - Note 2)	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2020			Net profit (loss) of the investee For the year ended December 31, 2020 (Note 2(2))	Investment income (loss) recognised by the Company For the year ended December 31, 2020 (Note 2(3))	Footnote
				Balance as of December 31, 2020	Balance as of December 31, 2019	Number of shares	Ownership (%)	Book value			
Evergreen Marine Corp.	Peony Investment S.A.	Republic of Panama	Investment activities	\$ 14,301,195	\$ 14,301,195	4,765	100.00	\$ 39,265,711	\$ 15,301,113	Subsidiary of the Company (Note)	
	Taiwan Terminal Services Co., Ltd.	Taiwan	Loading and discharging operations of container yards	55,000	55,000	5,500	55.00	66,770	17,626	" (Note)	
	Everport Terminal Services Inc.	U.S.A	Terminal services	3,001	3,001	1	94.43	2,139,666	580,780	" (Note)	
	Evergreen Marine (Hong Kong) Ltd.	Hong Kong	Marine transportation and shipping agency	6,283,222	6,283,222	6,320	79.00	11,989,398	6,859,680	" (Note)	
	Evergreen Shipping Agency (Israel) Ltd.	Israel	Shipping agency	9,103	9,103	1,062	59.00	23,158	34,665	" (Note)	
	Chang Yang Development Co., Ltd.	Taiwan	Development, rental, sale of residential and commercial buildings	320,000	320,000	58,542	40.00	557,549	170,498	Investee accounted for using equity method	
	Evergreen International Storage and Transport Corporation	Taiwan	Container transportation and gas stations	4,840,408	4,840,408	430,692	40.36	9,315,382	682,203	"	
	Evergreen Security Corporation	Taiwan	General security guards services	25,000	25,000	6,336	31.25	114,257	36,918	"	
	EVA Airways Corporation	Taiwan	International passengers and cargo transportation	11,276,823	11,276,823	776,541	16.00	11,327,144	( 3,361,659)	"	
	Taipei Port Container Terminal Corporation	Taiwan	Container distribution and cargo stevedoring	1,446,196	1,094,073	144,799	27.85	1,523,550	323,833	"	
	Ever Ecove Corporation	Taiwan	Waste treatment and combined heat and power	305,000	-	30,500	19.06	305,965	( 12,698)	"	
	VIP Greenport Joint Stock Company	Vietnam	Terminal services	178,750	178,750	13,750	21.74	277,982	190,729	"	
	Clove Holding Ltd.	British Virgin Islands	Investment holding company	1,476,424	1,476,424	10	100.00	2,581,880	28,518	Indirect subsidiary of the Company (Note)	
	Peony Investment S.A.	Evergreen Shipping Agency (Europe) GmbH	Germany	Shipping agency	233,646	233,646	-	100.00	145,405	26,396	" (Note)
Evergreen Shipping Agency (Korea) Corporation		South Korea	Shipping agency	68,161	68,161	121	100.00	64,445	31,610	" (Note)	
Greencoast Marine S.A.		Republic of Panama	Marine transportation	9,931,936	9,931,936	3,555	100.00	23,169,055	10,758,643	" (Note)	
Evergreen Shipping Agency (India) Pvt. Ltd.		India	Shipping agency	33,061	33,061	100	99.99	202,749	58,862	" (Note)	

Table 7

Investor	Investee (Note 1 - Note 2)	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2020			Investment income (loss) recognised by the Company For the year ended December 31, 2020 (Note 2(3))	Footnote
				Balance as of December 31, 2020	Balance as of December 31, 2019	Number of shares	Ownership (%)	Book value		
Peony Investment S.A.	Evergreen Argentina S.A.	Argentina	Leasing	\$ 3,933	\$ 3,933	150	95.00	\$ 31,910	2,828	Indirect subsidiary of the Company (Note)
	PT. Multi Bina Pura International	Indonesia	Loading and discharging operations of container yards and inland transportation	239,545	220,299	18	95.03	534,184	33,665	" (Note)
	PT. Multi Bina Transport	Indonesia	Container repair, cleaning and inland transportation	22,597	22,597	2	17.39	13,302	(582)	" (Note)
	Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Malaysia	Container manufacturing	766,876	766,876	42,120	84.44	919,730	9,541	" (Note)
	Evergreen Shipping (Spain) S.L.	Spain	Shipping agency	189,516	189,516	6	100.00	277,621	127,803	" (Note)
	Evergreen Shipping Agency (Italy) S.p.A.	Italy	Shipping agency	66,082	66,082	0.55	55.00	83,779	9,681	" (Note)
	Evergreen Marine (UK) Limited	U.K	Marine transportation	3,767,748	3,767,748	765	51.00	3,528,202	2,920,412	" (Note)
	Evergreen Shipping Agency (Australia) Pty. Ltd.	Australia	Shipping agency	47,999	47,999	1	100.00	100,677	88,228	" (Note)
	Evergreen Shipping Agency (Russia) Ltd.	Russia	Shipping agency	23,825	23,825	-	51.00	26,445	49,876	" (Note)
	Evergreen Shipping Agency (Thailand) Co., Ltd.	Thailand	Shipping agency	63,019	63,019	680	85.00	101,764	63,328	" (Note)
	Evergreen Agency (South Africa) (Pty) Ltd.	South Africa	Shipping agency	16,324	16,324	5,500	55.00	54,548	8,993	" (Note)
	Evergreen Shipping Agency (Vietnam) Corp.	Vietnam	Shipping agency	34,586	34,586	-	100.00	602,229	287,289	" (Note)
	PT. Evergreen Shipping Agency Indonesia	Indonesia	Shipping agency	27,337	27,337	0.441	49.00	129,206	49,658	Investee company of Peony accounted for using equity method
	Luania Investment (Netherlands) N.V.	Curaçao	Investment holding company	1,335,663	1,335,663	460	50.00	1,485,739	(51,920)	"
	Balsam Investment (Netherlands) N.V.	Curaçao	Investment holding company	11,735,318	11,735,318	0.451	49.00	1,177,162	312,944	"
	Evergreen Shipping Agency Co. (U.A.E.) LLC	United Arab Emirates	Shipping agency	58,496	58,496	-	49.00	114,156	80,607	"
	Greenpen Properties Sdn. Bhd.	Malaysia	Renting estate and storehouse company	11,970	11,970	1,500	30.00	29,680	(4,111)	"
	Evergreen Marine Corp. (Malaysia) SDN.BHD.	Malaysia	Shipping agency	264,501	264,501	500	100.00	621,123	292,582	Indirect subsidiary of the Company (Note)

Investor	Investee (Note 1 - Note 2)	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2020			Net profit (loss) of the investee For the year ended December 31, 2020 (Note 2(2))	Investment income (loss) recognised by the Company For the year ended December 31, 2020 (Note 2(3))	Footnote
				Balance as of December 31, 2020	Balance as of December 31, 2019	Number of shares	Ownership (%)	Book value			
Peony Investment S.A.	Evergreen Marine (Hong Kong) Ltd.	Hong Kong	Marine transportation and shipping agency	\$ 74,454	\$ 74,454	80	1.00	\$ 151,765	\$ 6,859,680	\$ 67,557	Investee company of Peony accounted for using equity method
	Ics Depot Services Snd. Bhd.	Malaysia	Depot services	31,299	31,299	286	28.65	68,329	29,525	8,458	"
Clove Holding Ltd.	Colon Container Terminal, S.A.	Republic of Panama	Inland container storage and loading	642,275	642,275	22,860	40.00	2,417,403	( 3,807)	( 1,523)	Investee company of Clove Holding Ltd. accounted for using equity method
	Everport Terminal Services Inc.	U.S.A	Terminal services	182,735	182,735	0.059	5.57	283,900	615,046	34,266	Indirect subsidiary of the Company (Note)
Everport Terminal Services Inc.	Whiney Equipment LLC.	U.S.A	Equipment Leasing Company	5,619	5,619	-	100.00	228,844	23,953	23,953	" (Note)
PT. Multi Bina Pura International	PT. Multi Bina Transport	Indonesia	Container repair cleaning and inland transportation	92,756	92,756	7.55	72.95	55,801	( 3,347)	( 2,441)	" (Note)
Evergreen Marine (Hong Kong) Limited	Colon Container Terminal S.A.	Republic of Panama	Inland container storage and loading	438,298	438,298	5,144	9.00	564,351	( 3,807)	( 343)	Investee company of Evergreen Marine (Hong Kong) Limited accounted for using equity method
	Evergreen Marine (Latin America), S.A.	Republic of Panama	Management consultancy	18,306	2,782	600	100.00	18,043	1,241	1,060	Indirect subsidiary of the Company (Note)
	Evergreen Shipping Service (Cambodia) Co., Ltd.	Cambodia	Shipping agency	5,619	5,619	200	100.00	45,371	41,641	41,641	" (Note)
	Evergreen Shipping Agency (Peru) S.A.C.	Peru	Shipping agency	7,800	7,800	900	60.00	68,376	108,403	65,042	" (Note)
	Evergreen Shipping Agency (Colombia) S.A.S	Colombia	Shipping agency	9,863	9,863	80	75.00	60,201	66,396	49,797	" (Note)
	Evergreen Shipping Agency Mexico S.A. de C.V.	Mexico	Shipping agency	6,440	6,440	44	60.00	39,395	51,397	30,838	" (Note)
	Evergreen Shipping Agency (Chile) SPA.	Chile	Shipping agency	8,957	8,957	2	60.00	45,552	51,278	30,767	" (Note)
	Evergreen Shipping Agency (Greece) Societe Anonyme.	Greece	Shipping agency	7,594	7,594	2	60.00	41,933	39,084	23,450	" (Note)
	Evergreen Shipping Agency (Israel) Ltd.	Israel	Shipping agency	143	143	18	1.00	393	34,665	347	" (Note)

Investor	Investee (Note 1 - Note 2)	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2020			Net profit (loss) of the investee For the year ended December 31, 2020 (Note 2(2))	Investment income (loss) recognised by the Company For the year ended December 31, 2020 (Note 2(3))	Footnote
				Balance as of December 31, 2020	Balance as of December 31, 2019	Number of shares	Ownership (%)	Book value			
Evergreen Marine (Hong Kong) Limited	Evergreen Shipping Agency (Brazil) Ltd.	Brazil	Shipping agency	\$ 6,950	\$ -	120	60.00	\$ 12,199	\$ 9,758	\$ 5,855	Indirect subsidiary of the Company (Note)
	Evergreen Shipping Agency Lanka (Private) Ltd.	Lanka	Shipping agency	3,406	3,406	2,160	40.00	22,079	64,722	25,889	Investee company of Evergreen Marine (Hong Kong) Limited accounted for using equity method
	Evergreen Shipping Agency Philippines Corporation	Philippines	Shipping agency	138,453	-	10,000	100.00	166,171	48,315	27,512	Indirect subsidiary of the Company (Note)

Note 2: This transaction was written off when the consolidated financial statements were prepared.

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

- (1) The columns of 'Investee', 'Location', 'Main business activities', 'Initial investment amount' and 'Shares held as at December 31, 2020' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column.
- (2) The 'Net profit (loss) of the investee for the year ended December 31, 2020' column should fill in amount of net profit (loss) of the investee for this period.
- (3) The 'Investment income (loss) recognised by the Company for the year ended December 31, 2020' column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.



Evergreen Marine Corporation (Taiwan) Ltd.  
Information on investments in Mainland China  
For the year ended December 31, 2020

Table 8

Expressed in thousands of TWD

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan as of January 1, 2020	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2020		Net income (loss) of the investee for the year ended December 31, 2020	Ownership held by the Company (direct or indirect) (%)	Investment income (loss) recognised by the Company for the year ended December 31, 2020 (Note 2(B))	Book value of investments in Mainland China as of December 31, 2020	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2020	Footnote
					Remitted to Mainland China	Remitted back to Taiwan						
		\$ 538,263	(2)	\$ 201,210	\$ -	\$ -	\$ 50,783	40.00	\$ 20,313	\$ 328,607	\$ -	
Nangbo Victory Container Co., Ltd.	Inland container transportation, container storage, loading, discharging, repair and related activities											
Qingdao Evergreen Container Storage & Transportation Co., Ltd.	Inland container transportation, storage, loading, discharging, repair, cleaning and related activities	183,048	(2)	39,808	-	39,808	151,669	40.00	60,668	161,453	-	
Kingtrans Intl. Logistics (Tianjin) Co., Ltd.	Inland container transportation, storage, loading, discharging, repair, cleaning and related activities	335,642	(2)	265,936	-	265,936	50,582	46.20	23,369	167,865	-	(Note)
Ever Shine (Shanghai) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	1,871,291	(2)	2,288,710	-	2,288,710	24,858	80.00	(52,355)	1,680,187	-	(Note)
Ever Shine (Ningbo) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	185,201	(2)	253,198	-	253,198	140	80.00	168	8,302	-	(Note)
Ever Shine (Shenzhen) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	264,220	(2)	440,559	-	440,559	3,333	80.00	(5,156)	13,976	-	(Note)
Ever Shine (Qingdao) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	214,230	(2)	359,134	-	359,134	3,893	80.00	491	11,474	-	(Note)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2020	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2020		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2020	Net income (loss) of the investee for the year ended December 31, 2020	Ownership held by the Company (direct or indirect) (%)	Investment income (loss) recognised by the Company for the year ended December 31, 2020 (Note 2(2)B)	Book value of investments in Mainland China as of December 31, 2020	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2020	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Evergreen Shipping Agency (China) Co., Ltd.	Agency services dealing with port formalities	29,534	(2)	83,160	-	-	83,160	46,236	52.00	2,913	1,755	-	(Note)

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2020	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Evergreen Marine Corp.	\$ 3,931,715	\$ 4,449,838	\$ 60,896,576

Note: This transaction was written off when the consolidated financial statements were prepared.

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company, Peony Investment S.A. and Evergreen Marine (Hong Kong) Ltd., in the third area, which then invested in the investee in Mainland China.
- (3) Others

Note 2: In the 'Investment income (loss) recognised by the Company for the year ended December 31, 2020' column:

- (1) It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.
- (2) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:

- A. The financial statements that are audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.
- B. The financial statements that are audited and attested by R.O.C. parent company's CPA.
- C. Others.

Note 3: The numbers in this table are expressed in New Taiwan Dollars.

Evergreen Marine Corporation (Taiwan) Ltd.  
Major shareholders information  
For the year ended December 31, 2020

Table 9

Name of major shareholders	Shares	
	Name of shares held	Ownership (%)
Evergreen International S.A.(EIS)	391,786,816	7.99%
Chang, Kuo-Hua	319,646,157	6.52%
Evergreen International Corp.	262,411,866	5.35%

Note 1: The major shareholders information was from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded in the financial statements may differ from the actual number of shares issued in dematerialised form because of a different calculation basis.

Note 2: If the aforementioned data contains shares which were kept in trust by the shareholders, the data disclosed was the settlor's separate account for the fund set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act, the shareholding ratio includes the self-owned shares and trusted shares, at the same time, persons who have power to decide how to allocate the trust assets. For the information of reported share equity of insider, please refer to Market Observation Post System.

## 6-6 Parent Company Only Financial Statements and Report of Independent Accountants

## INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Evergreen Marine Corporation (Taiwan) Ltd.

***Opinion***

We have audited the accompanying parent company only balance sheets of Evergreen Marine Corporation (Taiwan) Ltd. (the “Company”) as of December 31, 2020 and 2019, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other independent auditors (please refer to Other Matter section of our report), the accompanying financial statements present fairly, in all material respects, the financial position of Evergreen Marine Corporation (Taiwan) Ltd. as of December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the “Regulations Governing the Preparations of Financial Reports by Securities Issuers” .

***Basis for opinion***

We conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountants 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 along with the report of other independent auditors are sufficient and appropriate to provide a basis for our opinion.

***Key audit matters***

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

The key audit matters of the parent company only financial statements for the year ended December 31, 2020 are as follows:

**Accuracy of freight revenue and appropriate use of cut-off**

Description

Please refer to Note 4(31) for accounting policy on revenue recognition, Note 5(2) for uncertainty of accounting estimates and assumptions applied on revenue recognition, and Note 6(22) for details of sales revenue, Note 6(7) for details of investments accounted for using equity method, and Table 7 for information on investees accounted for using equity method.

The Company, the Company's directly held subsidiary, Peony Investment S.A., which is recognised in investments accounted for using equity method, and the subsidiary, Evergreen Marine (Hong Kong) Ltd., which is directly and indirectly held an 80% equity interest by the Company, primarily engages in global container shipping service covering ocean-going and near-sea shipping line, shipping agency business as well as container freight station business. Since ocean-going shipping often lasts for several days, voyages are sometimes completed after the balance sheet date. Also, demand for freight services is consistently sent by forwarders during voyage. Due to the factors mentioned above, freight revenue is recognized under the percentage-of-completion method for each vessel of which the service has been provided during the reporting period.

Despite the Company and its investee companies conducting business worldwide, its transactions are all in small amounts, whereas the freight rate is subject to fluctuation caused by cargo loading rate as well as market competition. Worldwide shipping agencies use a system to record the transactions by entering data including shipping departure, destination, counterparty, transit time, shipping amounts, and freight price for the Company. Therefore, the management could recognise freight revenue in accordance with the data on bill of lading reports generated from the system, accompanied by estimations made from past experience and current cargo loading conditions the revenue that would flow in, and calculate the revenue under percentage-of-completion method. As the process of recording transactions, communicating with agencies, maintaining the system are done manually, and the estimation of freight revenue is subject to management's judgement, therefore freight revenue involves high uncertainty and is material to the financial statements. Given the conditions as described above, we consider the accuracy of freight revenue and the appropriate use of cut-off by the Company and its investee companies as a key audit matter.

### How our audit addressed the matter

We and other auditors performed the following audit procedures on the above key audit matter:

1. Obtained an understanding of the operation and industry of the Company and its investee companies to assess the reasonableness of policies and procedures on revenue recognition, and confirmed whether it is appropriate to the financial statements.
2. Obtained an understanding of the procedures of revenue recognition from booking, picking, billing to receiving. Assessed and tested relevant internal controls, including checking freight items and amounts of delivery information against the approved contracts and booking list. In addition, recalculated the accuracy of freight revenue, and ensured its consistency with the bill of lading report.
3. Obtained the estimated freight income report for vessels underway as of balance sheet date, and inquired with management for the reasonableness of judgment. In addition, checked historical freight revenue for total voyage under each individual vessel, along with comparing with current cargo loading condition as well as actual revenue received after period end to ensure the reasonableness of revenue assumptions.
4. Confirmed the completeness of vessels underway for the reporting period, including tracking the movements of shipments on the internet to ensure the vessels that depart before period end have been taken into consideration in the freight revenue calculation.
5. Verified accuracy of data used in calculating percentage of completion under each voyage, including selecting samples and checking whether the total shipping days shown on the Company's website are in agreement with cruises timetable as well as recalculating the shipping days (days between departure and balance sheet date), in order to examine the reasonableness of percentage applied.

### **Other matter – Reference to the reports of other independent auditors**

We did not audit the financial statements of all the investee companies accounted for using equity method. Those statements were audited by other independent auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for those investee companies accounted for using equity method and information disclosed in Note 13 relating to these long-term equity investments, is based solely on the reports of the other independent auditors. Long-term equity investments in these investee companies amounted to NT\$ 27,602,691 thousand and NT\$ 23,545,990 thousand, constituting 15.94% and 15.71% of the total assets as of December 31, 2020 and 2019, respectively, and comprehensive income (loss) (including share of profit or loss and share of other

comprehensive income of associates and joint ventures accounted for using equity method) was NT\$ 4,543,410 thousand and NT\$ 428,025 thousand, constituting 20.32% and (297.78%) of the total comprehensive income (loss) as of December 31, 2020 and 2019, respectively.

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

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

Those charged with governance, including supervisors, 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 generally accepted auditing standards in 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 generally accepted auditing standards in the Republic of China, we exercise professional judgement 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 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.



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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period 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.

Li, Hsiu-Ling

Chih, Ping-Chiun

For and on behalf of PricewaterhouseCoopers, Taiwan

March 22, 2021

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The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2020 AND 2019  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2020		December 31, 2019	
		AMOUNT	%	AMOUNT	%
<b>Current assets</b>					
Cash and cash equivalents	6(1)	\$ 20,562,990	12	\$ 18,767,848	12
Financial assets at fair value through profit or loss - current		4,289	-	-	-
Current financial assets at amortised cost	6(3) and 8	4,171,210	2	1,401,857	1
Current contract assets	6(22)	802,464	1	372,492	-
Notes receivable - net	6(4)	29	-	166	-
Accounts receivable - net	6(4)	3,275,730	2	2,877,284	2
Accounts receivable, net - related parties	6(4) and 7	69,048	-	112,150	-
Other receivables		28,463	-	69,102	-
Other receivables - related parties	7	80,695	-	5,160	-
Current income tax assets		-	-	29,012	-
Inventories	6(5)	523,326	-	972,539	1
Prepayments		249,781	-	246,391	-
Other current assets	6(6) and 7	3,011,234	2	2,405,251	2
<b>Current Assets</b>		<u>32,779,259</u>	<u>19</u>	<u>27,259,252</u>	<u>18</u>
<b>Non-current assets</b>					
Non-current financial assets at fair value through other comprehensive income	6(2)	1,312,358	1	1,156,298	1
Non-current financial assets at amortised cost	6(3) and 8	289,651	-	286,940	-
Investments accounted for using equity method	6(7)	76,818,995	44	57,888,371	39
Property, plant and equipment - net	6(8) and 8	37,425,681	22	36,934,484	25
Right-of-use assets	6(9) and 7	19,596,656	11	22,497,764	15
Investment property - net	6(10) and 8	1,829,556	1	1,869,412	1
Intangible assets		16,247	-	19,599	-
Deferred income tax assets	6(30)	290,095	-	794,122	-
Other non-current assets	6(12)	2,817,347	2	1,172,221	1
<b>Non-current assets</b>		<u>140,396,586</u>	<u>81</u>	<u>122,619,211</u>	<u>82</u>
<b>Total assets</b>		<u>\$ 173,175,845</u>	<u>100</u>	<u>\$ 149,878,463</u>	<u>100</u>

(Continued)

**EVERGREEN MARINE CORPORATION (TAIWAN) LTD.**  
**PARENT COMPANY ONLY BALANCE SHEETS**  
**DECEMBER 31, 2020 AND 2019**  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2020		December 31, 2019	
		AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>					
Current financial liabilities for hedging	6(9) and 7	\$ 898,484	1	\$ 1,861,026	1
Current contract liabilities	6(22)	494,792	-	536,774	-
Accounts payable		4,929,925	3	3,370,023	2
Accounts payable - related parties	7	310,788	-	283,199	-
Other payables		1,314,986	1	1,207,403	1
Other payables - related parties	7	11,006	-	9,110	-
Current income tax liabilities		340,338	-	-	-
Current lease liabilities	6(9) and 7	1,484,357	1	717,363	1
Other current liabilities	6(13)(14)(15) and 7	11,897,010	7	10,277,100	7
<b>Current Liabilities</b>		<b>21,681,686</b>	<b>13</b>	<b>18,261,998</b>	<b>12</b>
<b>Non-current liabilities</b>					
Non-current financial liabilities for hedging	6(9) and 7	9,971,891	6	18,327,916	12
Corporate bonds payable	6(14)	12,779,043	7	10,000,000	7
Long-term loans	6(15)	25,346,223	15	29,818,885	20
Deferred income tax liabilities	6(30)	1,738,565	1	798,998	-
Non-current lease liabilities	6(9) and 7	6,057,307	3	1,322,625	1
Other non-current liabilities	6(16)(17)	1,319,419	1	1,302,262	1
<b>Non-current liabilities</b>		<b>57,212,448</b>	<b>33</b>	<b>61,570,686</b>	<b>41</b>
<b>Total Liabilities</b>		<b>78,894,134</b>	<b>46</b>	<b>79,832,684</b>	<b>53</b>
<b>Equity</b>					
Capital					
Common stock	6(18)	48,980,353	28	48,129,738	32
Capital surplus					
Capital surplus	6(19)	12,433,364	7	11,407,437	7
Retained earnings					
Legal reserve	6(20)	5,714,940	3	5,714,940	4
Unappropriated retained earnings		27,734,460	16	3,659,042	3
Other equity interest					
Other equity interest	6(21)	(581,406)	-	1,134,622	1
<b>Total equity</b>		<b>94,281,711</b>	<b>54</b>	<b>70,045,779</b>	<b>47</b>
Significant Contingent Liabilities And Unrecognised Contract Commitments	9				
Significant Events After The Balance Sheet Date	11				
<b>Total liabilities and equity</b>		<b>\$ 173,175,845</b>	<b>100</b>	<b>\$ 149,878,463</b>	<b>100</b>

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

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items	Notes	Year ended December 31			
		2020		2019	
		AMOUNT	%	AMOUNT	%
Operating revenue	6(22) and 7	\$ 51,623,123	100	\$ 44,687,138	100
Operating costs	6(28)(29) and 7	( 42,970,912)	( 83)	( 42,080,473)	( 94)
Gross profit		8,652,211	17	2,606,665	6
Operating expenses	6(28)(29) and 7				
Selling expenses		( 592,712)	( 1)	( 308,162)	( 1)
General and administrative expenses		( 2,900,971)	( 6)	( 2,126,796)	( 5)
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	875	-	206	-
Total operating expenses		( 3,492,808)	( 7)	( 2,434,752)	( 6)
Other gains - net	6(23) and 7	3,170	-	4,649	-
Operating profit		5,162,573	10	176,562	-
Non-operating income and expenses					
Interest income	6(24)	134,800	-	316,320	1
Other income	6(25)	362,255	-	200,306	1
Other gains and losses	6(26)	431,762	1	17,131	-
Finance costs	6(27) and 7	( 1,186,369)	( 2)	( 1,304,925)	( 3)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method		21,204,957	41	545,406	1
Total non-operating income and expenses		20,947,405	40	( 225,762)	-
<b>Profit before income tax</b>		26,109,978	50	( 49,200)	-
Income tax expense	6(30)	( 1,745,052)	( 3)	161,719	-
<b>Profit for the year</b>		\$ 24,364,926	47	\$ 112,519	-
<b>Other comprehensive income (loss)</b>	6(21)				
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>					
Losses on remeasurements of defined benefit plans	6(17)	( \$ 111,752)	-	( \$ 75,241)	-
Unrealised gains (losses) on valuation of investments in equity instruments measured at fair value through other comprehensive income	6(2)	156,060	-	134,715	-
Share of other comprehensive loss of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		122,110	-	( 101,401)	-
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		18,700	-	20,163	-
Components of other comprehensive income (loss) that will not be reclassified to profit or loss		185,118	-	( 21,764)	-
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>					
Other comprehensive loss, before tax, exchange differences on translation		( 3,160,573)	( 6)	( 755,051)	( 2)
Gains on hedging instruments	6(9)	554,654	1	460,138	1
Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		521,607	1	152,428	1
Income tax relating to the components of other comprehensive income		( 106,342)	-	( 92,010)	-
Components of other comprehensive loss that will be reclassified to profit or loss		( 2,190,654)	( 4)	( 234,495)	-
<b>Other comprehensive loss for the year</b>		( \$ 2,005,536)	( 4)	( \$ 256,259)	-
<b>Total comprehensive income (loss) for the year</b>		\$ 22,359,390	43	( \$ 143,740)	-
Basic earnings per share (in dollars)	6(31)				
Basic earnings per share		\$ 5.06		\$ 0.02	
Diluted earnings per share		\$ 4.96		\$ 0.02	

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

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(Expressed in thousands of New Taiwan dollars)

Notes	Retained earnings			Other equity interest		Total equity		
	Common stock	Capital surplus	Legal reserve	Unappropriated retained earnings	Exchange differences on translating the financial statements of foreign operations		Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments
<b>Year 2019</b>								
Balance at January 1, 2019	\$ 45,129,738	\$ 11,059,145	\$ 5,685,548	\$ 3,776,643	\$ 17,580	\$ 1,234,225	(\$ 58,649)	\$ 66,844,230
Profit for the year	-	-	-	112,519	-	-	-	112,519
Other comprehensive income (loss)	-	-	-	(197,673)	(874,353)	177,361	638,406	(256,259)
Total comprehensive income (loss)	-	-	-	(85,154)	(874,353)	177,361	638,406	(143,740)
Distribution of 2018 earnings	-	-	-	-	-	-	-	-
Legal capital reserve	-	-	29,392	(29,392)	-	-	-	-
Issuance of common stock	3,000,000	333,934	-	-	-	-	-	3,333,934
Cash capital increase reserved for employee preemption	-	17,066	-	-	-	-	-	17,066
Adjustments to share of changes in equity of subsidiaries, associates and joint ventures	-	(2,708)	-	(3,055)	-	52	-	(5,711)
Balance at December 31, 2019	\$ 48,129,738	\$ 11,407,437	\$ 5,714,940	\$ 3,659,042	(\$ 856,773)	\$ 1,411,638	\$ 579,757	\$ 70,045,779
<b>Year 2020</b>								
Balance at January 1, 2020	\$ 48,129,738	\$ 11,407,437	\$ 5,714,940	\$ 3,659,042	(\$ 856,773)	\$ 1,411,638	\$ 579,757	\$ 70,045,779
Profit for the year	-	-	-	24,364,926	-	-	-	24,364,926
Other comprehensive income (loss)	-	-	-	(291,317)	(3,471,571)	474,945	1,282,407	(2,005,536)
Total comprehensive income (loss)	-	-	-	(24,073,609)	(3,471,571)	474,945	1,282,407	(22,359,390)
Adjustments to share of changes in equity of subsidiaries, associates and joint ventures	-	22,463	-	1,809	-	(1,809)	-	22,463
Other changes in capital surplus	-	623	-	-	-	-	-	623
Due to recognition of equity component of Euro-Convertible Bonds	-	379,915	-	-	-	-	-	379,915
Conversion of Euro-Convertible Bonds	850,615	622,926	-	-	-	-	-	1,473,541
Balance at December 31, 2020	\$ 48,980,353	\$ 12,433,364	\$ 5,714,940	\$ 27,734,460	(\$ 4,328,344)	\$ 1,884,774	\$ 1,862,164	\$ 94,281,711

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

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit (loss) before tax		\$ 26,109,978	(\$ 49,200 )
Adjustments			
Adjustments to reconcile profit (loss)			
Financial assets and liabilities at fair value through profit or loss	6(26)	( 30,027 )	-
Depreciation	6(26)(28)	5,341,866	4,813,032
Amortization	6(28)	17,266	16,458
Expected credit gain	12(2)	( 875 )	( 206 )
Interest expense	6(27)	1,186,369	1,304,925
Interest income	6(24)	( 134,800 )	( 316,320 )
Dividend income	6(25)	( 50,516 )	( 45,631 )
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method		( 21,204,957 )	( 545,406 )
Loss on disposal of investments	6(26)	( 99 )	36
Gains arising from lease modification	6(26)	259	( 1,237 )
Net gain on disposal of property, plant and equipment	6(23)	( 3,170 )	( 4,649 )
Unrealized foreign exchange gain	6(9)	( 381,555 )	-
Cash capital increase reserved for employee preemption	6(19)	-	17,066
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		-	130
Current contract assets		( 429,873 )	309,929
Notes receivable		138	( 123 )
Accounts receivable		( 397,695 )	375,219
Accounts receivable - related parties		43,126	( 12,529 )
Other receivables		11,530	142,547
Other receivables - related parties		( 56,469 )	175,777
Inventories		449,213	( 64,417 )
Prepayments		( 3,390 )	( 19,315 )
Other current assets		( 605,983 )	247,178
Changes in operating liabilities			
Current contract liabilities		( 41,982 )	105,484
Accounts payable		1,559,902	( 1,013,663 )
Accounts payable - related parties		27,589	89,368
Other payables		114,789	292,559
Other payables - related parties		1,895	2,427
Other current liabilities		617,549	( 972,239 )
Other non-current liabilities		( 94,655 )	( 106,393 )
Cash inflow generated from operations		12,045,423	4,740,807
Interest received		163,909	316,320
Interest paid		( 1,200,849 )	( 1,326,972 )
Income tax paid		( 13,911 )	( 295,973 )
Net cash flows from operating activities		<u>10,994,572</u>	<u>3,434,182</u>

(Continued)

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2020 AND 2019  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2020	2019
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Decrease in financial assets at amortised cost		( \$ 2,769,353 )	\$ 799,115
Increase in financial assets at amortised cost-non-current		( 2,711 )	( 65,309 )
Acquisition of investments accounted for using equity method	6(7)	( 657,123 )	( 518,999 )
Proceeds from disposal of investments accounted for using equity		3,457	-
Acquisition of property, plant and equipment	6(32)	( 2,408,766 )	( 949,140 )
Proceeds from disposal of property, plant and equipment		533	901
Acquisition of intangible assets		( 13,914 )	( 7,327 )
Increase in other non-current assets	6(32)	( 2,152,974 )	( 3,413,205 )
Increase in guarantee deposits paid		( 1,348 )	( 3,146 )
Decrease in guarantee deposits paid		1,740	4,316
Cash dividends received		468,212	657,152
Net cash flows used in investing activities		( 7,532,247 )	( 3,495,642 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Increase in long-term loans	6(33)	7,890,285	11,791,553
Decrease in long-term loans	6(33)	( 15,360,586 )	( 13,472,670 )
Increase in corporate bonds payable	6(33)	8,635,118	-
Proceeds from issuance of common stock	6(18)	-	3,333,934
Payments of lease liabilities	6(9)(33)	( 2,832,683 )	( 2,294,815 )
Increase in guarantee deposits received	6(33)	60	66
Decrease in guarantee deposits received	6(33)	-	( 246 )
Other financing activities	6(19)	623	-
Net cash flows used in financing activities		( 1,667,183 )	( 642,178 )
Net increase (decrease) in cash and cash equivalents		1,795,142	( 703,638 )
Cash and cash equivalents at beginning of year		18,767,848	19,471,486
Cash and cash equivalents at end of year		\$ 20,562,990	\$ 18,767,848

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

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.  
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS  
DECEMBER 31, 2020 AND 2019

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

Evergreen Marine Corporation (Taiwan) Ltd. (the “Company”) was established in the Republic of China, is mainly engaged in domestic and international marine transportation, shipping agency services, and the distribution of containers. The Company was approved by the Securities and Futures Bureau (SFB), Financial Supervisory Commission, Executive Yuan, R.O.C. to be a public company on November 2, 1982 and was further approved by the SFB to be a listed company on July 6, 1987. The Company’s shares have been publicly traded on the Taiwan Stock Exchange since September 21, 1987.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These parent company only financial statements were authorised for issuance by the Board of Directors on March 22, 2021.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC effective from 2020 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendment to IAS 1 and IAS 8, ‘Disclosure Initiative-Definition of Material’	January 1, 2020
Amendments to IFRS 3, ‘Definition of a business’	January 1, 2020
Amendments to IFRS 9, IAS 39 and IFRS7, ‘Interest rate benchmark reform’	January 1, 2020
Amendment to IFRS 16, ‘Covid-19-related rent concessions’	June 1, 2020(Note)
Note : Earlier application from January 1, 2020 is allowed by FSC.	

Except for the following, the above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

A. Amendments to IAS 1 and IAS 8, ‘Disclosure Initiative-Definition of Material’

The amendments clarify the definition of material that information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

B. Amendments to IFRS 3, ‘Definition of a business’

The amendments clarify the definition of a business that to be considered a business, an acquired



set of activities and assets must include, at a minimum, an input and a substantive process that together; narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs. Remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. Besides, add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

C. Amendment to IFRS 16, ‘Covid-19-related rent concessions’

This amendment provides a practical expedient for lessees from assessing whether a rent concession related to COVID-19, and that meets all of the following conditions, is a lease modification:

- (a) Changes in lease payments result in the revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) Any reduction in lease payments affects only payments originally due on or before June 30, 2021; and
- (c) There is no substantive change to other terms and conditions of the lease.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC effective from 2021 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 4, ‘Extension of the temporary exemption from applying IFRS 9’	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, ‘Interest Rate Benchmark Reform— Phase 2’	January 1, 2021

Except for the following, the above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

A. Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, ‘Interest Rate Benchmark Reform— Phase 2’

The amendments address issues that arise during the reform of an interest rate benchmark, including the replacement of one benchmark with an alternative one. Given the pervasive nature of IBOR-based contracts, the amendments provide accounting for changes in the basis for determining contractual cash flows as a result of IBOR reform, end date for Phase 1 relief for non contractually specified risk components in hedging relationships, additional temporary exceptions from applying specific hedge accounting requirements, and additional IFRS 7 disclosures related to IBOR reform.

(3) Effect of IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as

endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts—cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

Except for the following, the above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

A. Amendments to IFRS 3, 'Reference to the conceptual framework'

The amendments were made to IFRS 3, 'Business combinations' to update the references to the 2018 Conceptual Framework for Financial Reporting, in determining what constitutes an asset or a liability in a business combination. In addition, the amendments added an exception in IFRS 3 for the recognition of liabilities and contingent liabilities. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets' or IFRIC 21, 'Levies', rather than the 2018 Conceptual Framework. The amendments also confirmed that contingent assets, as defined in IAS 37, should not be recognised by the acquirer at the acquisition date.

B. Amendments to IAS 1, 'Disclosure of accounting policies'

The amendments require an entity to disclose its material accounting policy information rather than its significant accounting policies. The amendments also explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material.

C. Amendments to IAS 8, 'Definition of accounting estimates'

The amendments clarify how an entity should distinguish changes in accounting policies from changes in accounting estimates. The amendments also clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

##### (1) Compliance statement

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

##### (2) Basis of preparation

A. Except for the following items, these parent company only financial statements have been prepared under the historical cost convention:

- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (b) Financial assets at fair value through other comprehensive income.
- (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

##### (3) Foreign currency translation

Items included in the parent company only financial statements of Company are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The parent company only financial statements are presented in New Taiwan Dollars, which is the Company’s functional and presentation currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and

liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

- (d) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses'.

#### B. Translation of foreign operations

- (a) The operating results and financial position of all the company entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
- i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
  - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
  - iii. All resulting exchange differences are recognised in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Company retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Company retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.
- (d) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

#### (4) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
- (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
  - (b) Assets held mainly for trading purposes;
  - (c) Assets that are expected to be realised within twelve months from the balance sheet date;
  - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to

be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

- (a) Liabilities that are expected to be settled within the normal operating cycle;
- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be settled within twelve months from the balance sheet date;
- (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(5) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits with original maturities of three months or less that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(6) Financial assets at fair value through profit or loss

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- D. The Company recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7) Financial assets at fair value through other comprehensive income

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
  - (a) The objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets; and
  - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:
- (a) The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.
  - (b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognised in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

(8) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
- (a) The objective of the Company's business model is achieved by collecting contractual cash flows.
  - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- D. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) Notes, accounts and other receivables

- A. Notes and accounts receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services. Receivables arising from transactions other than the sale of goods or services are classified as other receivables.
- B. The Company initially measures accounts and notes receivable at fair value and subsequently recognises the amortised interest income over the period of circulation using the effective interest method and the impairment loss. A gain or loss is recognised in profit or loss.

**(10) Impairment of financial assets**

For debt instruments measured at fair value through other comprehensive income and financial assets at amortised cost including accounts receivable or contract assets that have a significant financing component, at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

**(11) Derecognition of financial assets**

The Company derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows from the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows from the financial asset have been transferred; however, the Company has not retained control of the financial asset.

**(12) Inventories**

Inventories refer to fuel inventories and steel inventories. Fuel inventories are physically measured by the crew of each ship and reported back to the Head Office through telegraph for recording purposes at balance sheet date. Valuation of inventories is based on the exchange rate prevailing at balance sheet date.

**(13) Investments accounted for using equity method / subsidiaries and associates**

- A. Subsidiary is an entity where the Company has the right to dominate its finance and operation policies (includes special purpose entity), normally the Company owns more than 50 percent of the voting rights directly or indirectly in that entity. Subsidiaries are accounted for under the equity method in the Company's parent company only financial statements.
- B. Unrealized gains or losses resulted from inter-company transactions with subsidiaries are eliminated. Necessary adjustments are made to the accounting policies of subsidiaries, to be consistent with the accounting policies of the Company.
- C. After acquisition of subsidiaries, the Company recognizes proportionately for the share of profit and loss and other comprehensive incomes in the income statement as part of the Company's profit and loss and other comprehensive income, respectively. When the share of loss from a subsidiary exceeds the carrying amount of Company's interests in that subsidiary, the Company continues to recognize its shares in the subsidiary's loss proportionately.
- D. Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-

controlling interests are adjusted and the fair value of the consideration paid or received shall be recognized directly in equity and attributed to the owners of the parent.

- E. If the Company loses control of a subsidiary, the Company recognizes any investment retained in the former subsidiary at its fair value at the date when control is lost and recognizes any resulting difference as a gain or loss in profit or loss. The Company shall account for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Company reclassifies the gain or loss from equity to profit or loss when it loses control of the subsidiary.
- F. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- G. The Company's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred constructive obligations or made payments on behalf of the associate.
- H. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognises in 'capital surplus' in proportion to its ownership.
- I. Unrealised gains or loss on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- J. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Company's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.



- K. Upon loss of significant influence over an associate, the Company remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.
- L. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- M. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.
- N. According to “Regulations Governing the Preparations of Financial Statements by Securities Issuers”, 'profit for the year' and 'other comprehensive income for the year' reported in an entity's parent company only statement of comprehensive income, shall equal to 'profit for the year' and 'other comprehensive income' attributable to owners of the parent reported in that entity's consolidated statement of comprehensive income. Total equity reported in an entity's parent company only financial statements, shall equal to equity attributable to owners of parent reported in that entity's consolidated financial statements.

(14) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment

are as follows:

Buildings (Including repairment)	3 ~ 60 years
Loading and unloading equipment	5~ 20 years
Ships ( Except for docking repair and scrubber)	18 ~ 25 years
Ships (Docking repair)	2.6 ~ 5 years
Ships (Scrubber)	10 years
Transportation equipment	6 ~ 10 years
Lease improvements	3~ 13 years
Other equipment	2 ~ 5 years

The above docking repair and scrubbers are significant components of ships.

(15) Leasing arrangements (lessee) — right-of-use assets/ lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate.

Lease payments are comprised of the following:

- (a) Fixed payments, less any lease incentives receivable; and  
 (b) Variable lease payments that depend on an index or a rate.

The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
- (a) The amount of the initial measurement of lease liability;  
 (b) Any lease payments made at or before the commencement date;  
 (c) Any initial direct costs incurred by the lessee; and  
 (d) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

- D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognise the difference between remeasured lease liability in profit or loss.

**(16) Leasing arrangements (lessor) – operating leases**

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

**(17) Investment property**

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 50 ~ 60 years.

**(18) Intangible assets**

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3-5 years.

**(19) Impairment of non-financial assets**

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

**(20) Borrowings**

A. Borrowings comprise long-term and short-term bank borrowings and other long-term and short-term loans. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

**(21) Accounts payable**

A. Accounts payable are liabilities for purchases of raw materials, goods or services.

B. The Company initially measures accounts payable at fair value and subsequently amortises the interest expense in profit or loss over the period of circulation using the effective interest method.

**(22) Financial liabilities at fair value through profit or loss**

A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges or financial liabilities at fair value through profit or loss.. Financial liabilities that meet one of the following criteria are designated

as at fair value through profit or loss at initial recognition:

- (a) Hybrid (combined) contracts; or
  - (b) They eliminate or significantly reduce a measurement or recognition inconsistency; or
  - (c) They are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management policy.
- B. At initial recognition, the Company measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Company subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(23) Bonds payable

Ordinary corporate bonds issued by the Company are initially recognised at fair value less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is presented as an addition to or deduction from bonds payable, which is amortised to profit or loss over the period of bond circulation using the effective interest method as an adjustment to 'finance costs'.

(24) Convertible bonds payable (Compound financial instruments)

Convertible bonds issued by the Group contain conversion options (that is, the bondholders have the right to convert the bonds into the Group's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Group classifies the bonds payable upon issuance as a financial asset, a financial liability or an equity instrument in accordance with the contract terms. They are accounted for as follows:

- A. The embedded call options and put options are recognised initially at net fair value as 'financial assets or financial liabilities at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss'.
- B. The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to 'finance costs' over the period of circulation using the effective interest method.
- C. The embedded conversion options which meet the definition of an equity instrument are initially recognised in 'capital surplus—share options' at the residual amount of total issue price less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.
- D. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.
- E. When bondholders exercise conversion options, the liability component of the bonds (including bonds payable and 'financial assets or financial liabilities at fair value through profit or loss') shall be remeasured on the conversion date. The issuance cost of converted common shares is the total book value of the abovementioned liability component and 'capital surplus—share

options'.

(25) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(26) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(27) Hedge accounting

A. At the inception of the hedging relationship, there is formal designation and documentation of the hedging relationship and the Company's risk management objective and strategy for undertaking the hedge. That documentation shall include identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements.

B. The Company designates the hedging relationship as follows:

Cash flow hedge:

A hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

C. Cash flow hedges

(a) The cash flow hedge reserve associated with the hedged item is adjusted to the lower of the following (in absolute amounts):

- i. the cumulative gain or loss on the hedging instrument from inception of the hedge; and
- ii. the cumulative change in fair value of the hedged item from inception of the hedge.

(b) The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income. The gain or loss on the hedging instrument relating to the ineffective portion is recognised in profit or loss.

(c) The amount that has been accumulated in the cash flow hedge reserve in accordance with (a) is accounted for as follows:

- i. If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the Company shall remove that amount from the cash flow hedge reserve and include it directly in the initial cost or other carrying amount of the asset or liability.
- ii. For cash flow hedges other than those covered by item i. above, that amount shall be reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss.

iii. If that amount is a loss and the Company expects that all or a portion of that loss will not be recovered in one or more future periods, it shall immediately reclassify the amount that is not expected to be recovered into profit or loss as a reclassification adjustment.

(d) When the hedging instrument expires, or is sold, terminated, exercised or when the hedging relationship ceases to meet the qualifying criteria, if the forecast transaction is still expected to occur, the amount that has been accumulated in the cash flow hedge reserve shall remain in the cash flow hedge reserve until the forecast transaction occurs; if the forecast transaction is no longer expected to occur, the amount shall be immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment.

(28) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Company uses interest rates of government bonds (at the balance sheet date) instead.

ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Past service costs are recognised immediately in profit or loss.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Company's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of

redundancy benefits in exchange for the termination of employment. The Company recognises expense as it can no longer withdraw an offer of termination benefits or it recognises relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(29) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheet. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred income tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred

income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(30) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(31) Revenue recognition

A. Sales of services

Revenue from delivering services is recognised under the percentage-of-completion method when the outcome of services provided can be estimated reliably. The stage of completion of a service contract is measured by the percentage of the number of days the vessel has sailed as of the financial reporting date to the total number of days to sail. If the outcome of a service contract cannot be estimated reliably, contract revenue should be recognised only to the extent that contract costs incurred are likely to be recoverable. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

B. Rental revenue

The Company leases ships and shipping spaces under IFRS 16, 'Leases'. Lease assets are classified as finance leases or operating leases based on the transferred proportion of the risks and rewards incidental to ownership of the leased asset, and recognised in revenue over the lease term.

(32) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Company will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises expenses for the related costs for which the grants are intended to compensate.

(33) Business combinations

A. The Company uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All



acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Company measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

- B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

(34) Operating segments

The Company's operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker is responsible for allocating resources and assessing performance of the operating segments.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Company's accounting policies

Lease term

In determining the lease term, the Company takes into consideration all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option, including the expected changes of all fact and situation for the period from the commencement date of lease to the execution date of options. Also, the Company took into consideration the main factors, such as the contract terms and conditions during the option covered period and the importance to lessee's operation if the significant lease improvement and underlying assets incurred during the contract terms. When significant events or significant changes occur within the Company's control, the lease term will be re-estimated.

(2) Critical accounting estimates and assumptions

### Revenue recognition

The Company and the subsidiaries, Peony Investment S.A. and Evergreen Marine (Hong Long) Ltd., which are recognized in investments accounted for using equity method, primarily engages in global container shipping service covering ocean-going and near-sea shipping line. Despite the Company conducting business worldwide, its transactions are all in small amounts, whereas the freight rate is subject to fluctuation caused by cargo loading rate as well as market competition. Worldwide shipping agencies use a system to record the transactions by entering data including shipping departure, destination, counterparty, transit time, shipping amounts, and freight price for the Company. Therefore, management could recognize freight revenue in accordance with the data on bill of lading reports generated from the system, accompanied by estimation made from past experience and current cargo loading conditions the revenue that would flow in. Also, demands for freight are consistently sent by forwarders during voyage. Due to the factors mentioned above, freight revenue is recognized under the percentage-of-completion method for each vessel during the reporting period. As the process of recording transactions, communicating with agencies, and maintaining the system are done manually, and the estimation of freight revenue are subject to management's judgement. Given the conditions mentioned above, we consider the accuracy of freight revenue and the appropriate use of cut-off by the Company and its investee companies as a key audit matter.

## 6. DETAILS OF SIGNIFICANT ACCOUNTS

### (1) Cash and cash equivalents

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Cash on hand and petty cash	\$ 10,952	\$ 16,017
Checking accounts and demand deposits	3,832,161	2,673,264
Time deposits	<u>16,719,877</u>	<u>16,078,567</u>
	<u>\$ 20,562,990</u>	<u>\$ 18,767,848</u>

A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Company has no cash and cash equivalents pledged to others.

### (2) Financial assets at fair value through other comprehensive income

<u>Items</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Non-current items:		
Listed (TSE and OTC) stocks	\$ 490,801	\$ 490,801
Unlisted stocks	<u>91,058</u>	<u>91,058</u>
	581,859	581,859
Valuation adjustment	<u>730,499</u>	<u>574,439</u>
	<u>\$ 1,312,358</u>	<u>\$ 1,156,298</u>

A. The Company has elected to classify these investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$1,312,358 and \$1,156,298 at December 31, 2020 and 2019,

respectively.

B. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Year ended <u>December 31, 2020</u>	Year ended <u>December 31, 2019</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ <u>156,060</u>	\$ <u>134,715</u>
Income tax recognised in other comprehensive income	(\$ <u>3,650</u> )	\$ <u>5,115</u>
Cumulative gains reclassified to retained earnings due to derecognition	\$ <u>-</u>	\$ <u>-</u>
Dividend income recognised in profit or loss held at end of period	\$ <u>50,516</u>	\$ <u>45,631</u>

C. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(3).

(3) Financial assets at amortised cost

<u>Items</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Current items:		
Time deposits with maturity over three months	\$ 4,171,208	\$ 1,401,856
Restricted reserve account	<u>2</u>	<u>1</u>
	<u>\$ 4,171,210</u>	<u>\$ 1,401,857</u>
Non-current items:		
Pledged time deposits	\$ 189,651	\$ 186,940
Financial bonds	<u>100,000</u>	<u>100,000</u>
	<u>\$ 289,651</u>	<u>\$ 286,940</u>

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Year ended <u>December 31, 2020</u>	Year ended <u>December 31, 2019</u>
Interest income	\$ <u>22,593</u>	\$ <u>32,030</u>

B. As at December 31, 2020 and 2019, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Company was \$4,460,861 and \$1,688,797, respectively.

C. Information relating to financial assets at amortised cost pledged as collaterals is provided in Note 8.

D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).

## Financial Information

(4) Notes and accounts receivable

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Notes receivable	\$ 29	\$ 166
Less: Allowance for bad debts	<u>-</u>	<u>-</u>
	<u>\$ 29</u>	<u>\$ 166</u>
Accounts receivable (including related parties)	\$ 3,344,891	\$ 2,990,323
Less: Allowance for bad debts	<u>(113)</u>	<u>(889)</u>
	<u>\$ 3,344,778</u>	<u>\$ 2,989,434</u>
Overdue receivables (recorded as other non-current assets)	\$ -	\$ 69,130
Less: Allowance for bad debts	<u>-</u>	<u>(69,130)</u>
	<u>\$ -</u>	<u>\$ -</u>

A. The ageing analysis of accounts receivable (including overdue receivables) and notes receivable are as follows:

	<u>December 31, 2020</u>		<u>December 31, 2019</u>	
	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>
Not impaired	\$ 2,754,129	\$ 29	\$ 2,668,512	\$ 166
Up to 30 days	590,199	-	321,811	-
31 to 180 days	563	-	-	-
Over 181 days	<u>-</u>	<u>-</u>	<u>69,130</u>	<u>-</u>
	<u>\$ 3,344,891</u>	<u>\$ 29</u>	<u>\$ 3,059,453</u>	<u>\$ 166</u>

The above ageing analysis was based on past due date.

B. As of December 31, 2020, December 31, 2019 and January 1, 2019, the balances of receivables (including notes receivable) from contracts with customers amounted to \$2,361,788, \$1,769,896 and \$2,075,935, respectively.

C. The Company has no notes and accounts receivable held by the Company pledged to others.

D. As at December 31, 2020 and 2019, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's notes receivable were \$29 and \$166, respectively; and the amount that best represents the Company's accounts receivable (including notes receivable) were \$3,344,778 and \$2,989,434, respectively.

E. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(5) Inventories

	<u>December 31, 2020</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Ship fuel	\$ 523,326	\$ -	\$ 523,326
	<u>December 31, 2019</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Ship fuel	\$ 972,539	\$ -	\$ 972,539

(6) Other current assets

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Shipowner's accounts	\$ 1,103,849	\$ 849,660
Agent accounts	1,377,536	843,942
Temporary debits	529,849	711,649
	<u>\$ 3,011,234</u>	<u>\$ 2,405,251</u>

## A. Shipowner's accounts

Temporary accounts, between Evergreen Line, constituted by the Company, Evergreen International S.A., Evergreen Marine (Hong Kong) Ltd., Greencompass Marine S.A., Italia Marittima S.p.A. and Evergreen Marine (UK) Ltd. , and Gaining Enterprise S.A. incurred due to foreign port formalities and pier rental expenses.

## B. Agency accounts

These accounts occur when domestic and foreign agencies, based on the agreement with the Company, deal with foreign port formalities regarding arrival and departure of ships, cargo loading, discharging and forwarding, collection of freight, and payment of expenses incurred in the foreign port.

C. Temporary debits are mainly subject to the account of settlements between other carriers and the OCEAN Alliance, which the Company formed in response to market competition and enhancement of global transportation network to provide better logistics services to customers with Cosco Container Lines Co., Ltd., CMA CGM, Ltd., and the Orient Overseas Container Line, Ltd. on March 31, 2017 for trading of shipping space.

(7) Investments accounted for using equity method

Details of long-term equity investments accounted for using equity method are set forth below:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Subsidiary of the Company:		
Peony Investment S.A.	\$ 39,121,066	\$ 26,367,069
Evergreen Marine (Hong Kong) Ltd.	11,989,398	7,212,594
Everport Terminal Services Inc.	2,139,666	1,703,680
Taiwan Terminal Services Co., Ltd.	66,770	54,526
Evergreen Shipping Agency (Israel) Ltd.	23,158	21,213
Associates of the Company:		
EVA Airways Corporation	11,327,144	11,399,909
Evergreen International Storage and Transport Corporation	9,372,490	9,098,692
Taipei Port Container Terminal Corporation	1,523,550	1,083,116
Charng Yang Development Co., Ltd.	557,549	553,210
VIP Greenport Joint Stock Company	277,982	277,274
Ever Ecove Corporation	305,965	-
Evergreen Security Corporation	114,257	113,705
Evergreen Marine (Latin America), S.A.	-	3,383
	<u>\$ 76,818,995</u>	<u>\$ 57,888,371</u>

A. The fair value of the Company's associates which have quoted market price was as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Evergreen International Storage and Transport Corporation	\$ 8,721,517	\$ 6,180,433
EVA Airways Corporation	10,211,516	10,677,440
	<u>\$ 18,933,033</u>	<u>\$ 16,857,873</u>

B. The above investment income or loss accounted for using the equity method was based on the financial statements of the investees for the corresponding periods, which were audited by independent auditors.

C. Subsidiary:

- (a) For information on the subsidiaries, please refer to Note 4(3) of the consolidated financial statements as of December 31, 2020.
- (b) On March 20, 2019, the Board of Directors of the Company resolved to establish a subsidiary, EIL, in Israel. The capital for establishment is ILS 1,800 (approx. USD 500), and hold 59% equity interest with approximate cash amount \$9,355.

D. The basic information of the associates that are material to the Company is as follows:

Company name	Principal place of business	Ownership(%)		Nature of relationship	Methods of measurement
		December 31, 2020	December 31, 2019		
Evergreen International Storage and Transport Corporation	TW	40.36%	40.36%	With a right over 20% to vote	Equity method
EVA Airways Corporation	TW	16.00%	16.00%	Have a right to vote in the Board of Directors	Equity method

E. The summarised financial information of the associates that are material to the Company is as follows:

Balance sheet

	Evergreen International Storage and Transport Corporation	
	December 31, 2020	December 31, 2019
Current assets	\$ 6,947,311	\$ 6,121,815
Non-current assets	28,124,463	28,889,987
Current liabilities	( 3,517,476)	( 2,703,450)
Non-current liabilities	( 8,204,681)	( 9,485,576)
Total net assets	<u>\$ 23,349,617</u>	<u>\$ 22,822,776</u>
Share in associate's net assets	\$ 9,373,779	\$ 9,101,086
Unrealized income with affiliated companies	( 1,289)	( 2,394)
Carrying amount of the associate	<u>\$ 9,372,490</u>	<u>\$ 9,098,692</u>
	EVA Airways Corporation	
	December 31, 2020	December 31, 2019
Current assets	\$ 55,932,512	\$ 77,199,776
Non-current assets	273,634,743	279,051,918
Current liabilities	( 45,433,155)	( 82,441,715)
Non-current liabilities	( 207,474,571)	( 195,667,963)
Total net assets	<u>\$ 76,659,529</u>	<u>\$ 78,142,016</u>
Share in associate's net assets	<u>\$ 11,327,144</u>	<u>\$ 11,399,909</u>

## Statement of comprehensive income

	<u>Evergreen International Storage and Transport Corporation</u>	
	Year ended December 31, 2020	Year ended December 31, 2019
Revenue	\$ 6,966,387	\$ 7,730,682
Profit for the period from continuing operations	\$ 682,563	\$ 845,274
Other comprehensive income (loss), net of tax	313,479	( 180,711)
Total comprehensive income	<u>\$ 996,042</u>	<u>\$ 664,563</u>
Dividends received from associates	<u>\$ 129,208</u>	<u>\$ 150,742</u>

	<u>EVA Airways Corporation</u>	
	Year ended December 31, 2020	Year ended December 31, 2019
Revenue	\$ 89,048,776	\$ 181,275,258
(Loss) profit for the period from continuing operations	(\$ 3,276,719)	\$ 4,851,875
Other comprehensive income, net of tax	4,020,120	1,800,103
Total comprehensive income	<u>\$ 743,401</u>	<u>\$ 6,651,978</u>
Dividends received from associates	<u>\$ 194,135</u>	<u>\$ 374,935</u>

F. The carrying amount of the Company's interests in all individually immaterial associates and the Company's share of the operating results are summarized below:

As of December 31, 2020 and 2019, the carrying amount of the Company's individually immaterial associates amounted to \$2,779,303 and \$2,030,688, respectively.

	Year ended December 31, 2020	Year ended December 31, 2019
Profit for the period from continuing operations	\$ 727,043	\$ 666,234
Other comprehensive income (loss), net of tax	5,395	( 6,245)
Total comprehensive income	<u>\$ 732,438</u>	<u>\$ 659,989</u>

G. To simplify investment structure, on November 11, 2019, the Board of Directors of the Company resolved to acquire 35,421 thousand shares of the investee, Taipei Port, the investment accounted for using equity method, held by the sub-subsidiary, Armand B.V. The transaction amount per share is approximately NT\$9.941 (in dollars) and the expected transaction amount is \$352,123. The shareholding ratio of Taipei Port held by the Company will be increased from 21.03% to 27.85% after the transaction.



- H. The Board of Directors of the Company during its meeting on August 13, 2018 adopted a resolution to participate in the capital increase raised by Ever Ecove Corporation amounting to 30,500 thousand shares, with a subscription price of NT\$10 (in dollars) per share, and a total price of \$305,000. In addition, the effective date was set on December 1, 2020 and after the acquisition, the Company's share interest was 19.06%.
- I. The Board of Directors of the Company during its meeting on December 21, 2018 adopted a resolution to participate in the capital increase raised by EVA Airways Corporation amounting to 39,150 thousand shares, with a subscription price of NT\$13 (in dollars) per share, and a total price of \$508,944. In addition, the effective date was set on January 24, 2019 and after the acquisition, the Company's share interest was decreased to 16.10%. Moreover, the Company purchased 70 thousand shares as a specific person, the purchasing proceeds amounted to \$700, and the share interest further decreased to 16% as of December 31, 2020 after many conversions from corporate bonds to stocks took place in EVA Airways Corporation for the year ended December 31, 2019.
- J. The Company is the single largest shareholder of EITC with a 40.36% equity interest. Given that the main source of economic profits of EITC is generated from Evergreen Line, the percentage of operating volume of the Group in Evergreen Line is equivalent to other related parties' and there is no agreement between other related parties and the Company to make decisions in consultation or collectively; however, in order to maintain the equity balance between the Group and other related parties, the Company governs EITC with other related parties to maintain mutual and other shareholders' best interests; apart from independent directors, the number of seats held by the Company on the Board are the same as other related parties', which indicates that the Group has no current ability to direct the relevant activities of EITC, thus, the Group has no control, but only has significant influence, over the investee.
- K. The Company is the single largest shareholder of EVA with a 16% equity interest. Given that the other top ten large shareholders (including other related parties and non-related parties) hold more shares than the Company, and there is no agreement between the shareholders to make decisions in consultation or collectively as they make decisions independently, which indicates that the Company has no current ability to direct the relevant decisions of EVA, thus, the Company has no control, but only has significant influence, over the investee.
- L. The Company is the single largest shareholder of TPCT with a 27.85% equity interest. Given that the other two large shareholders (non-related parties) also operate transportation business and hold more shares than the Company, and there is no agreement between the shareholders to make decisions in consultation or collectively as they make decisions independently, which indicates that the Company has no current ability to direct the relevant decisions of TPCT, thus, the Company has no control, but only has significant influence, over the investee.

(8) Property, plant and equipment

	Land	Buildings	Loading and unloading equipment	Computer and communication equipment	Transportation equipment	Ships	Office equipment	Leasehold improvements	Others	Total
<u>At January 1, 2020</u>										
Cost	\$ 558,532	\$ 402,956	\$ 6,138,199	\$ 154,030	\$ 7,145,872	\$ 37,131,824	\$ 212,315	\$ 576,073	\$ 78,826	\$ 52,398,627
Accumulated depreciation	-	( 222,642)	( 4,488,946)	( 117,474)	( 2,641,927)	( 7,239,926)	( 198,353)	( 543,517)	( 11,358)	( 15,464,143)
	<u>\$ 558,532</u>	<u>\$ 180,314</u>	<u>\$ 1,649,253</u>	<u>\$ 36,556</u>	<u>\$ 4,503,945</u>	<u>\$ 29,891,898</u>	<u>\$ 13,962</u>	<u>\$ 32,556</u>	<u>\$ 67,468</u>	<u>\$ 36,934,484</u>
<u>2020</u>										
Opening net book amount as at January 1	\$ 558,532	\$ 180,314	\$ 1,649,253	\$ 36,556	\$ 4,503,945	\$ 29,891,898	\$ 13,962	\$ 32,556	\$ 67,468	\$ 36,934,484
Additions	-	-	-	94,834	2,264,700	36,725	9,640	8,888	1,250	2,416,037
Disposals	-	-	( 37)	( 30)	( 6,190)	-	( 3)	-	-	( 6,260)
Reclassifications	18,208	2,577	-	23,124	-	296,728	828	209,899	-	551,364
Depreciation	-	( 7,822)	( 179,156)	( 55,019)	( 673,609)	( 1,491,352)	( 9,991)	( 48,425)	( 4,570)	( 2,469,944)
Closing net book amount as at December 31	<u>\$ 576,740</u>	<u>\$ 175,069</u>	<u>\$ 1,470,060</u>	<u>\$ 99,465</u>	<u>\$ 6,088,846</u>	<u>\$ 28,733,999</u>	<u>\$ 14,436</u>	<u>\$ 202,918</u>	<u>\$ 64,148</u>	<u>\$ 37,425,681</u>
<u>At December 31, 2020</u>										
Cost	\$ 576,740	\$ 408,914	\$ 6,128,541	\$ 261,922	\$ 9,399,295	\$ 37,465,277	\$ 221,984	\$ 794,860	\$ 80,076	\$ 55,337,609
Accumulated depreciation	-	( 233,845)	( 4,658,481)	( 162,457)	( 3,310,449)	( 8,731,278)	( 207,548)	( 591,942)	( 15,928)	( 17,911,928)
	<u>\$ 576,740</u>	<u>\$ 175,069</u>	<u>\$ 1,470,060</u>	<u>\$ 99,465</u>	<u>\$ 6,088,846</u>	<u>\$ 28,733,999</u>	<u>\$ 14,436</u>	<u>\$ 202,918</u>	<u>\$ 64,148</u>	<u>\$ 37,425,681</u>

	Land	Buildings	Loading and unloading equipment	Computer and communication equipment	Transportation equipment	Ships	Office equipment	Leasehold improvements	Others	Total
<u>At January 1, 2019</u>										
Cost	\$ 558,532	\$ 402,956	\$ 6,079,916	\$ 143,644	\$ 6,356,030	\$ 33,861,484	\$ 206,679	\$ 565,838	\$ 77,909	\$ 48,252,988
Accumulated depreciation	-	( 214,894)	( 4,310,231)	( 117,118)	( 2,103,788)	( 5,808,751)	( 183,793)	( 461,876)	( 7,011)	( 13,207,462)
	<u>\$ 558,532</u>	<u>\$ 188,062</u>	<u>\$ 1,769,685</u>	<u>\$ 26,526</u>	<u>\$ 4,252,242</u>	<u>\$ 28,052,733</u>	<u>\$ 22,886</u>	<u>\$ 103,962</u>	<u>\$ 70,898</u>	<u>\$ 35,045,526</u>
<u>2019</u>										
Opening net book amount as at January 1	\$ 558,532	\$ 188,062	\$ 1,769,685	\$ 26,526	\$ 4,252,242	\$ 28,052,733	\$ 22,886	\$ 103,962	\$ 70,898	\$ 35,045,526
Additions	-	-	58,283	10,515	799,399	62,992	6,361	8,899	917	947,366
Disposals	-	-	-	( 267)	( 4,920)	-	( 1)	-	-	( 5,188)
Reclassifications	-	-	-	17,500	-	3,207,348	-	1,335	-	3,226,183
Depreciation	-	( 7,748)	( 178,715)	( 17,718)	( 542,776)	( 1,431,175)	( 15,284)	( 81,640)	( 4,347)	( 2,279,403)
Closing net book amount as at December 31	<u>\$ 558,532</u>	<u>\$ 180,314</u>	<u>\$ 1,649,253</u>	<u>\$ 36,556</u>	<u>\$ 4,503,945</u>	<u>\$ 29,891,898</u>	<u>\$ 13,962</u>	<u>\$ 32,556</u>	<u>\$ 67,468</u>	<u>\$ 36,934,484</u>
<u>At December 31, 2019</u>										
Cost	\$ 558,532	\$ 402,956	\$ 6,138,199	\$ 154,030	\$ 7,145,872	\$ 37,131,824	\$ 212,315	\$ 576,073	\$ 78,826	\$ 52,398,627
Accumulated depreciation	-	( 222,642)	( 4,488,946)	( 117,474)	( 2,641,927)	( 7,239,926)	( 198,353)	( 543,517)	( 11,358)	( 15,464,143)
	<u>\$ 558,532</u>	<u>\$ 180,314</u>	<u>\$ 1,649,253</u>	<u>\$ 36,556</u>	<u>\$ 4,503,945</u>	<u>\$ 29,891,898</u>	<u>\$ 13,962</u>	<u>\$ 32,556</u>	<u>\$ 67,468</u>	<u>\$ 36,934,484</u>

A. The Company has issued a negative pledge to granting banks for drawing borrowings within the credit line to purchase the above transportation equipment.

B. Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(9) Leasing arrangements – lessee/ Financial liabilities for hedging

- A. The Company leases various assets including land, buildings, and ships. Rental contracts are typically made for periods of 3 to 15 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months or less comprise of ships. Low-value assets comprise of office equipment and other equipment.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 1,288,295	\$ 1,939,568
Buildings	44,291	88,581
Ships	18,264,070	20,469,615
	<u>\$ 19,596,656</u>	<u>\$ 22,497,764</u>

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 679,242	\$ 671,620
Buildings	44,291	44,291
Ships	2,129,318	1,798,573
	<u>\$ 2,852,851</u>	<u>\$ 2,514,484</u>

- D. For the years ended December 31, 2020 and 2019, the additions to right-of-use assets were \$0 and \$10,654,719, respectively.
- E. The information on profit and loss accounts relating to lease contracts is as follows:

	<u>Year ended</u>	<u>Year ended</u>
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 596,424	\$ 542,509
Expense on short-term lease contracts	2,154	6,355
Expense on leases of low-value assets	3,775	3,996

- F. For the years ended December 31, 2020 and 2019, the Company's total cash outflow for leases were \$3,435,036 and \$2,847,675, respectively.
- G. As of December 31, 2020, the Group had entered into lease agreements that contained non-lease service component. Based on the fair value of the lease and non-lease component, the future commitment payment allocated to service component amounted to \$1,803,608.
- H. To hedge the impact of expected variable exchange rate risk arising from US dollar denominated lease liabilities payable, the Company designated US dollar denominated lease contracts as the hedging instruments for hedging the foreign exchange variation of future US dollar denominated

marine freight income and adopted cash flow hedge accounting. Moreover, the effective portion with respect to the changes in cash flows of the hedging instruments is deferred to recognise in gains (loss) on hedging instruments, which is under other equity interest, and will be directly included in the marine freight income when the hedged items are subsequently recognised in the income. Details of relevant transactions are as follows:

December 31, 2020			
Hedged items	Designated as hedging instruments	Contract period	Book value
Expected US dollar denominated marine freight income transaction	US dollar denominated lease liabilities	2019.1.1~2034.8.15	\$ <u>10,870,375</u>
December 31, 2019			
Hedged items	Designated as hedging instruments	Contract period	Book value
Expected US dollar denominated marine freight income transaction	US dollar denominated lease liabilities	2019.1.1~2034.8.15	\$ <u>20,188,942</u>

(a) Lease liabilities designated as hedges (recorded as financial liabilities for hedging)

	December 31, 2020	December 31, 2019
Cash flow hedges:		
Exchange rate risk		
Lease liability contracts designated as hedges		
Current liabilities	\$ 898,484	\$ 1,861,026
Non-current liabilities	9,971,891	18,327,916
	<u>\$ 10,870,375</u>	<u>\$ 20,188,942</u>

(b) Other equity - cash flow hedge reserve

	2020	2019
At January 1	\$ 460,138	\$ -
Add: : Profit on hedge effectiveness-amount recognised in other comprehensive income	988,987	447,499
Less : Reclassified from equity to exchange gain for the period loss	( 52,778)	12,639
Less : Reclassified to freight revenue as the hedged item has affected profit or loss	( 381,555)	-
At December 31	<u>\$ 1,014,792</u>	<u>\$ 460,138</u>

(c) For the years ended December 31, 2020 and 2019, there are no cash flow hedges transactions of ineffective portion should be recognised in profit or loss.

(d) Information relating to the fair values of abovementioned hedging financial liabilities is provided in Note 12(3).

I. The amounts of lease liabilities (net of the lease liabilities designated as hedges) of the Company on December 31, 2020 and 2019 are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Current lease liabilities	\$ 1,251,651	\$ 673,042
Current lease liabilities - related parties	232,706	44,321
Non-current lease liabilities	6,057,307	1,277,837
Non-current lease liabilities - related parties	-	44,788
	<u>\$ 7,541,664</u>	<u>\$ 2,039,988</u>

(10) Leasing arrangements – lessor

A. For the years ended December 31, 2020 and 2019, the Company recognised rent income in the amounts of \$197,695 and \$239,697, respectively, based on the operating lease agreement, which does not include variable lease payments.

B. The maturity analysis of the lease payments under the operating leases is as follows:

	<u>December 31, 2020</u>		<u>December 31, 2019</u>
2021	\$ 107,519	2020	\$ 110,380
2022	89	2021	110,199
2023	89	2022	89
2024	7	2023	89
2025	-	2024	7
	<u>\$ 107,704</u>		<u>\$ 220,764</u>

(11) Investment property

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>At January 1, 2020</u>			
Cost	\$ 1,414,008	\$ 975,187	\$ 2,389,195
Accumulated depreciation	-	( 519,783)	( 519,783)
	<u>\$ 1,414,008</u>	<u>\$ 455,404</u>	<u>\$ 1,869,412</u>
<u>2020</u>			
Opening net book amount as at January 1	\$ 1,414,008	\$ 455,404	\$ 1,869,412
Depreciation	-	( 19,071)	( 19,071)
Reclassifications	( 18,208)	( 2,577)	( 20,785)
Closing net book amount as at December 31	<u>\$ 1,395,800</u>	<u>\$ 433,756</u>	<u>\$ 1,829,556</u>
<u>At December 31, 2020</u>			
Cost	\$ 1,395,800	\$ 972,610	\$ 2,368,410
Accumulated depreciation	-	( 538,854)	( 538,854)
	<u>\$ 1,395,800</u>	<u>\$ 433,756</u>	<u>\$ 1,829,556</u>

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>At January 1, 2019</u>			
Cost	\$ 1,414,008	\$ 975,187	\$ 2,389,195
Accumulated depreciation	-	( 500,638)	( 500,638)
	<u>\$ 1,414,008</u>	<u>\$ 474,549</u>	<u>\$ 1,888,557</u>

2019

Opening net book amount as at January 1	\$ 1,414,008	\$ 474,549	\$ 1,888,557
Depreciation	-	( 19,145)	( 19,145)
Closing net book amount as at December 31	<u>\$ 1,414,008</u>	<u>\$ 455,404</u>	<u>\$ 1,869,412</u>

At December 31, 2019

Cost	\$ 1,414,008	\$ 975,187	\$ 2,389,195
Accumulated depreciation	-	( 519,783)	( 519,783)
	<u>\$ 1,414,008</u>	<u>\$ 455,404</u>	<u>\$ 1,869,412</u>

- A. Rental income from the investment property and direct operating expenses arising from the investment property are shown below:

	<u>Year ended December 31, 2020</u>	<u>Year ended December 31, 2019</u>
Rental income from investment property	<u>\$ 100,591</u>	<u>\$ 103,058</u>
Direct operating expenses arising from the investment property that generated rental income during the year	<u>\$ 19,071</u>	<u>\$ 19,145</u>
Direct operating expenses arising from the investment property that did not generate rental income during the year	<u>\$ -</u>	<u>\$ -</u>

- B. The fair value of the investment property held by the Company as at December 31, 2020 and 2019 was \$3,534,160 and \$3,390,912, respectively. The fair value measurements were based on the market prices of recently sold properties in the immediate vicinity of a certain property, which is categorised within Level 2 in the fair value hierarchy.

- C. Information about the investment property that was pledged to others as collaterals is provided in Note 8.

(12) Other current assets

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Prepayments for equipment	\$ 2,799,647	\$ 1,154,130
Refundable deposits	17,700	18,091
	<u>\$ 2,817,347</u>	<u>\$ 1,172,221</u>

## Financial Information

A. Amount of borrowing costs capitalized as part of prepayment for equipment and the range of the interest rates for such capitalization are as follows:

	Year ended December 31, 2020	Year ended December 31, 2019
Amount capitalised	\$ 18,638	\$ 9,912
Interest rate	0.86%~1.24%	0.86%~1.59%

B. Movement in prepayments for equipment for the years ended December 31, 2020 and 2019 are as follows:

	Year ended December 31, 2020	Year ended December 31, 2019
At January 1	\$ 1,154,130	\$ 957,350
Additions	2,176,096	3,422,963
Reclassification to property, plant and equipment	( 530,579)	( 3,226,183)
At December 31	\$ 2,799,647	\$ 1,154,130

(13) Other current liabilities

	December 31, 2020	December 31, 2019
Long-term liabilities - current portion	\$ 5,587,280	\$ 8,584,919
Corporate bonds- current portion	4,000,000	-
Shipowner's accounts	1,782,644	1,075,906
Agency accounts	467,737	609,288
Others	59,349	6,987
	<u>\$ 11,897,010</u>	<u>\$ 10,277,100</u>

(14) Corporate bonds payable

	December 31, 2020	December 31, 2019
Domestic secured corporate bonds	\$ 10,000,000	\$ 10,000,000
Euro-Convertible Bond	7,149,181	-
Less: Discount on bonds payable	( 370,138)	-
Less: Current portion or exercise of put options	( 4,000,000)	-
	<u>\$ 12,779,043</u>	<u>\$ 10,000,000</u>

A. On April 25, 2017, the Company issued its thirteenth domestic secured corporate bonds (referred herein as the "Thirteenth Bonds"), totaling \$8,000,000. The Thirteenth Bonds are categorized into Bond A, B, C, D, E, F and G, depending on the guarantee institution. Bond A totals \$2,000,000, and the rest total \$6,000,000, with each par value of \$1,000,000. The major terms of the issuance are set forth below:

- (a) Period: 5 years (April 25, 2017 to April 25, 2022)
- (b) Coupon rate: 1.05% fixed per annum



- (c) Principal repayment and interest payment  
Repayments for the Thirteenth Bonds are paid annually on coupon rate, starting a year from the issuing date. For each category of the bonds mentioned above, half the principal must be paid at the end of the fourth year, and another half at the maturity date.
- (d) Collaterals  
The Thirteenth Bonds are secured. Bond A is guaranteed by Hua Nan Bank, Bond B is guaranteed by First Bank, Bond C is guaranteed by Mega International Commercial Bank, Bond D is guaranteed by Land Bank of Taiwan, Bond E is guaranteed by Chang Hwa Bank, Bond F is guaranteed by Taiwan Cooperative Bank, and Bond G is guaranteed by Bank Sinopac.
- B. On June 27, 2018, the Company issued its fourteenth domestic secured corporate bonds (referred herein as the “Fourteenth Bonds”), totaling \$2,000,000, with each par value of \$1,000. On June 7, 2018, the Bonds were qualified as the green bonds based on the Securities-TPEX-Bond No. 1070014617 issued by Taipei Exchange. The major terms of the issuance are set forth below:
- (a) Period: 5 years (June 27, 2018 to June 27, 2023)
- (b) Coupon rate: 0.86% fixed per annum
- (c) Principal repayment and interest payment  
Repayments for the Fourteenth Bonds are paid annually on coupon rate, starting a year from the issuing date. The principal of the Fourteenth Bonds shall be repaid in lump sum at maturity.
- (d) Collaterals  
The Fourteenth Bonds are secured and are guaranteed by First Commercial Bank.
- C. On September 29, 2020, the Company issued the first unsecured overseas convertible bonds (the “First Overseas Convertible Bonds”), totaling USD300,000 at the face value. The major terms of the issuance are set forth below:
- (a) Period: 5 years (September 29, 2020 to September 29, 2025)
- (b) Coupon rate: 0% fixed per annum
- (c) Principal repayment:  
Except for the First Overseas Convertible Bonds previously redeemed, repurchased and retired by the Company, or converted by the bondholders of the First Overseas Convertible Bonds (the “bondholders”), the Company will redeem the First Overseas Convertible Bonds in USD on the maturity date at the price of the face value plus 0.0% gross yield per annum of the face value, calculated semi-annually.

(d) Conversion period:

Except for the First Overseas Convertible Bonds previously redeemed or repurchased, or the stop transfer period as specified in the terms of the bond indenture for the First Overseas Convertible Bonds (the “bond indenture”) or the laws/regulations, the bondholders have the right to ask for the conversion of the First Overseas Convertible Bonds into the common stocks newly issued by the Company during the period from the date after 90 days of the issuance of the First Overseas Convertible Bonds to (1) 10 days before the maturity date, or (2) 5 business days before the date on which the bondholders exercise the put options or the Company exercise the early redemption (excluding the maturity date).

(e) Conversion price:

The conversion price of the First Overseas Convertible Bonds is NT\$18.2 (in dollars), 115.19% of the reference price. The reference price refers to the closing price of the Company’s common stocks on the Taiwan Stock Exchange on the pricing date, which was NT\$15.80 (in dollars), translated using the exchange rate of US\$1 to NT\$28.9910.

(f) Put options:

The bondholders have no right to require the Company to redeem the First Overseas Convertible Bonds, in whole or in part, unless the following events occur:

- i. Except for the First Overseas Convertible Bonds previously redeemed, repurchased and retired, or converted, the bondholders have the right to require the Company to redeem the First Overseas Convertible Bonds, in whole or in part, on the date three years after the issuance at the price of the face value plus 0.0% per annum of the face value (calculated semi-annually) as the interests (the “early redemption amount”).
- ii. The bondholders have the right to require the Company to redeem the First Overseas Convertible Bonds, in whole or in part, at the early redemption amount if the Company’s common stocks are unlisted from the Taiwan Stock Exchange or ceased trading over 30 consecutive business days.
- iii. The bondholders have the right to require the Company to redeem the First Overseas Convertible Bonds, in whole or in part, at the early redemption amount if any changes occur to the Company’s controlling power as defined in the bond indenture.

The exercise of the aforementioned put options by the bondholders and the acceptance of the bondholders’ requests by the Company shall be conducted in accordance with the procedures as specified in the bond indenture. The Company will redeem the First Overseas Convertible Bonds in cash on the payment date as specified in the bond indenture.

The early redemption amount is first translated into NTD using the fixed exchange rate, and it was then translated from NTD to USD using the exchange rate on the day for repayment (by reference to the fixing rate at 11 a.m. quoted by Taipei Forex Inc.).

## (g) Redemption:

The Company may redeem the First Overseas Convertible Bonds early when one of the following conditions is met:

- i. The Company may redeem the First Overseas Convertible Bonds, in whole, at the early redemption amount if the closing price of the Company's common stocks on the Taiwan Stock Exchange (translated into USD based on the exchange rate on the day) reaches over 130% of the total amount of early redemption amount (defined later) multiplied by the conversion price on the day (translated into USD at the fixed exchange rate) and divided by the face value for 20 trade dates out of 30 consecutive business days during the period from the day after three years of the issuance to the maturity date.
- ii. The Company may redeem the outstanding First Overseas Convertible Bonds, in whole, at the early redemption amount if over 90% of the First Overseas Convertible Bonds have been redeemed, converted, repurchased and retired.
- iii. The Company may redeem the First Overseas Convertible Bonds, in whole, at the early redemption amount if changes to the R.O.C.'s tax regulations occur after the issue date and cause the Company to bear more tax or to pay extra interest expenses or increase in costs for the First Overseas Convertible Bonds. Also, the bondholders have no right to require the Company to cover extra tax and expense for their nonparticipation of the redemption.

The early redemption amount is first translated into NTD using the fixed exchange rate, and it was then translated from NTD to USD using the exchange rate on the day for repayment (by reference to the fixing rate of US\$1 to NT\$28.9910 at 11 a.m. quoted by Taipei Forex Inc.).

- D. Regarding the issuance of convertible bonds, the equity conversion options amounting to \$312,290 were separated from the liability component and were recognised in 'capital surplus—share options' in accordance with IAS 32. The call options and redemption embedded in bonds payable were separated from their host contracts and were recognised in 'financial assets or liabilities at fair value through profit or loss' in net amount in accordance with IAS 39 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts.

(15) Long-term loans

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Secured bank loans	\$ 19,489,018	\$ 20,326,895
Unsecured bank loans	11,607,882	18,040,883
Add: Unrealized foreign exchange loss	( 148,492)	49,713
Less: Deferred expenses - hosting fee credit	( 14,905)	( 13,687)
	30,933,503	38,403,804
Less: Current portion (recorded as other current liabilities)	( 5,587,280)	( 8,584,919)
	<u>\$ 25,346,223</u>	<u>\$ 29,818,885</u>
Maturity range	2021.05~2029.05	2020.04~2027.03
Interest rate	0.93%~2.91%	1.12%~3.80%

Please refer to Note 8 for details of the collaterals pledged for the above long-term loans.

(16) Other non-current liabilities

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Accrued pension liabilities	\$ 1,307,169	\$ 1,290,072
Guarantee deposits received	12,250	12,190
	<u>\$ 1,319,419</u>	<u>\$ 1,302,262</u>

(17) Pension

A.(a) In accordance with the Labor Standards Act (“the Act”), covering all regular employees’ service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contribute monthly an amount equal to 15% of the employees’ monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Present value of defined benefit obligations	(\$ 1,933,690)	(\$ 1,876,357)
Fair value of plan assets	<u>626,521</u>	<u>586,285</u>
Net defined benefit liability	<u>(\$ 1,307,169)</u>	<u>(\$ 1,290,072)</u>

(c) Movements in net defined benefit liabilities are as follows:

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
<u>Year ended December 31, 2020</u>			
Balance at January 1	(\$ 1,876,357)	\$ 586,285	(\$ 1,290,072)
Current service cost	( 12,871)	-	( 12,871)
Interest (expense) income	( 13,700)	4,407	( 9,293)
Past service cost	-	-	-
Curtailment(Settlement)	<u>-</u>	<u>-</u>	<u>-</u>
	<u>( 1,902,928)</u>	<u>590,692</u>	<u>( 1,312,236)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	18,948	18,948
Change in financial assumptions	( 80,744)	-	( 80,744)
Experience adjustments	<u>( 49,956)</u>	<u>-</u>	<u>( 49,956)</u>
	<u>( 130,700)</u>	<u>18,948</u>	<u>( 111,752)</u>
Pension fund contribution	-	96,986	96,986
Paid pension	<u>99,938</u>	<u>( 80,105)</u>	<u>19,833</u>
Balance at December 31	<u>(\$ 1,933,690)</u>	<u>\$ 626,521</u>	<u>(\$ 1,307,169)</u>

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
<u>Year ended December 31, 2019</u>			
Balance at January 1	(\$ 1,847,634)	\$ 526,411	(\$ 1,321,223)
Current service cost	( 13,614)	-	( 13,614)
Interest (expense) income	( 17,990)	5,296	( 12,694)
Past service cost	425	-	425
Curtailement(Settlement)	336	-	336
	<u>( 1,878,477)</u>	<u>531,707</u>	<u>( 1,346,770)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	18,489	18,489
Change in financial assumptions	( 44,395)	-	( 44,395)
Experience adjustments	( 49,335)	-	( 49,335)
	<u>( 93,730)</u>	<u>18,489</u>	<u>( 75,241)</u>
Pension fund contribution	-	108,505	108,505
Paid settlement	6,056	-	6,056
Paid pension	89,794	( 72,416)	17,378
Balance at December 31	<u>( \$ 1,876,357)</u>	<u>\$ 586,285</u>	<u>( \$ 1,290,072)</u>

(d)The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2020 and 2019 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e)The principal actuarial assumptions used were as follows:

	Year ended December 31, 2020	Year ended December 31, 2019
Discount rate	0.30%	0.75%
Future salary increases	2.00%	2.00%

Assumptions regarding future mortality rate was estimated based on the 5th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2020</u>				
Effect on present value of defined benefit obligation	(\$ 45,498)	\$ 47,165	\$ 32,620	(\$ 31,616)
<u>December 31, 2019</u>				
Effect on present value of defined benefit obligation	(\$ 44,328)	\$ 45,979	\$ 30,979	(\$ 29,999)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(f)Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2021 amount to \$102,719.

(g)As of December 31, 2020, the weighted average duration of the retirement plan is 10 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	\$ 111,695
1~2 years	77,858
2~5 years	324,293
Over 5 years	1,480,196
	<u>\$ 1,994,042</u>

B.(a)Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension

accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2020 and 2019 were \$109,425 and \$87,980, respectively.

(18) Capital stock

- A. As of December 31, 2020, the Company's authorised capital was \$70,000,000, and the paid-in capital was \$48,980,353, divided into 4,898,035 thousand shares of common stocks with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.
- B. The Company issued 85,062 shares of new shares during the period from December 29, 2020 to December 31, 2020 due to the exercise of conversion options by the overseas convertible corporate bondholders. All proceeds from share issuance have been collected by February 19, 2021.
- C. On June 24, 2020, the shareholders meeting of the Company resolved to increase authorized capital from \$50,000,000 to \$70,000,000. All proceeds from share issuance have been collected by July 22, 2020.
- D. On August 13, 2019, the Board of Directors of the Company resolved to increase capital of \$3,000,000 by issuing 300,000 thousand shares at a par value of \$10 (in dollars) per share. Of which 30,000 thousand shares are reserved for employee stock purchase plan. The proposal of capital increase has been reported and become effective on December 3, 2019. The amount of shares was \$3,333,934. All proceeds from share issuance have been collected by December 31, 2019.
- E. On December 31, 2020 and 2019, the numbers of the Company's shares held by its associate accounted for using equity method, EITC, were 25,084 and 25,254 thousand shares, respectively.

(19) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.



	Year ended December 31, 2020				
	Share premium	Employee stock options exercised	Adjustments to share of changes in equity of associates and joint ventures	Donated assets	Others
At January 1	\$ 9,167,217	\$ 110,956	\$ 2,122,105	\$ 446	\$ 6,713
Expired unclaimed dividends	-	-	-	-	623
Proceeds from issuance of overseas convertible bonds	-	379,915	-	-	-
Conversion of overseas convertible bonds	690,551	( 67,625)	-	-	-
Recognition of change in equity of associates in proportion to the Company's ownership	-	-	22,463	-	-
At December 31	<u>\$ 9,857,768</u>	<u>\$ 423,246</u>	<u>\$ 2,144,568</u>	<u>\$ 446</u>	<u>\$ 7,336</u>
	Year ended December 31, 2019				
	Share premium	Employee stock options exercised	Adjustments to share of changes in equity of associates and joint ventures	Donated assets	Others
At January 1	\$ 8,833,283	\$ 93,890	\$ 2,124,813	\$ 446	\$ 6,713
Issuance of common stock for cash	333,934	17,066	-	-	-
Recognition of change in equity of associates in proportion to the Company's ownership	-	-	( 2,708)	-	-
At December 31	<u>\$ 9,167,217</u>	<u>\$ 110,956</u>	<u>\$ 2,122,105</u>	<u>\$ 446</u>	<u>\$ 6,713</u>

(20) Retained earnings

	Year ended December 31, 2020	Year ended December 31, 2019
At January 1	\$ 3,659,042	\$ 3,776,643
Profit for the year	24,364,926	112,519
Distribution of earnings	- (	29,392)
Remeasurement on post employment benefit obligations, net of tax	( 291,317) (	197,673)
Adjustments to share of changes in equity of associates and joint ventures	1,809 (	3,055)
At December 31	<u>\$ 27,734,460</u>	<u>\$ 3,659,042</u>

- A. According to the Company's Articles of Incorporation, if there is any profit for a fiscal year, the Company shall first make provision for income tax and cover prior years' losses, then appropriate 10% of the residual amount as legal reserve. Dividends shall be proposed by the Board of Directors and resolved by the stockholders.
- B. Dividend policy  
The Company is currently at the stable growth stage. In order to facilitate future expansion plans, dividends to stockholders are distributed mutually in the form of both cash and stocks with the basic principle that the ratio of cash dividends to total stock dividends shall not be lower than 10%.
- C. Legal reserve  
Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.
- D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- E. The appropriation of 2018 earnings was adopted by the stockholders on June 21, 2019 is as follows:

	Year ended
	<u>December 31, 2018</u>
	Amount
Accrual of legal reserve	<u>\$ 29,392</u>

- F. For the year ended December 31, 2019, the Company's net income after tax plus other items including current unappropriated retained earnings are negative, thus the Company will not provision for legal reserve. Additionally, the Company will retain distributable earnings for its future operating plan, thus, the Company will not appropriate for shareholders' bonus.

G. The appropriation of 2020 earnings was adopted by the Board of Directors on March 22, 2021 as follows:

	Year ended December 31, 2019	Year ended December 31, 2019
	Amount	Dividend per share (in dollars)
Accrual of legal reserve	\$ 2,407,542	
Accrual of special reserve	\$ 581,406	
Appropriate cash dividends to shareholders	\$ 13,156,234	\$ 2.5

As of March 22, 2021, the above-mentioned 2020 earnings appropriation had not been resolved by the stockholders.

(21) Other equity items

	Unrealised gains (losses) on valuation	Hedging reserve	Currency translation	Total
At January 1, 2020	\$ 1,411,638	\$ 579,757	(\$ 856,773)	\$ 1,134,622
Revaluation – gross	156,060	-	-	156,060
Revaluation – tax	( 3,650)	-	-	( 3,650)
Revaluation – associates	322,535	-	-	322,535
Revaluation transferred to retained earnings – associates	( 1,809)	-	-	( 1,809)
Cash flow hedges:				
– Fair value gain in the period				
– Parent	-	554,654	-	554,654
– Parent – tax	-	( 110,931)	-	( 110,931)
– Associates	-	838,684	-	838,684
Currency translation differences:				
– Parent	-	-	( 3,160,573)	( 3,160,573)
– Parent – tax	-	-	4,589	4,589
– Associates	-	-	( 315,587)	( 315,587)
At December 31, 2020	<u>\$ 1,884,774</u>	<u>\$ 1,862,164</u>	<u>(\$ 4,328,344)</u>	<u>(\$ 581,406)</u>

	Unrealised gains (losses) on valuation	Hedging reserve	Currency translation	Total
At January 1, 2019	\$ 1,234,225	(\$ 58,649)	\$ 17,580	\$ 1,193,156
Revaluation – gross	134,715	-	-	134,715
Revaluation – tax	5,115	-	-	5,115
Revaluation – associates	37,531	-	-	37,531
Revaluation transferred to retained earnings – associates	52	-	-	52
Cash flow hedges:				
– Fair value gain in the period				
– Parent	-	460,138	-	460,138
– Parent – tax	-	( 92,028)	-	( 92,028)
– Associates	-	270,296	-	270,296
Currency translation differences:				
– Parent	-	-	( 755,051)	( 755,051)
– Parent – tax	-	-	18	18
– Associates	-	-	( 119,320)	( 119,320)
At December 31, 2019	<u>\$ 1,411,638</u>	<u>\$ 579,757</u>	<u>(\$ 856,773)</u>	<u>\$ 1,134,622</u>

(22) Operating revenue

	Year ended December 31, 2020	Year ended December 31, 2019
Revenue from contracts with customers	\$ 50,920,278	\$ 44,081,161
Other - ship rental and slottage income	702,845	605,977
	<u>\$ 51,623,123</u>	<u>\$ 44,687,138</u>

## A. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of services over time and at a point in time in the following major businesses:

	Year ended				
December 31, 2020	Asia	America	Europe	Others	Total
Revenue from external customer contracts	\$ 14,724,850	\$ 15,938,387	\$ 14,577,055	\$ 1,741,910	\$ 46,982,202
Inter-segment revenue	1,714,697	1,695,537	526,220	1,622	3,938,076
Total segment revenue	<u>\$ 16,439,547</u>	<u>\$ 17,633,924</u>	<u>\$ 15,103,275</u>	<u>\$ 1,743,532</u>	<u>\$ 50,920,278</u>

Year ended					
December 31, 2019	Asia	America	Europe	Others	Total
Revenue from external customer contracts	\$14,551,189	\$15,931,117	\$9,175,988	\$ 665,486	\$40,323,780
Inter-segment revenue	1,164,695	2,007,692	584,994	-	3,757,381
Total segment revenue	<u>\$15,715,884</u>	<u>\$17,938,809</u>	<u>\$9,760,982</u>	<u>\$ 665,486</u>	<u>\$44,081,161</u>

#### B. Contract assets and liabilities

The Company has recognised the following revenue-related contract assets and liabilities:

	December 31, 2020	December 31, 2019	January 1, 2019
Contract assets:			
Contract assets relating to marine freight income	\$ 802,464	\$ 372,492	\$ 682,327
Contract liabilities:			
Contract liabilities – unearned marine freight income	\$ 494,792	\$ 536,774	\$ 431,290

Revenue recognised that was included in the contract liability balance at the beginning of the period:

	Year ended December 31, 2020	Year ended December 31, 2019
Marine freight income	\$ 536,774	\$ 431,290

#### (23) Other gains-net

	Year ended December 31, 2020	Year ended December 31, 2019
Gains on disposal of property, plant and equipment	\$ 3,170	\$ 4,649

#### (24) Interest income

	December 31, 2020	December 31, 2019
Interest income from bank deposits	\$ 112,207	\$ 284,290
Interest income from financial assets measured at amortised cost	22,593	32,030
	<u>\$ 134,800</u>	<u>\$ 316,320</u>

## Financial Information

(25) Other income

	Year ended December 31, 2020	Year ended December 31, 2019
Rental revenue	\$ 108,010	\$ 115,918
Dividend income	50,516	45,631
Other income – others	203,729	38,757
	<u>\$ 362,255</u>	<u>\$ 200,306</u>

(26) Other gains and losses

	Year ended December 31, 2020	Year ended December 31, 2019
Net currency exchange gains	\$ 503,637	\$ 125,466
Gains on financial assets at fair value through profit or loss	30,027	-
Losses on disposal of investments	99 (	36)
Gains arising from lease modifications	( 259)	1,237
Depreciation charges on investment property	( 19,071)	( 19,145)
Other non-operating expenses	( 82,671)	( 90,391)
	<u>\$ 431,762</u>	<u>\$ 17,131</u>

(27) Finance costs

	Year ended December 31, 2019	Year ended December 31, 2018
Interest expense:		
Bank borrowings	\$ 483,801	\$ 671,128
Corporate bonds	124,782	101,200
Lease liabilities	596,424	542,509
	<u>1,205,007</u>	<u>1,314,837</u>
Less: Capitalisation of qualifying assets	( 18,638)	( 9,912)
Finance costs	<u>\$ 1,186,369</u>	<u>\$ 1,304,925</u>

(28) Expenses by nature

	Year ended <u>December 31, 2020</u>	Year ended <u>December 31, 2019</u>
Employee benefit expense	\$ 3,784,844	\$ 2,687,938
Depreciation charges on property, plant and equipment	2,469,944	2,279,403
Depreciation charges on right-of-use assets	2,852,851	2,514,484
Amortisation charges on intangible assets	17,266	16,458
Stevedorage	15,064,018	12,622,384
Inland haulage and canal due	8,516,195	9,164,021
Bunker fuel	5,315,736	7,036,586
Operating lease payments	321,060	284,512
Commission	2,457,287	1,980,339
Port charge	1,594,561	1,595,565
Ship supplies and lubricant oil	254,406	285,814
Professional service and data service expenses	1,554,620	1,665,179
Other operating costs and expenses	2,260,932	2,382,542
	<u>\$ 46,463,720</u>	<u>\$ 44,515,225</u>

(29) Employee benefit expense

	Year ended <u>December 31, 2020</u>	Year ended <u>December 31, 2019</u>
Wages and salaries	\$ 3,286,719	\$ 2,272,371
Labor and health insurance fees	200,711	175,721
Pension costs	131,588	113,527
Directors' remuneration	22,869	9,074
Other personnel expenses	142,957	117,245
	<u>\$ 3,784,844</u>	<u>\$ 2,687,938</u>

- A. According to the Articles of Incorporation of the Company, when distributing earnings, the Company shall distribute bonus to the employees that account for no less than 0.5% and pay remuneration to the directors and supervisors that account for no more than 2% of the total distributed amount.
- B. (a) In accordance with the Articles of Incorporation of the Company, based on the profit for the year ended December 31, 2020, employees' compensation and directors' remunerations were accrued based on 0.5% and 0.04% at \$131,254 and \$9,500, respectively. The aforementioned amount was recognised in salary expenses. The actual distributed amounts as resolved by the Board of Directors were in agreement with the accrued amounts. The employees' compensation will be distributed in the form of cash.
- (b) For the year ended December 31, 2019, the Company generated loss and thus did not accrue employees' and supervisors' remuneration.

Information about the appropriation of employees', directors' and supervisors' remuneration by the Company as proposed by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(30) Income tax

## A. Income tax expense (benefit)

## (a) Components of income tax expense (benefit):

	Year ended December 31, 2020	Year ended December 31, 2019
Current tax:		
Current tax on profits for the year	\$ 383,262	\$ -
Prior year income tax overestimation	-	3,277
Total current tax	<u>383,262</u>	<u>3,277</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>1,361,790</u>	<u>( 164,996)</u>
Total deferred tax	<u>1,361,790</u>	<u>( 164,996)</u>
Income tax expense (benefit)	<u>\$ 1,745,052</u>	<u>(\$ 161,719)</u>

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Year ended December 31, 2020	Year ended December 31, 2019
Changes in fair value of available -for-sale financial assets	\$ 3,650	(\$ 5,115)
Currency translation differences	( 4,589)	( 18)
Remeasurement of defined benefit obligations	( 22,351)	( 15,048)
Cash flow hedges	110,931	92,028
Share of other comprehensive income of associates	<u>( 5,907)</u>	<u>( 8,680)</u>
	<u>\$ 81,734</u>	<u>\$ 63,167</u>

(c) The income tax charged/(credited) to equity during the period is as follows:

	Year ended December 31, 2020	Year ended December 31, 2019
Reduction in capital surplus caused by recognition of foreign investees based on the shareholding ratio	\$ 70	\$ 86
Reduction in retained earnings caused by recognition of foreign investees not based on the shareholding ratio	<u>-</u>	<u>( 2)</u>
	<u>\$ 70</u>	<u>\$ 84</u>



## B. Reconciliation between income tax expense (benefit) and accounting profit

	Year ended December 31, 2020	Year ended December 31, 2019
Tax calculated based on profit before tax and statutory tax rate	\$ 5,221,996	(\$ 9,840)
Expenses disallowed by tax regulation	14,491	21,472
Tax exempt income by tax regulation	( 3,494,602)	( 182,090)
Prior year income tax overestimation	-	3,277
Effect from tax losses	3,167	5,462
Income tax expense (benefit)	<u>\$ 1,745,052</u>	<u>(\$ 161,719)</u>

## C. Amounts of deferred tax assets or liabilities as a result of temporary differences, loss carryforward and investment tax credits are as follows:

	2020				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	December 31
— Deferred tax assets:					
Temporary differences:					
Bad debts expense	\$ 16,376	(\$ 14,587)	\$ -	\$ -	\$ 1,789
Loss on valuation of financial assets	744	-	( 744)	-	-
Deferred profit from disposal of loading and unloading equipment	12,801	( 1,779)	-	-	11,022
Unrealized expense	58,884	( 43,034)	-	-	15,850
Unrealized exchange loss	28,633	( 28,633)	-	-	-
Pension fund contribution	174,867	( 18,931)	-	-	155,936
Remeasurements of defined benefit obligation	83,147	-	22,351	-	105,498
Net operating loss carryforward	<u>418,670</u>	<u>( 418,670)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>794,122</u>	<u>( 525,634)</u>	<u>21,607</u>	<u>-</u>	<u>290,095</u>
— Deferred tax liabilities:					
Temporary differences:					
Gain on valuation of financial assets	\$ -	\$ -	(\$ 2,906)	\$ -	(\$ 2,906)
Equity-accounted investment income	( 706,970)	( 768,884)	10,496	( 70)	(\$ 1,465,428)
Unrealized exchange gain	-	( 67,272)	-	-	( 67,272)
Cash flow hedges	<u>( 92,028)</u>	<u>-</u>	<u>( 110,931)</u>	<u>-</u>	<u>( 202,959)</u>
	<u>( 798,998)</u>	<u>( 836,156)</u>	<u>( 103,341)</u>	<u>( 70)</u>	<u>( 1,738,565)</u>
	<u>(\$ 4,876)</u>	<u>(\$ 1,361,790)</u>	<u>(\$ 81,734)</u>	<u>(\$ 70)</u>	<u>(\$ 1,448,470)</u>

	2019				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	December 31
– Deferred tax assets:					
Temporary differences:					
Bad debts expense	\$ 16,417	(\$ 41)	\$ -	\$ -	\$ 16,376
Loss on valuation of financial assets	-	-	744	-	744
Deferred profit from disposal of loading and unloading equipment	14,588	( 1,787)	-	-	12,801
Unrealized expense	14,338	44,546	-	-	58,884
Unrealized exchange loss	31,146	( 2,513)	-	-	28,633
Pension fund contribution	196,145	( 21,278)	-	-	174,867
Remeasurements of defined benefit obligation	68,099	-	15,048	-	83,147
Net operating loss carryforward	<u>345,617</u>	<u>73,053</u>	<u>-</u>	<u>-</u>	<u>418,670</u>
	<u>686,350</u>	<u>91,980</u>	<u>15,792</u>	<u>-</u>	<u>794,122</u>
– Deferred tax liabilities:					
Temporary differences:					
Gain on valuation of financial assets	(\$ 4,371)	\$ -	\$ 4,371	\$ -	\$ -
Equity-accounted investment income	( 788,600)	73,016	8,698	( 84)	(\$ 706,970)
Cash flow hedges	-	-	( 92,028)	-	( 92,028)
	<u>( 792,971)</u>	<u>73,016</u>	<u>( 78,959)</u>	<u>( 84)</u>	<u>( 798,998)</u>
	<u>(\$ 106,621)</u>	<u>\$ 164,996</u>	<u>(\$ 63,167)</u>	<u>(\$ 84)</u>	<u>(\$ 4,876)</u>

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2020 : None.

December 31, 2019				
Year incurred	Amount filed	Unused tax credits	Unrecognised deferred tax assets	Final year tax credits are due
2019	\$ 392,576	\$ 392,576	\$ -	2029
2018	671,047	671,047	-	2028
2017	12,894	12,894	-	2027
2016	747,045	747,045	-	2026
2015	269,787	269,787	-	2025
	<u>\$ 2,093,349</u>	<u>\$ 2,093,349</u>	<u>\$ -</u>	

E. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2020 and 2019, the amounts of temporary difference unrecognised as deferred tax liabilities were \$26,906,819 and \$12,524,548, respectively.

F. As of December 31, 2020, the Company's income tax returns through 2017 have been assessed and approved by the Tax Authority.

(31) Earnings (loss) per share

	<u>Year ended December 31, 2020</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 24,364,926	4,813,206	\$ 5.06
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 24,364,926	4,813,206	
Assumed conversion of all dilutive potential ordinary shares			
Euro-Convertible bonds	23,582	100,886	
Employees' compensation	-	3,225	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all shares	\$ 24,388,508	4,917,317	\$ 4.96

	Year ended December 31, 2019		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 112,519	4,536,809	\$ 0.02
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 112,519	4,536,809	\$ 0.02

(32) Supplemental cash flow information

Investing activities with partial cash payments

## A. Property, plant and equipment

	Year ended December 31, 2020	Year ended December 31, 2019
Purchase of property, plant and equipment	\$ 2,416,037	\$ 947,366
Add: Opening balance of payable on equipment	2,500	4,274
Less: Ending balance of payable on equipment	(9,771)	(2,500)
Cash paid during the year	\$ 2,408,766	\$ 949,140

## B. Prepayment for equipment (recorded as other non-current assets)

	Year ended December 31, 2020	Year ended December 31, 2019
Purchase of prepayments for equipment	\$ 2,176,096	\$ 3,422,963
Add: Opening balance of payable on prepayments for equipment	-	154
Less: Ending balance of payable on prepayments for equipment	(4,484)	-
Capitalisation of qualifying assets	(18,638)	(9,912)
Cash paid during the year	\$ 2,152,974	\$ 3,413,205

(33) Changes in liabilities from financing activities

	Corporate bonds payable (including current portion)	Long-term borrowings (including current portion)	Guarantee deposits received	Lease liabilities and financial liabilities for hedging	Liabilities from financing activities-grc
At January 1, 2020	\$ 10,000,000	\$ 38,403,804	\$ 12,190	\$ 22,228,930	\$ 70,644,924
Changes in cash flow from financing activities	8,635,118	( 7,470,301)	60	( 2,832,683)	( 1,667,806)
Remeasurement of lease liabilities	-	-	-	( 25,520)	( 25,520)
Deductions to lease liabilities	-	-	-	( 22,738)	( 22,738)
Changes in other non-cash items	( 1,856,075)	-	-	259	( 1,855,816)
Impact of changes in foreign exchange rate	-	-	-	( 936,209)	( 936,209)
At December 31, 2020	<u>\$ 16,779,043</u>	<u>\$ 30,933,503</u>	<u>\$ 12,250</u>	<u>\$ 18,412,039</u>	<u>\$ 66,136,835</u>
	Corporate bonds payable	Long-term borrowings (including current portion)	Guarantee deposits received	Lease liabilities and financial liabilities for hedging	Liabilities from financing activities-grc
At January 1, 2019	\$ 10,000,000	\$ 40,085,191	\$ 12,370	\$ -	\$ 50,097,561
Retrospective application	-	-	-	14,721,437	14,721,437
Changes in cash flow from financing activities	-	( 1,681,117)	( 180)	( 2,294,815)	( 3,976,112)
Remeasurement of lease liabilities	-	-	-	( 268,904)	( 268,904)
Additions to lease liabilities	-	-	-	10,654,719	10,654,719
Deductions to lease liabilities	-	-	-	( 122,132)	( 122,132)
Hosting fee credit	-	( 270)	-	-	( 270)
Changes in other non-cash items	-	-	-	( 1,237)	( 1,237)
Impact of changes in foreign exchange rate	-	-	-	( 460,138)	( 460,138)
At December 31, 2019	<u>\$ 10,000,000</u>	<u>\$ 38,403,804</u>	<u>\$ 12,190</u>	<u>\$ 22,228,930</u>	<u>\$ 70,644,924</u>

## 7. RELATED PARTY TRANSACTIONS

(1) Names of the related parties and their relationship with the Company

Names of related parties	Relationship with the Company
Taiwan Terminal Services Co., Ltd. (TTSC)	Subsidiary
Peony Investment S.A. (Peony)	Subsidiary
Everport Terminal Services Inc. (ETS)	Subsidiary
Evergreen Marine (Hong Kong) Ltd. (EGH)	Subsidiary
Evergreen Shipping Agency (Israel) Ltd. (EIL)	Subsidiary
Evergreen Marine Corp. (Malaysia) SDN BHD (EGM)	Indirect subsidiary
Clove Holding Ltd. (CLOVE)	Indirect subsidiary
PT. Multi Bina Transport (MBT)	Indirect subsidiary
PT. Multi Bina Pura International (MBPI)	Indirect subsidiary
Greencompass Marine S.A. (GMS)	Indirect subsidiary
Evergreen Heavy Industrial Co., (Malaysia) Berhad. (EHIC(M))	Indirect subsidiary
Evergreen Marine (UK) Limited (EMU)	Indirect subsidiary
Evergreen Shipping Agency (Europe) GmbH (EEU)	Indirect subsidiary
Evergreen Argentina S.A. (EGB)	Indirect subsidiary
Evergreen Shipping (Spain) S.L. (EES)	Indirect subsidiary
Evergreen Shipping Agency (Italy) S.p.A. (EIT)	Indirect subsidiary
Armand Investment (Netherlands) N.V. (Armand N.V.)	Indirect subsidiary (liquidation on June 30, 2020)
Evergreen Shipping Agency (Australia) Pty. Ltd. (EMA)	Indirect subsidiary
Evergreen Shipping Agency (Thailand) Co., Ltd. (EGT)	Indirect subsidiary
Evergreen Shipping Agency (India) Pvt. Ltd. (EGI)	Indirect subsidiary
Evergreen Shipping Agency (Russia) Ltd. (ERU)	Indirect subsidiary
Evergreen Agency (South Africa) (Pty) Ltd. (ESA)	Indirect subsidiary
Evergreen Shipping Agency (Korea) Corporation (EGK)	Indirect subsidiary
Armand Estate B.V. (Armand B.V.)	Indirect subsidiary (liquidation on June 25, 2020)
Whitney Equipment LLC. (Whitney)	Indirect subsidiary
Evergreen Shipping Agency (Vietnam) Corp. (EGV)	Indirect subsidiary
Evergreen Shipping Services (Cambodia) Co., Ltd. (EKH)	Indirect subsidiary
Evergreen Shipping Agency (Chile) SPA. (ECL)	Indirect subsidiary
Evergreen Shipping Agency (PERU) S.A.C. (EPE)	Indirect subsidiary

Names of related parties	Relationship with the Company
Evergreen Shipping Agency (Colombia) S.A.S. (ECO)	Indirect subsidiary
Evergreen Shipping Agency Mexico S.A. DE C.V. (EMX)	Indirect subsidiary
Evergreen Shipping Agency (Greece) Societe Anonyme (EGRC)	Indirect subsidiary
Evergreen Shipping Agency (Brazil) Ltd. (EBR)	Indirect subsidiary
Evergreen Shipping Agency (China) Co., Ltd. (ECN)	Indirect subsidiary
Kingtrans International Logistics (Tianjin) Co., Ltd. (KTIL)	Indirect subsidiary
Ever Shine (Shanghai) Enterprise Management Consulting Co., Ltd. (EVSSHG)	Indirect subsidiary
Ever Shine (Ningbo) Enterprise Management Consulting Co., Ltd. (EVSNBO)	Indirect subsidiary
Ever Shine (Shenzhen) Enterprise Management Consulting Co., Ltd. (EVSXZN)	Indirect subsidiary
Ever Shine (Qingdao) Enterprise Management Consulting Co., Ltd. (EVSQND)	Indirect subsidiary
Evergreen International Storage and Transport Corporation (EITC)	Associate
EVA Airways Corporation (EVA)	Associate
Evergreen Security Corporation (ESC)	Associate
Charng Yang Development Co., Ltd. (CYD)	Associate
Taipei Port Container Terminal Corporation (TPCT)	Associate
Ningbo Victory Container Co., Ltd. (NVC)	Associate
Qingdao Evergreen C&T Co., Ltd. (QECT)	Associate
Evergreen Marine (Latin America), S.A. (ELA)	Associate (An Indirect subsidiary since March 1, 2020)
Evergreen Shipping Agency Lanka (Private) Limited (ELK)	Associate (An Associate since March 1, 2019)
Greenpen Properties Sdn. Bhd. (GPP)	Associate
Luanta Investment (Netherlands) N.V. (Luanta)	Associate
Balsam Investment (Netherlands) N.V. (Balsam)	Associate
Italia Marittima S.p.A. (ITS)	Associate
Colon Container Terminal S.A. (CCT)	Associate
PT. Evergreen Shipping Agency Indonesia (EMI)	Associate
Evergreen Shipping Agency Co. (U.A.E) LLC (UAE)	Associate
VIP Greenport Joint Stock Company (VGP)	Associate
Ics Depot Services Sdn. Bhd. (IDS)	Associate
Ever Ecove Corporation (EEC)	Associate (An Associate since December 1, 2020)

## Financial Information

Names of related parties	Relationship with the Company
Evergreen International Corporation (EIC)	Other related party
Evergreen Airline Services Corporation (EGAS)	Other related party
Chang Yung-Fa Charity Foundation (CYFC)	Other related party
Chang Yung-Fa Foundation (CYFF)	Other related party
Evergreen Steel Corp. (EGST)	Other related party
Ever Accord Construction Corporation (EAC)	Other related party
Evergreen Aviation Technologies Corporation (EGAT)	Other related party
Evergreen Sky Catering Corporation (EGSC)	Other related party
Evergreen Air Cargo Services Corporation (EGAC)	Other related party
Evergreen Aviation Precision Corporation (EGAP)	Other related party (merged into Evergreen Aviation Technologies Corporation on February 28, 2019)
Central Reinsurance Corporation (CRC)	Other related party
Evergreen International S.A. (EIS)	Other related party
Evergreen Marine (Singapore) Pte. Ltd. (EMS)	Other related party
Gaining Enterprise S.A. (GESA)	Other related party
Evergreen Insurance Company Ltd. (EINS)	Other related party
Evergreen Shipping Agency (America) Corporation (EGA)	Other related party
Evergreen Shipping Agency (Japan) Corporation (EGJ)	Other related party
Evergreen Shipping Agency Philippines Corporation (EGP)	Other related party (An Indirect subsidiary since July 1, 2020)
Evergreen International Myammar Co., Ltd. (EIM)	Other related party
Chestnut Estate B.V. (Chestnut)	Other related party
Advanced Business Process, Inc.(ABPI)	Other related party
Unigreen Marine S.A.(UMS)	Other related party
Evergreen Logistics Philippines Corp. (ELCP)	Other related party
Round the World S.A.(RTW)	Other related party
Evergreen Logistics Co., Ltd.(ELCSH)	Other related party
Evergreen Logistics (HK) Ltd.(ELCHK)	Other related party
Directors, president and vice president	Key management
Note: For information on the subsidiaries, please refer to Note 4(3) of the consolidated financial statements as of December 31, 2020.	



(2) Significant related party transactions and balances

## A. Sales of services:

	<u>Year ended</u> <u>December 31, 2020</u>	<u>Year ended</u> <u>December 31, 2019</u>
Sales of services:		
Subsidiaries	\$ 4,440,291	\$ 3,760,679
Associates	483,285	444,876
Other related parties	<u>1,787,942</u>	<u>2,186,282</u>
	<u>\$ 6,711,518</u>	<u>\$ 6,391,837</u>

The business terms on which the company transacts with related parties are of no difference from those with non-related parties.

## B. Purchases of services:

	<u>Year ended</u> <u>December 31, 2020</u>	<u>Year ended</u> <u>December 31, 2019</u>
Purchases of services:		
Subsidiaries	\$ 6,457,860	\$ 5,691,253
Associates	1,010,699	943,669
Other related parties	<u>2,189,512</u>	<u>2,500,202</u>
	<u>\$ 9,658,071</u>	<u>\$ 9,135,124</u>

Services are purchased from subsidiaries, associates and other related parties under general conditions.

## C. Receivables from related parties:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Accounts receivable:		
Subsidiaries	\$ 30,555	\$ 25,959
Associates	24,107	66,164
Other related parties	<u>14,386</u>	<u>20,027</u>
	<u>\$ 69,048</u>	<u>\$ 112,150</u>

## Financial Information

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Other receivables:		
Subsidiaries		
— GMS	\$ 29,061	\$ -
— EIL	19,065	-
— EGH	18,185	-
— Others	512	933
Associates	2,825	857
Other related parties		
— EIC	10,990	3,132
— Others	57	238
	<u>\$ 80,695</u>	<u>\$ 5,160</u>

The receivables from related parties arise mainly from sale transactions. The receivables are unsecured in nature and bear no interest. There are no provisions against receivables from related parties.

## D. Payables to related parties:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Accounts payable:		
Subsidiaries	\$ 286,996	\$ 201,959
Associates	19,343	32,166
Other related parties	4,449	49,074
	<u>\$ 310,788</u>	<u>\$ 283,199</u>
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Other payables:		
Subsidiaries	\$ 4	\$ -
Associates	3,519	6,363
Other related parties	7,483	2,747
	<u>\$ 11,006</u>	<u>\$ 9,110</u>

The payables to related parties arise mainly from purchase transactions. The payables bear no interest.

## E. Agency accounts:

## (a) Debit balance of agency accounts

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Subsidiaries		
– EEU	\$ 27,744	\$ 131,820
– EGI	34,046	7,310
– Others	34,888	53,879
Associates	-	50
Other related parties		
– EIC	525,073	219,154
– EGA	524,977	-
– Others	-	905
	<u>\$ 1,146,728</u>	<u>\$ 413,118</u>

## (b) Credit balance of agency accounts

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Subsidiaries		
– EGJ	\$ 29,569	\$ 68,694
– Others	33,730	12,434
Associates		
– EMI	5,250	118,424
– Others	12,733	2,901
Other related parties		
– EGJ	248,451	233,639
– EGA	-	75,997
– Others	-	3,547
	<u>\$ 329,733</u>	<u>\$ 515,636</u>

## F. Shipowner's accounts:

## (a) Debit balance of shipowner's accounts

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Subsidiaries		
– EMU	\$ 73,603	\$ 770,731
Associates		
– ITS	893,161	-
Other related parties		
– EIS	122,329	49,973
– GESA	14,756	28,956
	<u>\$ 1,103,849</u>	<u>\$ 849,660</u>

## (b) Credit balance of shipowner's accounts

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Subsidiaries		
– GMS	\$ 74,292	\$ 409,522
– EGH	214,357	318,823
Associates		
– ITS	-	133,319
Other related parties		
– EMS	1,493,995	214,242
	<u>\$ 1,782,644</u>	<u>\$ 1,075,906</u>

## G. Property transactions:

## (a) Acquisition of property, plant and equipment:

	<u>Year ended December 31, 2020</u>	<u>Year ended December 31, 2019</u>
Associates	\$ 8,570	\$ 4,446
Other related parties	74,787	172
	<u>\$ 83,357</u>	<u>\$ 4,618</u>

## (b) Disposal of property, plant and equipment:

	<u>Year ended December 31, 2020</u>		<u>Year ended December 31, 2019</u>	
	<u>Disposal proceeds</u>	<u>Gain on disposal</u>	<u>Disposal proceeds</u>	<u>Gain on disposal</u>
Other related parties	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 149</u>	<u>\$ 14</u>

## H. Lease transactions – lessee

(a) The Company leases buildings and ships from associates and other related parties. Rental contracts are typically made for periods of 2.7 to 3 years. Rents are paid in accordance with the contract terms.

## (b) Acquisition of right-of-use assets:

The Company leases buildings and ships from associates and other related parties under IFRS 16 'Leases'. Accordingly, on January 1, 2019, the Company increased 'right-of-use asset' by \$1,443,795.

## (c) Lease liabilities

## i Outstanding balance:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Associates	\$ 28,583	\$ -
Other related parties	204,123	89,109
	<u>\$ 232,706</u>	<u>\$ 89,109</u>

## ii Interest expense

	Year ended December 31, 2020	Year ended December 31, 2019
Associates	\$ 2,332	\$ -
Other related parties	15,167	1,374
	<u>\$ 17,499</u>	<u>\$ 1,374</u>

## (d) Lease liabilities designated as hedges:

	December 31, 2020	December 31, 2019
Associates	\$ -	\$ 94,050
Other related parties	-	610,456
	<u>\$ -</u>	<u>\$ 704,506</u>

## I. Endorsements and guarantees provided to related parties:

	December 31, 2020	December 31, 2019
Subsidiaries	\$ 128,326,235	\$ 120,843,257
Associates	1,585,738	3,182,578
	<u>\$ 129,911,973</u>	<u>\$ 124,025,835</u>

J. The Board of Directors of the Company during its meeting on December 21, 2018 adopted a resolution to participate in the capital increase raised by EVA Airways Corporation amounting to 39,150 thousand shares, subscription price of \$13 (in dollars) per share, whose total price of \$508,944. In addition, the effective date was set on January 24, 2019. Moreover, the Company purchased 70 thousand shares by specific person, the purchasing proceeds amounted to \$700.

K. To cooperate with the adjustment of the Group's organisational structure and the consideration of tax, on December 24, 2019, the Board of Directors of the Company resolved to sold 17.5% shares of the investee, ELA, which is accounted for using equity method, to the subsidiary, EGH, on March 1, 2020. The transaction price was USD1.0859 per share and the total transaction amount was USD144.

L. To simplify investment structure, on November 11, 2019, the Board of Directors of the Company resolved to acquire 35,421 thousand shares of the investee, Taipei Port, the investment accounted for using equity method, held by the sub-subsidiary, Armand B.V. The transaction amount per share is approximately \$9.941 (in dollars) and the expected transaction amount is \$352,123.

(3) Key management compensation

	Year ended December 31, 2020	Year ended December 31, 2019
Salaries and other short-term employee benefits	\$ 73,623	\$ 37,112
Post-employment benefits	2,170	2,141
	<u>\$ 75,793</u>	<u>\$ 39,253</u>

8. PLEDGED ASSETS

The Company's assets pledged as collateral are as follows:

Pledged assets	Book value		Purpose
	December 31, 2020	December 31, 2019	
Financial assets at amortised cost			
- Restricted reserve account	\$ 2	\$ 1	
- Pledged time deposits	189,651	186,940	Guarantee
Property, plant and equipment			
-Land	514,312	514,312	Long-term loan
-Buildings	166,275	173,638	"
-Ships	28,672,456	27,438,884	"
-Loading and unloading equipment	966,163	1,030,546	"
Investment property			
-Land	1,285,781	1,285,781	Long-term loan
-Buildings	415,688	434,095	"
	<u>\$ 32,210,328</u>	<u>\$ 31,064,197</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS(1) Contingencies

None.

(2) Commitments

- A. As of December 31, 2019, the Company had delegated DBS Bank to issue Standby Letter of Credit all amounting to USD 5,000.
- B. As of December 31, 2020 and 2019, the long-term and medium-term loan facilities granted by the financial institutions with the resolution from the Board of Directors to finance the Company's purchase of new ships and general working capital requirement amounted to \$38,053,743 and \$38,917,899, respectively, and the unutilized credits was \$7,105,334 and \$500,408, respectively.
- C. As of December 31, 2020 and 2019, the amount of guaranteed notes issued by the Company for loans borrowed was \$92,037,348 and \$72,607,919, respectively.
- D. To meet operational needs, the Company signed the shipbuilding contracts with Samsung Heavy Industries and Hyundai Mipo Dockyard Co., Ltd. As of December 31, 2020, the total price of the contracts, wherein the vessels have not yet been delivered, amounted to USD 408,800, USD 327,040 of which remain unpaid.
- E. In response to international regulations on sulfur content in shipping fuel, the Company entered into sulfur emission abatement equipment purchase contracts with Wartsila Finland Oy. As of December 31, 2020, the total price of the contract amount is USD 13,625, of which USD 7,000 remain unpaid. Moreover, the Company signed installation contracts with Huarun Dadong Dockyard Co., Ltd. and COSCO Shipping Heavy Industry (Zhoushan) Co., Ltd..As of December 31, 2020, the total price of the contracts amounted to USD 21,460, of which USD 17,720 remain

unpaid.

- F. To meet its operational needs, the Company signed the transportation equipment purchase contracts. As of December 31, 2020, the total price of the contracts, wherein the equipment have not yet been delivered, amounted to USD 54,540, of which USD 54,540 remain unpaid.
- G. To meet its operational needs, the Company signed the loading and unloading equipment purchase contracts. As of December 31, 2020, the total price of the contracts, wherein the equipment have not yet been delivered, amounted to USD 236,105, of which USD 236,105 remain unpaid.
- H. For the Company's lease contracts which were entered into but not yet completed construction, as of December 31, 2020, the expected minimum lease payment in the future was \$14,495,000.
- I. As of December 31, 2020, the Company had entered into a service contract which was not belonging to lease component. The amount of future commitment payment is provided in Note 6(9).

#### 10. SIGNIFICANT DISASTER LOSS

None.

#### 11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

- A. For details of appropriation of earnings as proposed by the Board of Directors on March 22, 2021, please refer to Note 6(20).
- B. In order to strengthen the Company's operational competitiveness, the Company planned to establish a wholly-owned subsidiary, Evergreen Marine (Asia) Pte. Ltd., in Singapore with an investment amount of USD 50,000 as resolved by the Board of Directors on March 22, 2021.
- C. In order to obtain funds for mid-to-long-term operation and improve the financial structure, the Company issued \$5,000,000, 0% fourth domestic unsecured convertible bonds at face value of \$100 or its integral multiple per share as resolved by the Board of Directors on March 22, 2021. The bonds mature 5 years from the issue date. The issuance price was based on 100%-101% of the bonds' face value.

#### 12. OTHERS

##### (1) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders and issue new shares to maintain an optimal capital.

##### (2) Financial instruments

- A. Financial instruments by category

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Financial assets</u>		
Financial assets measured at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 4,289	\$ -
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	\$ 1,312,358	\$ 1,156,298
Financial assets at amortised cost		
Cash and cash equivalents	\$ 20,562,990	\$ 18,767,848
Financial assets at amortised cost	4,460,861	1,688,797
Notes receivables	29	166
Accounts receivable	3,344,778	2,989,434
Other accounts receivable	109,158	74,262
Guarantee deposits paid	17,700	18,091
	<u>\$ 28,495,516</u>	<u>\$ 23,538,598</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Accounts payable	\$ 5,240,713	\$ 3,653,222
Other accounts payable	1,325,992	1,216,513
Bonds payable (including current portion)	16,779,043	10,000,000
Lease liabilities (including current portion)	7,541,664	2,039,988
Long-term borrowings (including current portion)	30,933,503	38,403,804
Guarantee deposits received	12,250	12,190
	<u>\$ 61,833,165</u>	<u>\$ 55,325,717</u>
Financial liabilities for hedging (including current portion)	<u>\$ 10,870,375</u>	<u>\$ 20,188,942</u>

#### B. Financial risk management policies

- (a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial position and financial performance.
- (b) Risk management is carried out by the Company's Finance Department under policies approved by the Board of Directors. The Company's Finance Department identifies, evaluates and hedges financial risks in close co-operation with the Company's Operating Department. The Board of Directors provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.



## C. Significant financial risks and degrees of financial risks

## (a) Market risk

Foreign exchange risk

- i. The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investment in foreign operations.
- ii. The Company's management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The group companies are required to hedge their entire foreign exchange risk exposure with the Company's Finance Department. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Company use forward foreign exchange contracts, transacted with Company's Finance Department. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a foreign currency that is not the entity's functional currency.
- iii. The Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	<u>December 31, 2020</u>		
	Foreign currency amount <u>(In Thousands)</u>	<u>Exchange rate</u>	Book value <u>(NTD)</u>
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,081,534	28.0960	\$ 30,386,779
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,336,423	28.0960	\$ 37,548,141

December 31, 2019			
	Foreign currency amount (In Thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 755,004	30.0130	\$ 22,659,935
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,328,940	30.0130	\$ 41,506,178

- iv. The total net exchange gain, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2020 and 2019 amounted to \$503,637 and \$125,466, respectively.
- v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Year ended December 31, 2020			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 303,868	\$ -
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 266,777	\$ 108,704

Year ended December 31, 2019			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 226,599	\$ -
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 213,173	\$ 201,889

Price risk

- i. The Company is exposed to equity securities price risk because of investments held by the Company and classified on the balance sheet at fair value through other comprehensive income. The Company is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.
- ii. The Company's investments in equity securities comprise domestic listed and unlisted stocks. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, equity would have increased/decreased by \$13,020 and \$11,495 for the years ended December 31, 2020 and 2019, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Company's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. During the years ended December 31, 2020 and 2019, the Company's borrowings at variable rate were denominated in the NTD and USD.
  - ii. At December 31, 2020 and 2019, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the years ended December 31, 2020 and 2019 would have been \$247,587 and \$307,340 lower/higher, respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.
- (b) Credit risk
- i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
  - ii. The Company manages their credit risk taking into consideration the entire group's concern. According to the Company's credit policy, each local entity in the Company is responsible for managing and analysing the credit risk for each of their clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.
  - iii. For banks and financial institutions, only independently rated parties with good credit rating are accepted.
  - iv. The Company adopts following assumptions under IFRS 9 to assess whether there has been

a significant increase in credit risk on that instrument since initial recognition:

If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

- v. The default occurs when the contract payments are past due over 30 days.
- vi. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
  - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
  - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
  - (iii) Default or delinquency in interest or principal repayments;
  - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- vii. The Company classifies customer's accounts receivable and contract assets in accordance with geographic area. The Company applies the modified approach based on the loss rate methodology to estimate expected credit loss.
- viii. The Company wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Company will continue executing the recourse procedures to secure their rights. As of December 31, 2020 and 2019, the Company has no written-off financial assets that are still under recourse procedures.
- ix. The Company used the forecastability to adjust historical and timely information to assess the default possibility of notes receivable, accounts receivable (including related parties), contract assets and overdue receivables. On December 31, 2020 and 2019, the loss rate methodology is as follows:

	Accounts receivable (including related parties)		
	<u>Total book value</u>	<u>Expected loss rate</u>	<u>Loss allowance</u>
<u>At December 31, 2020</u>			
Not past due	\$ 2,754,129	0.0016%	\$ 44
Up to 30 days	590,199	0.0116%	69
31 to 180 days	563	0.0166%~0.0266%	-
	<u>\$ 3,344,891</u>		<u>\$ 113</u>
	Contract assets		
	<u>Total book value</u>	<u>Expected loss rate</u>	<u>Loss allowance</u>
<u>At December 31, 2020</u>			
Not past due	\$ 802,477	0.0016%	\$ 13
	<u>\$ 802,477</u>		<u>\$ 13</u>

	Accounts receivable (including related parties)		
	<u>Total book value</u>	<u>Expected loss rate</u>	<u>Loss allowance</u>
<u>At December 31, 2019</u>			
Not past due	\$ 2,668,512	0.03%	\$ 793
Up to 30 days	321,811	0.03%	96
	<u>\$ 2,990,323</u>		<u>\$ 889</u>
	Contract assets		
	<u>Total book value</u>	<u>Expected loss rate</u>	<u>Loss allowance</u>
<u>At December 31, 2019</u>			
Not past due	\$ 372,603	0.03%	\$ 112
	<u>\$ 372,603</u>		<u>\$ 112</u>
	Overdue receivable		
	<u>Total book value</u>	<u>Expected loss rate</u>	<u>Loss allowance</u>
<u>At December 31, 2019</u>			
Over 180 days	\$ 69,130	100%	\$ 69,130
	<u>\$ 69,130</u>		<u>\$ 69,130</u>

- x. Movements in relation to the Company applying the modified approach to provide loss allowance for accounts receivable (including related parties), contract assets and overdue receivables are as follows:

	2020		
	<u>Accounts receivable</u>	<u>Contract assets</u>	<u>Overdue receivables</u>
At January 1	(\$ 889)	(\$ 112)	(\$ 69,130)
Reversal of impairment loss	776	99	-
Write-offs	-	-	69,130
At December 31	<u>(\$ 113)</u>	<u>(\$ 13)</u>	<u>\$ -</u>
	2019		
	<u>Accounts receivable</u>	<u>Contract assets</u>	<u>Overdue receivables</u>
At January 1	(\$ 65,249)	(\$ 205)	\$ -
Reclassification	64,247	-	( 64,247)
Provision for impairment	( 2)	-	-
Reversal of impairment loss	115	93	-
Effect of foreign exchange	-	-	( 4,883)
At December 31	<u>(\$ 889)</u>	<u>(\$ 112)</u>	<u>(\$ 69,130)</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company's Finance Department. Company's Finance Department monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet

operational needs.

- ii. The table below analyses the Company's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities.

Non-derivative financial liabilities:

December 31, 2020	Less than 3 months	Between 3	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
		months and 1 year				
Accounts payable	\$4,799,339	\$ 130,586	\$ -	\$ -	\$ -	\$4,929,925
Accounts payable - related parties	310,788	-	-	-	-	310,788
Other payables	1,244,158	70,828	-	-	-	1,314,986
Other payables - related parties	11,006	-	-	-	-	11,006
Bonds payable	-	4,101,200	4,059,200	9,166,381	-	17,326,781
Long-term loans (including current portion)	742,167	5,166,624	8,648,966	15,208,352	2,038,845	31,804,954
Lease payable and financial liabilities for hedging(including current portion)	737,223	2,149,356	2,447,025	5,923,518	10,333,599	21,590,721

Non-derivative financial liabilities:

December 31, 2019	Less than 3 months	Between 3	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
		months and 1 year				
Accounts payable	\$3,370,023	\$ -	\$ -	\$ -	\$ -	\$3,370,023
Accounts payable - related parties	283,199	-	-	-	-	283,199
Other payables	1,136,288	71,115	-	-	-	1,207,403
Other payables - related parties	9,110	-	-	-	-	9,110
Bonds payable	-	101,200	4,101,200	6,076,400	-	10,278,800
Long-term loans (including current portion)	680,330	8,432,493	7,590,577	19,568,290	3,700,411	39,972,101
Lease payable and financial liabilities for hedging(including current portion)	794,937	2,420,080	3,069,933	6,738,665	13,374,787	26,398,402

- iii. The Company does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value estimation

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investment in listed stocks, beneficiary certificates and derivative instruments with quoted market prices is included in Level.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. Fair value information of investment property at cost is provided in Note 6(10).

C. Financial instruments not measured at fair value

(a) Except for those listed in the table below, the carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, financial assets measured at amortised cost, accounts payable and other payables are approximate to their fair values.

	December 31, 2020		
	Book value	Fair value	Fair value
		Level 2	Level 3
Financial liabilities:			
Bonds payable (including current portion)	\$ 16,779,043	\$ 6,779,043	\$ 10,155,165
Long-term loans (including current portion)	<u>30,933,503</u>	<u>-</u>	<u>31,804,954</u>
	<u>\$ 47,712,546</u>	<u>\$ 6,779,043</u>	<u>\$ 41,960,119</u>
	December 31, 2019		
	Book value	Fair value	Fair value
		Level 2	Level 3
Financial liabilities:			
Bonds payable	\$ 10,000,000	\$ -	\$ 10,154,063
Long-term loans (including current portion)	<u>38,403,804</u>	<u>-</u>	<u>39,972,101</u>
	<u>\$ 48,403,804</u>	<u>\$ -</u>	<u>\$ 50,126,164</u>

D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

(a) The related information of natures of the assets and liabilities is as follows:

## Financial Information

December 31, 2020	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets:</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss	\$ -	\$ 4,289	\$ -	\$ 4,289
Derivatives instrument				
Financial assets at fair value through other comprehensive income				
Equity securities	<u>1,131,969</u>	<u>-</u>	<u>180,389</u>	<u>1,312,358</u>
	<u>\$ 1,131,969</u>	<u>\$ 4,289</u>	<u>\$ 180,389</u>	<u>\$ 1,316,647</u>
December 31, 2020	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets:</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	<u>\$ 989,850</u>	<u>\$ -</u>	<u>\$ 166,448</u>	<u>\$ 1,156,298</u>

(b) The methods and assumptions the Company used to measure fair value are as follows:

- i. The instruments the Company used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed shares</u>
Market quoted price	Closing price

- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the parent company only balance sheet date (i.e. yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters).
- iii. When assessing non-standard and low-complexity financial instruments, the Company adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- iv. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models.



Forward exchange contracts are usually valued based on the current forward exchange rate. Structured interest derivative instruments are measured by using appropriate option pricing models (i.e. Black-Scholes model) or other valuation methods, such as Monte Carlo simulation.

- v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Company's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the parent company only balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
- vi. The Company takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Company's credit quality.

E. For the years ended December 31, 2020 and 2019, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the years ended December 31, 2020 and 2019:

	2020	2019
At January 1	\$ 166,448	\$ 171,359
Acquired in the period	-	-
Decreased in the period	-	-
Gains and losses recognised in other comprehensive income (Note)	13,941	(4,911)
At December 31	<u>\$ 180,389</u>	<u>\$ 166,448</u>

Note: Recorded as unrealised valuation gain or loss on valuation of investments in equity instruments measured at fair value through other comprehensive income.

G. For the years ended December 31, 2020 and 2019, there was no transfer into or out from Level 3.

H. The Company is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

I. The following is the qualitative information of significant unobservable inputs and sensitivity

analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 173,617	Market comparable companies	Price to earnings ratio multiple	38.99~51.52	The higher the multiple and control premium, the higher the fair value
			Price to book ratio multiple	1.01~2.55	The higher the multiple and control premium, the higher the fair value
			Discount for lack of marketability	20%~30%	The higher the weighted average cost of capital and discount for lack of control, the lower the fair value
Venture capital shares Private equity fund investment	6,772	Net asset value	Not applicable		Not applicable
	Fair value at December 31, 2019	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 159,676	Market comparable companies	Price to earnings ratio multiple	25.39~46.24	The higher the multiple and control premium, the higher the fair value
			Price to book ratio multiple	1.02~3.06	The higher the multiple and control premium, the higher the fair value
			Discount for lack of marketability	20%~30%	The higher the weighted average cost of capital and discount for lack of control, the lower the fair value
Venture capital shares Private equity fund investment	6,772	Net asset value	Not applicable		Not applicable

J. The Company has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets categorised within Level 3 if the inputs used to valuation models have changed:

		December 31, 2020				
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
	Input	Change				
Financial assets						
Equity instrument	Price to earnings ratio/ price to book ratio/ discount for lack of marketability	±1%	\$ -	\$ -	\$ 1,736	\$ 1,736

		December 31, 2019				
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
	Input	Change				
Financial assets						
Equity instrument	Price to earnings ratio/ price to book ratio/ discount for lack of marketability	±1%	\$ -	\$ -	\$ 1,597	\$ 1,597

### 13. SUPPLEMENTARY DISCLOSURES

#### (1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 4.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 6.

(2) Information on investees (not including investees in Mainland China)

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 7.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 8.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

14. SEGMENT INFORMATION

None.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.  
STATEMENT OF CASH AND CASH EQUIVALENTS  
DECEMBER 31, 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Item	Description	Amount	
		Subtotal	Total
Cash			\$ 10,952
	Cash on hand	\$ 85	
	Petty cash		
	TWD	1,330	
	USD 339	9,713	
	Add : Unrealised gains or losses	( 176)	
Cash in banks			
Checking accounts			280,415
NTD demand deposits			1,527,146
Foreign demand deposits			2,024,600
	EUR 1,199	41,343	
	GBP 74	2,874	
	HKD 9	33	
	INR 57	22	
	JPY 31,452	8,537	
	SGD 8	164	
	USD 70,170	2,009,384	
	VND 12,490	15	
	Add : Unrealised gains or losses	( 37,772)	
NTD time deposits	Interest rate:0.27%~0.43%		10,102,000
Foreign time deposits	Interest rate:0.23%~0.40%		6,617,877
	USD 235,545	6,930,290	
	Add : Unrealised gains or losses	( 312,413)	
			<u>\$ 20,562,990</u>

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.  
STATEMENT OF ACCOUNTS RECEIVABLE  
DECEMBER 31, 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

<u>Client Name</u>	<u>Description</u>	<u>Amount</u>	<u>Footnote</u>
Non-related parties			
	Cosco Container Lines Co.,Ltd.	\$ 427,057	1) Foreign freight are translated into the functional currency at the dates of the transactions and retranslated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon retranslation at the balance sheet date are recognised in profit or loss.
	CMA CGM S.A.	455,130	
	Orient Overseas Containers Line Limited	192,534	
	Others	2,214,362	
	Less : Unrealised gains or losses	( 13,240)	
	Less : Allowance for bad debts	( 113)	
		<u>3,275,730</u>	
Related parties			
	Evergreen Marine (Hong Kong) Ltd.	26,277	2) The amount of individual client included in others does not exceed 5% of the account balance
	Evergreen International Storage and Transport Corporation	21,240	
	Others	21,531	
		<u>69,048</u>	
		<u>\$ 3,344,778</u>	

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.  
STATEMENT OF OTHER RECEIVABLES  
DECEMBER 31, 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Footnote</u>
Non-related parties			
Accrued interest	Interest income	\$ 13,552	
Tax refund receivable		13,927	
CMA CGM S.A.		150	
Taiwan Power Company		425	The amount of individual client included in others does not exceed 5% of the account balance.
Others		<u>409</u>	
		<u>28,463</u>	
Related parties			
Evergreen Shipping Agency (Israel) Ltd.		19,065	
Evergreen International Corporation		10,990	
Evergreen Marine (Hong Kong) Ltd.		18,185	
Greencompass Marine S.A.		29,062	The amount of individual client included in others does not exceed 5% of the account balance.
Others		<u>3,393</u>	
		<u>80,695</u>	
		<u>\$ 109,158</u>	

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.STATEMENT OF SHIP FUELDECEMBER 31, 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

<u>Item</u>	<u>Description</u>	<u>Cost (in thousands)</u>	<u>Net Realisable Value</u>	<u>Footnote</u>
Fuel	LOGC	USD 1,883	\$ 52,898	1) Fuel inventories of each ship are recorded at cost and retranslated at the exchange rates prevailing at the balance sheet date.
	LIVN	USD 1,697	47,687	
	LUNR	USD 1,270	35,673	
	LUCD	USD 1,207	33,919	
	GREE	USD 1,122	31,522	
	TPET	USD 940	26,417	2) The amount of individual client included in others does not exceed 5% of the account balance
	Others	USD 10,507	295,210	
		<u>USD 18,626</u>	<u>\$ 523,326</u>	

(blank part below)



EVERGREEN MARINE CORPORATION (TAIWAN) LTD.  
STATEMENT OF OTHER CURRENT ASSETS  
DECEMBER 31, 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Footnote</u>
Agency accounts			1) Agency accounts are translated into the functional currency at the dates of the transactions and retranslated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon retranslation at the balance sheet date are recognised in
	Evergreen Shipping Agency (America) Corporation	\$ 524,978	
	Arabian Gulf Marine Trading Co.	138,923	
	Evergreen International Corporation	525,073	
	Others	<u>188,562</u>	2) The amount of individual client included in others does not exceed 5% of the account balance
		<u>1,377,536</u>	
Shipowner's accounts			
	Italia Marittima S.p.A.	\$ 893,161	
	Evergreen International S.A.	122,329	
	Evergreen Marine (UK) Limited	73,603	
	Gaining Enterprise S.A.	<u>14,756</u>	
		1,103,849	
Others	Temporary payments for others	<u>529,849</u>	
		<u>\$ 3,011,234</u>	

## Financial Information

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.  
STATEMENT OF CHANGES IN INVESTMENT ACCOUNTED FOR USING EQUITY METHOD  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Investees	Balance at January 1, 2020		Additions in Investment		Decrease in Investment		Balance at December 31, 2020		Price (NTD)	Total Amount	Collateral	Footnote
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Ownership				
Peony Investment S.A.	4,765	\$ 26,367,069	-	\$ 12,753,997	-	\$ -	4,765	100.00	\$ 39,121,066	\$ -	\$39,346,113	No
Everport Terminal Services Inc.	1	1,703,680	-	435,986	-	-	1	94.43	2,139,666	-	2,139,666	"
Taiwan Terminal Services Co., Ltd.	5,500	54,526	-	12,244	-	-	5,500	55.00	66,770	-	66,770	"
Chang Yang Development Co., Ltd	58,542	553,210	-	68,199	-	63,860	58,542	40.00	557,549	-	557,549	"
Evergreen International Storage and Transport Corporation	430,692	9,098,692	-	403,006	-	129,208	430,692	40.36	9,372,490	20.25	8,721,517	"
Evergreen Security Corporation	6,336	113,705	-	13,224	-	12,672	6,336	31.25	114,257	-	114,527	"
EVA Airways Corporation	776,541	11,399,909	-	121,370	-	194,135	776,541	16.00	11,327,144	13.15	10,211,516	"
Taipei Port Container Terminal Corporation	109,378	1,083,116	35,421	440,434	-	-	144,799	27.85	1,523,550	-	1,522,001	"
Ever Ecove Corporation	-	-	30,500	305,965	-	-	30,500	19.06	305,965	-	297,295	"
Evergreen Marine (Latin America) S.A.	105	3,383	-	74	-	3,457	-	0.00	-	-	-	"
VIP Greenport Joint Stock Company	13,750	277,274	-	18,583	-	17,875	13,750	21.74	277,982	-	274,548	"
Evergreen Marine (Hong Kong) Ltd.	6,320	7,212,594	-	4,776,804	-	-	6,320	79.00	11,989,398	-	11,989,398	"
Evergreen Shipping Agency (Israel) Ltd.	1,062	21,213	-	20,957	-	19,012	1,062	59.00	23,158	-	23,158	"
		<u>\$ 57,888,371</u>		<u>\$ 19,370,843</u>		<u>\$ 440,219</u>			<u>\$ 76,818,995</u>			

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.  
STATEMENT OF CHANGES IN SHIPS  
FOR THE YEAR ENDED DECEMBER 31, 2020  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Item	Balance at January 1, 2020	Increased in this period	Transferred in this period	Decreased in this period	Balance at December 31, 2020	Footnote
Ships:						
LOYL	\$ 3,462,569	-	-	-	3,462,569	
LUCD	3,179,120	-	-	-	3,179,120	
LOGC	3,163,557	-	-	-	3,163,557	
LIVN	3,234,121	-	-	-	3,234,121	
LBRA	3,205,662	-	-	-	3,205,662	
LUNR	3,320,267	13,497	-	-	3,333,764	
LRIC	3,305,907	22,936	236,470	-	3,565,313	
PRMT	573,133	146	-	-	573,279	
PRBT	525,013	146	-	-	525,159	
PRSP	503,766	-	-	-	503,766	
BLMY	1,274,764	-	438	-	1,275,202	
BLOM	1,259,843	-	-	-	1,259,843	
BEMY	1,258,621	-	1,937	-	1,260,558	
BASS	1,255,555	-	138	-	1,255,693	
BEFT	1,252,474	-	5,526	-	1,258,000	
BORD	1,238,488	-	46,367	-	1,284,855	
BEDY	1,246,542	-	-	-	1,246,542	
BENG	1,275,326	-	5,852	-	1,281,178	
BLES	1,292,586	-	-	-	1,292,586	
BLNK	1,304,510	-	-	-	1,304,510	
	<u>\$ 37,131,824</u>	<u>\$ 36,725</u>	<u>\$ 296,728</u>	<u>\$ -</u>	<u>\$ 37,465,277</u>	

## Financial Information

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.  
STATEMENT OF CHANGES IN SHIPS (Cont.)  
FOR THE YEAR ENDED DECEMBER 31, 2020  
 (Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Item	Balance at January 1, 2020	Increased in this period	Decreased in this period	Balance at December 31, 2020	Footnote
Accumulated depreciation					
LOYL	\$ 710,409	\$ 149,731	-	\$ 860,140	
LUCD	715,644	125,632	-	841,276	
LOGC	810,345	121,274	-	931,619	
LIVN	826,939	123,409	-	950,348	
LBRA	886,576	121,048	-	1,007,624	
LUNR	622,171	128,092	-	750,263	
LRIC	587,248	135,315	-	722,563	
PRMT	540,230	18,958	-	559,188	
PRBT	477,569	25,638	-	503,207	
PRSP	450,185	28,083	-	478,268	
BLMY	101,051	51,896	-	152,947	
BLOM	66,687	50,290	-	116,977	
BEMY	73,722	51,159	-	124,881	
BASS	84,817	50,959	-	135,776	
BEFT	67,881	50,849	-	118,730	
BORD	44,272	51,783	-	96,055	
BEDY	76,965	50,747	-	127,712	
BENG	55,572	51,763	-	107,335	
BLES	26,901	52,152	-	79,053	
BLNK	14,742	52,574	-	67,316	
	<u>\$ 7,239,926</u>	<u>\$ 1,491,352</u>	<u>-</u>	<u>\$ 8,731,278</u>	
Net Amount	<u>\$ 29,891,898</u>			<u>\$ 28,733,999</u>	

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.  
STATEMENT OF ACCOUNTS PAYABLE  
DECEMBER 31, 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

<u>Client name</u>	<u>Description</u>	<u>Amount</u>	<u>Footnote</u>
Non-related parties			
CMA CGM S.A.		\$ 394,587	
COSCO Shipping Lines Co., Ltd.		361,570	
Estimated expense payable		3,518,523	
Others		378,420	The amount of individual client included in others does not exceed 5% of the account balance.
Add: Unrealised gains or losses		<u>276,825</u>	
		<u>4,929,925</u>	
Related parties			
Taiwan Terminal Services Co., Ltd.		129,051	
Evergreen International Corporation		17,420	
Everport Terminal Services Inc.		156,956	
Others		7,361	The amount of individual client included in others does not exceed 5% of the account balance.
		<u>310,788</u>	
		<u>\$ 5,240,713</u>	

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.STATEMENT OF OTHER PAYABLESDECEMBER 31, 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Footnote</u>
Non-related parties			
Other payables		\$ 858,560	
Accrued expenses		358,488	
Interest payable		83,683	
Payable on equipment		<u>14,255</u>	
		<u>\$ 1,314,986</u>	
Related parties			
Evergreen International Corporation		4,655	
Evergreen Security Corporation		1,864	
Evergreen International Storage and Transport Corp		1,645	
Ever Accord Construction Corporation		988	
Evergreen Steel Corp.		683	The amount of individual client included in others does not exceed 5% of the account balance.
Others		<u>1,171</u>	
		<u>11,006</u>	
		<u>\$ 1,325,992</u>	

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**EVERGREEN MARINE CORPORATION (TAIWAN) LTD.**  
**STATEMENT OF OTHER CURRENT LIABILITIES**  
**DECEMBER 31, 2020**

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Item	Description	Amount	Footnote
Agency accounts			1) Agency accounts are translated into the functional currency at the dates of the transactions and retranslated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon retranslation at the balance sheet date are recognised in profit or loss.
	Evergreen Shipping Agency (Japan) Corporation	\$ 248,451	
	Evergreen Shipping Agency (Vietnam) Corporation	29,569	
	Others	189,717	2) The amount of individual client included in others does not exceed 5% of the account balance
		<u>467,737</u>	
Shipowner's accounts			
	Evergreen Marine (Singapore) Pte Ltd.	1,493,995	
	Evergreen Marine (Hong Kong) Ltd.	214,357	
	Greencompass Marine S.A.	74,292	
		<u>1,782,644</u>	
Unearned Receipts	Base station revenue	37	
Receipts under custody	Withholding tax	59,312	
Bonds payable - current portion		4,000,000	
Long-term liabilities - current portion		5,587,280	
		<u>\$ 11,897,010</u>	

## Financial Information

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.  
STATEMENT OF CORPORATE BONDS PAYABLE

DECEMBER 31, 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Bonds Name	Trustee	Issuance Date	Interest Payment Date	Rate (%)	Total Amount	Repayment paid	Balance at December 31, 2020	Amount		Book Value	Repayment	Collateral	Footnote
								Unamortised Premiums	(Discounts)				
Thirteenth domestic secured corporate bonds	Bank of Taiwan	106.04.25	111.04.25	1.05	\$ 8,000,000	\$ -	\$ 8,000,000	\$ -	\$ -	\$ 8,000,000	Note 1	Yes	Note 2
Fourteenth domestic secured corporate bonds	Bank of Taiwan	107.06.27	112.06.27	0.86	2,000,000	-	2,000,000	-	-	2,000,000	Note 3	"	Note 4
First unsecured overseas convertible bonds		109.09.29	-	-	8,697,300 ( 1,548,119)		7,149,181 ( 370,138)			6,779,043	Note 5	None	
Less: current portion										<u>(4,000,000)</u>			
Non-current portion										<u>\$ 12,779,043</u>			

Note 1 : Half the principal of the Bond must be paid at the end of the fourth year, and another half at the maturity date.

Please refer to Note 6(14) for details of principal repayment and interest payment.

Note 2 : The Bonds are secured and are guaranteed by Hua Nan Bank, First Bank, Mega International Commercial Bank, Land Bank of Taiwan, Chang Hwa Bank, Taiwan Cooperative Bank and Bank Sinopac Co.Ltd..

Note 3 : Except for conversion, proceeds and redemption, the principal of the Bonds shall be repaid in lump sum at maturity.

Please refer to Note 6(14) for details of principal repayment and interest payment.

Note 4 : The Bonds are secured and are guaranteed by First Commercial Bank.

Note 5 : The Bonds are first unsecured overseas convertible bonds. Please refer to Note 6(14) for details of principal repayment and interest payment.



EVERGREEN MARINE CORPORATION (TAIWAN) LTD.  
STATEMENT OF LONG-TERM LOANS

DECEMBER 31, 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Creditor	Description	Amount	Term of Contract	Rate(%)	Collateral	Footnote
Long-term bank loans:						
Bank of Taiwan	Secured bank loans	\$ 573,594	102.11.19~111.11.19		Loading and unloading equipment	
Hua Nan Commercial Bank	"	1,501,059	101.01.04~115.03.20		Ships	Including USD loans
Hua Nan Commercial Bank	"	600,127	107.08.31~114.06.28		"	
Hua Nan Commercial Bank	"	715,306	109.05.18~118.05.30		"	
First Commercial Bank	"	1,194,729	102.04.22~114.04.22		"	Including USD loans
Bank of Taiwan	"	914,192	108.12.28~116.03.28		"	
Bank of Taiwan	"	1,582,344	103.01.15~112.10.14		"	
Bank of Taiwan	"	1,686,497	104.01.09~112.10.14		"	
Bank of Taiwan	"	1,649,582	104.04.15~112.10.14		"	
Land Bank of Taiwan	"	821,183	108.10.23~115.09.23		"	
Chang Hwa Commercial Bank	"	668,431	107.08.31~114.03.31		"	
Chang Hwa Commercial Bank	"	676,788	107.11.30~114.09.28		"	
Cathay United Bank	"	603,146	108.03.28~114.12.28		"	
Bank of China	"	726,331	107.06.08~115.06.29		"	
Bank of China	"	724,590	107.04.23~115.06.29		"	
Bank SinoPac	"	594,259	107.04.17~114.03.02		"	
Bank SinoPac	"	1,105,000	109.03.20~114.03.20		"	
The Export-Import Bank of the Republic of China	"	717,860	107.04.20~115.04.20		"	
Taiwan Cooperative Bank	Unsecured bank loans	250,000	105.12.12~110.12.12		None	

## Financial Information

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.  
STATEMENT OF LONG-TERM LOANS (Cont.)

DECEMBER 31, 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Creditor	Description	Amount	Term of Contract	Rate(%)	Collateral	Footnote
First Commercial Bank	Unsecured bank loans	\$ 750,000	108.04.18~111.04.18		None	
Hua Nan Commercial Bank	"	300,000	108.08.15~113.08.15		"	
Chang Hwa Commercial Bank	"	1,500,000	108.07.24~111.07.24		"	
Cathay United Bank	"	1,150,000	107.12.12~112.12.12		"	
Cathay United Bank	"	1,000,000	108.12.03~113.12.03		"	
O-Bank	"	200,000	105.05.24~110.05.24		"	
Bank of China	"	550,000	109.01.30~111.01.30		"	
China Trust Commercial Bank	"	150,000	109.04.29~112.04.28		"	
Jih Sun International Bank	"	500,000	109.09.02~110.10.02		"	
The Export-Import Bank of the Republic of China	"	1,000,000	109.03.31~112.03.31		"	
Taiwan Cooperative Bank	Container secured bank loans	276,000	103.05.20~110.05.20		Container	
Chang Hwa Commercial Bank	"	766,882	107.02.09~114.02.09		"	
Chang Hwa Commercial Bank	"	540,000	108.10.24~115.10.24		"	
Chang Hwa Commercial Bank	"	600,000	109.12.30~116.12.30		"	
Bank of Taiwan	"	875,000	108.01.29~115.01.29		"	
Taishin International Bank	Commercial paper	1,134,000	107.05.15~112.05.15		Harcourt Building(Subsidiary EGH)	
Taishin International Bank	"	1,200,000	108.08.26~111.08.26		None	
Taishin International Bank	"	1,300,000	109.12.14~114.12.14		Ships	
		31,096,900		0.93%~2.91%		
Add: Unrealised losses		( 148,492)				
Less: Deferred expenses - hosting fee credit		( 14,905)				
		30,933,503				
Less: current portion		( 5,587,280)				
Non-current portion		\$ 25,346,223				

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.  
STATEMENT OF LEASE LIABILITIES  
DECEMBER 31, 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

<u>Item</u>	<u>Term of Contract (year)</u>	<u>Discount Rate(%)</u>	<u>Balance at December 31, 2020</u>
Land	14.7~15.3	1.4950%	\$ 1,305,501
Buildings	3	1.2317%	44,811
Ships	2.66~14.58	3.3735%~3.5688%	6,191,352
Total			<u>\$ 7,541,664</u>

Note : Please refer to Note 6(9) for details of lease liabilities.

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Evergreen Marine Corporation (Taiwan) Ltd.  
Loans to others  
For the year ended December 31, 2020

Expressed in thousands of TWD

Table 1

Number (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2020 (Note 3)	Balance at December 31, 2020 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful accounts	Collateral		Ceiling on total loans granted (Note 7)	Footnote
													Item	Value		
1	Peony Investment S.A.	Luanata Investment (Netherlands) N.V.	Receivables from related parties	Yes	63,674	\$ 28,096	\$ 28,096	1.24513-1.24550	2	\$ -	Working capital requirement	\$ -	None	\$ -	7,867,594	\$ 19,668,984
1	Peony Investment S.A.	Clove Holding Ltd.	Receivables from related parties	Yes	782,282	224,768	210,720	1.24375-1.24375	2	-	Working capital requirement	-	None	-	15,735,188	19,668,984
1	Peony Investment S.A.	Colon Container Terminal S.A.	Receivables from related parties	Yes	585,750	567,539	567,539	1.22663-1.25275	2	-	Working capital requirement	-	None	-	7,867,594	19,668,984
2	Clove Holding Ltd.	Colon Container Terminal S.A.	Receivables from related parties	Yes	539,714	-	-	-	2	-	Working capital requirement	-	None	-	516,376	1,032,752
3	Evergreen Marine (Hong Kong) Ltd.	Colon Container Terminal S.A.	Receivables from related parties	Yes	133,896	127,696	127,696	1.23763-1.31575	2	-	Working capital requirement	-	None	-	2,254,665	4,509,330
4	Everport Terminal Services	Whimoy Equipment LLC.	Receivables from related parties	Yes	265,140	252,864	252,864	2.5054-2.5517	2	-	Working capital requirement	-	None	-	485,113	1,212,783

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1)The Company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: Fill in the name of account in which the loans are recognised, such as receivables-related parties, current account with stockholders, prepayments, temporary payments, etc.

Note 3: Fill in the maximum outstanding balance of loans to others during the year ended December 31, 2020

Note 4: The column of 'Nature of loan' shall fill in '1. Business transaction' or '2. Short-term financing'.

Note 5: Fill in the amount of business transactions when nature of the loan is related to business transactions, which is the amount of business transactions occurred between the creditor and borrower in the current period.

Note 6: Fill in purpose of loan when nature of loan is for short-term financing, for example, repayment of loan, acquisition of equipment, working capital, etc.

Note 7: Fill in limit on loans granted to a single party and ceiling on total loans granted as prescribed in the creditor company's "Procedures for Provision of Loans", and state each individual party to which the loans have been provided and

the calculation for ceiling on total loans granted in the footnote.

1. According to the Company's credit policy, the total amount of loans granted to a single company should not exceed 20% of the net worth stated in the latest financial statements.

PEONY : USD 1,400,127\*28.0960\*20%=7,867,594

Clove Holding Ltd. : USD 91,895\*28.0960\*20%=516,376

Evergreen Marine (Hong Kong) Ltd. : USD 401,243\*28.0960\*20%=2,254,665

Everport Terminal Services : USD 86,331\*28.0960\*20%=485,113

The Company held 100% voting shares directly and indirectly in foreign company, that the total amount of loans granted to a single company should not exceed 40% of the net worth stated in the latest financial statements.

PEONY : USD 1,400,127\*28.0960\*40%=15,735,188

2. According to the Company's credit policy, the total amount of loans granted should not exceed 40% of the net worth stated in the latest financial statements.

Evergreen Marine (Hong Kong) Ltd. : USD 401,243\*28.0960\*40%=4,509,330

Clove Holding Ltd. : USD 91,895\*28.0960\*40%=1,032,752

The Company held 100% voting shares directly and indirectly in foreign company, that the total amount of loans granted should not exceed 50% of the net worth stated in the latest financial statements.

PEONY : USD 1,400,127\*28.0960\*50%=19,668,984

Everport Terminal Services : USD 86,331\*28.0960\*50%=1,212,783

Note 8: The amounts of funds to be loaned to others which have been approved by the Board of Directors of a public company in accordance with Article 14, Item 1 of the "Regulations Governing Lending of Funds and Making of Endorsements/Guarantees by Public Companies", should be included in its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears, even though they have not yet been appropriated. However, this balance should exclude the loans repaid when repayments are done subsequently to reflect the risk adjustment. In addition, if the Board of Directors of a public company has authorized the Chairman to loan funds in instalments or in revolving within certain lines and within one year in accordance with Article 14, Item 2 of the "Regulations Governing Lending of Funds and Making of Endorsements/Guarantees by Public Companies", the published balance of loans to others at the end of the reporting period should also include these lines of loaning approved by the Board of Directors, and these lines of loaning should not be excluded from this balance even though the loans are repaid subsequently, for taking into consideration that they could be loaned again thereafter.

Evergreen Marine Corporation (Taiwan) Ltd.  
Provision of endorsements and guarantees to others  
For the year ended December 31, 2020

Expressed in thousands of TWD

Number (Note 1)	Endorser/Guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2020 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2020 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
0	Evergreen Marine Corporation	Greencompass Marine S.A.	2	\$ 188,563,421	\$ 63,059,535	\$ 63,059,535	\$ 24,925,721	\$ -	66.88%	\$ 235,704,277	Y	N	N	
0	Evergreen Marine Corporation	Peony Investment S.A.	2	188,563,421	151,605	140,480	-	-	0.15%	235,704,277	Y	N	N	
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	2	188,563,421	34,562,054	31,535,111	25,501,057	-	33.45%	235,704,277	Y	N	N	
0	Evergreen Marine Corporation	Whitney Equipment LLC.	2	188,563,421	104,254	-	-	-	-	235,704,277	Y	N	N	
0	Evergreen Marine Corporation	Colon Container Terminal S.A.	6	47,140,855	2,323,801	759,716	639,964	-	0.81%	235,704,277	N	N	N	
0	Evergreen Marine Corporation	Balsam Investment (Netherlands) N.V.	6	47,140,855	891,437	826,022	826,022	-	0.88%	235,704,277	N	N	N	
0	Evergreen Marine Corporation	Everport Terminal Services Inc.	2	188,563,421	2,657,778	2,252,450	748,993	-	2.39%	235,704,277	Y	N	N	
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	2	188,563,421	33,589,686	31,338,659	17,879,157	-	33.24%	235,704,277	Y	N	N	
1	Evergreen Marine (Hong Kong) Ltd.	Ever Shine (Shanghai) Enterprise Management Consulting Co., Ltd.	2	22,546,652	36,357	-	-	-	-	28,183,315	Y	N	Y	
1	Evergreen Marine (Hong Kong) Ltd.	Colon Container Terminal S.A.	6	5,636,663	522,855	241,738	143,992	-	2.14%	28,183,315	N	N	N	

Evergreen Marine Corporation (Taiwan) Ltd.  
Provision of endorsements and guarantees to others  
For the year ended December 31, 2020

Expressed in thousands of TWD

Number (Note 1)	Endorser/Guarantor	Party being endorsed/guaranteed		Limit on endorsements/guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/guarantee amount as of December 31, 2020 (Note 4)	Outstanding endorsement/guarantee amount at December 31, 2020 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/guarantees secured with collateral	Ratio of accumulated endorsement/guarantee amount to net asset value of the endorser/guarantor company	Ceiling on total amount of endorsements/guarantees provided (Note 3)	Provision of endorsements/guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/guarantor (Note 2)											
1	Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine (Hong Kong) Ltd.	2	\$ 22,546,652	\$ 2,329,180	\$ -	\$ -	\$ -	-	\$ 28,183,315	N	N	N	
2	Greencompass Marine S.A.	Everport Terminal Services Inc.	1	11,584,528	150,065	140,480	140,480	-	0.61%	57,922,638	N	N	N	

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following six categories; fill in the number of category each case belongs to:

(1) Having business relationship.

(2) The endorser/guarantor parent company directly and indirectly owns more than 50% voting shares of the endorsed/guaranteed company.

(3) The endorser/guaranteed parent company directly and indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.

(4) The parent company directly or indirectly owns more than 90% voting shares of the companies that make endorsements/guarantees for each other.

(5) The parent company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.

(6) Due to joint venture, all capital contributing shareholders make endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

(7) Companies in the same industry provide themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: Fill in limit on endorsements/guarantees provided for a single party and ceiling on total amount of endorsements/guarantees provided as prescribed in the endorser/guarantor company's "Procedures for Provision of Endorsements and Guarantees", and state each individual party to which the endorsements/guarantees have been provided and the calculation for ceiling on total amount of endorsements/guarantees provided in the footnote.

The calculation is as follows:

The Company:  $94,281,711 * 250\% = 235,704,277$

Limit on endorsement or guarantees provided by the Company for a single entity is \$47,140,855 (Amounting to 50% of its net worth).  
(When the Company owns more than 50% voting shares of the endorsed/guaranteed company, the limit on endorsement or guarantee provided by the Company should not exceed 200% of its net worth, which equals to \$188,563,421.)

According to the credit policy of Evergreen Marine (Hong Kong) Ltd., the calculation for total amount of endorsements/guarantees is as follows:

Ceiling on total amount of endorsements/guarantees:  $USD 401,243 * 28.0960 * 250\% = 28,183,315$

Limit on endorsements or guarantees provided for a single entity:  $5,636,663$  (Amounting to 50% of its net worth).

(When the Company owns more than 50% voting shares of the endorsed/guaranteed company, the limit on endorsement or guarantee provided by the Company should not exceed 200% of its net worth, which equals to \$22,546,652.)

According to the credit policy of Greencompass Marine S.A., the calculation for total amount of endorsements/guarantees is as follows:

Ceiling on total amount of endorsements/guarantees:  $USD 824,639 * 28.0960 * 250\% = 57,922,638$

Limit on endorsements or guarantees provided for a single entity:  $11,584,528$  (Amounting to 50% of its net worth).

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 5: Fill in the amount approved by the Board of Directors or the chairman if the chairman has been authorized by the Board of Directors.

Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary, provision by subsidiary to listed parent company, and provision to the party in Mainland China.

Evergreen Marine Corporation (Taiwan) Ltd.  
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)  
For the year ended December 31, 2020

Expressed in thousands of shares/thousands of TWD/thousands of foreign currency

Table 3

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2020				Footnote (Note 4)
				Number of shares	Book value (Note 3)	Ownership (%)	Fair value	
Evergreen Marine Corporation	Stock:							
	Power World Fund Inc.		Financial asset measured at fair value through other comprehensive income - non-current	677	\$ 6,772	5.68%	\$ 6,772	
	Linden Technologies, Inc.		"	50	27,787	1.44%	27,787	
	TopLogis, Inc.		"	2,464	24,220	17.48%	24,220	
	Ever Accord Construction Corp.	Other related party	"	10,500	121,610	17.50%	121,610	
	Central Reinsurance Corp.	Other related party	"	49,866	1,131,969	8.45%	1,131,969	
	Financial bonds:							
	Sunny Bank 2nd Subordinate Financial Debentures-B Issue in 2015		Financial asset measured at amortised cost - non-current	-	50,000	-	50,000	
Peony Investment S.A.	Sunny Bank 3rd Subordinate Financial Debentures-B Issue in 2017		"	-	50,000	-	50,000	
	Hutchison Inland Container Depots Ltd.		Financial asset measured at fair value through other comprehensive income - non-current	0.75	USD 264	5.27%	USD 264	
	South Asia Gateway Terminals (Private) Ltd.		"	18,942	USD 12,021	5.00%	USD 12,021	
Evergreen Shipping Agency (Europe) GmbH	Zoll Pool Hafen Hamburg AG		"	10	EUR 10	2.86%	EUR 10	
Evergreen Shipping Agency Philippines Corporation	Eagle Ridge Golf & Country Club Inc.		"	0.001	PHP 200	1.67%	PHP 200	

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IFRS9, 'Financial instruments: recognition and measurement'.

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.



## Evergreen Marine Corporation (Taiwan) Ltd.

Purchases or sales of goods from or to related parties reaching TWD 100 million or 20% of paid-in capital or more

For the year ended December 31, 2020

Expressed in thousands of TWD/thousands of foreign currency

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction			Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)	
			Purchases/sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance		Percentage of total notes/accounts receivable (payable)
Evergreen Marine Corporation	Everport Terminal Services Inc.	Subsidiary	Purchases	\$ 1,669,028	4%	30-60 days	\$ -	-	(\$ 156,956)	3%	
	Greencoast Marine S.A.	Subsidiary	Purchases	1,569,036	3%	30-60 days	-	-	( 705)	-	
	Taiwan Terminal Services Co., Ltd.	Subsidiary	Purchases	876,413	2%	30-60 days	-	-	( 129,051)	2%	
	Italia Maritima S.p.A.	Associates	Purchases	287,925	1%	30-60 days	-	-	-	-	
	Evergreen International Storage and Transport Corp.	Associates	Purchases	389,329	1%	30-60 days	-	-	1,787	-	
	Evergreen Shipping Agency (America) Corporation	Other related parties	Purchases	430,312	1%	30-60 days	-	-	( 17,420)	-	
	Evergreen International Corp.	Other related parties	Purchases	529,035	1%	30-60 days	-	-	( 3,962)	-	
	Evergreen Marine (UK) Limited	Subsidiary	Purchases	573,031	1%	30-60 days	-	-	-	-	
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Purchases	744,548	1%	30-60 days	-	-	383	-	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary	Purchases	412,409	1%	30-60 days	-	-	-	-	
	Evergreen Shipping Agency (Europe) GmbH (EEU)	Subsidiary	Purchases	1,697,301	3%	30-60 days	-	-	1,031	-	
	Gaining Enterprise S.A.	Other related parties	Purchases	1,204,508	3%	30-60 days	-	-	( 284)	-	
				Sales	1,114,774	2%	30-60 days	-	-	26,277	1%
				Purchases	289,517	1%	30-60 days	-	-	-	-
				Purchases	576,232	1%	30-60 days	-	-	-	-

Table 4

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Evergreen Marine Corporation	Evergreen Insurance Company Ltd.	Other related parties	Purchases	\$ 111,302	-	30-60 days	\$ -	-	-	-	
	Taiwan Terminal Services Co., Ltd.	Associates	Purchases	228,789	-	30-60 days	-	-	-	-	
Everport Terminal Services Inc.	Evergreen Marine Corp.	The parent	Sales	876,413	100%	30-60 days	-	-	129,051	100%	
	Evergreen Marine Corp.	The parent	Sales	56,710	14%	30-60 days	-	-	USD 5,586	13%	
Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	98,183	24%	30 days	-	-	USD 8,311	20%	
	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	30,962	7%	30 days	-	-	USD 4,205	10%	
	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	76,318	18%	30 days	-	-	USD 5,841	14%	
	Italia Marittima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Sales	8,951	2%	30 days	-	-	USD 1,097	3%	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	39,397	10%	30 days	-	-	USD 3,394	8%	
	Evergreen Shipping Agency (America) Corporation	Investee of the Parent Company's major shareholder	Purchases	8,224	2%	30 days	-	-	-	-	
	Evergreen Marine Corp.	The parent	Sales	40,926	5%	30-60 days	-	-	USD 10	-	
	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Purchases	37,877	5%	30-60 days	-	-	(USD 935)	1%	
	Italia Marittima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Sales	59,344	7%	30-60 days	-	-	USD 24	-	
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Purchases	37,459	5%	30-60 days	-	-	(USD 422)	-	
Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine Corp.	The parent	Sales	10,354	1%	30-60 days	-	-	USD 1	-	
	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Purchases	33,504	5%	30-60 days	-	-	(USD 722)	1%	
Evergreen Marine (Singapore) Pte. Ltd.	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	68,126	8%	30-60 days	-	-	USD 28	-	
	Evergreen International Corp.	Investee of the Parent Company's major shareholder	Purchases	11,388	1%	30-60 days	-	-	(USD 128)	-	
Evergreen Marine (Hong Kong) Ltd.	Evergreen International Corp.	Investee of the Parent Company's major shareholder	Sales	4,385	1%	30-60 days	-	-	USD 175	-	
	Evergreen Marine (Hong Kong) Ltd.	Investee of the Parent Company's major shareholder	Purchases	10,404	1%	30-60 days	-	-	-	-	

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	USD 30,761	4%	30-60 days	\$ -	-	USD 11	-	
	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 93,914	13%	30-60 days	-	-	(USD 234)	-	
	Evergreen Shipping Agency (America) Corporation	Investee of the Parent Company's major shareholder	Purchases	USD 39,397	6%	30 days	-	-	(USD 3,394)	3%	
	Evergreen Shipping Agency (Europe) GmbH	Indirect subsidiary of the Parent Company	Purchases	USD 12,834	2%	30-60 days	-	-	(USD 1)	-	
	Taiwan Terminal Services Co., Ltd.	Associates	Purchases	USD 3,499	-	30-60 days	-	-	-	-	
	Evergreen Shipping Agency (China) Co., Ltd.	Indirect subsidiary of the Parent Company	Purchases	USD 33,064	5%	30-60 days	-	-	(USD 6,382)	6%	
	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	USD 34,768	1%	30-60 days	-	-	USD 1,582	1%	
	Evergreen Marine Corp.	The parent	Purchases	USD 25,039	1%	30-60 days	-	-	-	-	
	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 53,312	2%	30-60 days	-	-	USD 25	-	
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Purchases	USD 86,761	4%	30-60 days	-	-	(USD 27)	-	
	Italia Marittima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Purchases	USD 30,962	1%	30 days	-	-	(USD 4,205)	1%	
	Evergreen Shipping Agency (America) Corporation	Investee of the Parent Company's major shareholder	Sales	USD 75,611	3%	30-60 days	-	-	USD 736	-	
	Evergreen International Corp.	Investee of the Parent Company's major shareholder	Purchases	USD 25,950	1%	30-60 days	-	-	(USD 314)	-	
	Evergreen Shipping Agency (Japan) Corporation	Investee of the Parent Company's major shareholder	Sales	USD 19,483	1%	30-60 days	-	-	USD 81	-	
	Evergreen Marine Co. (Malaysia) SDN.BHD.	Investee of the Parent Company's major shareholder	Purchases	USD 40,684	2%	30-60 days	-	-	(USD 748)	-	
				USD 25,979	1%	30-60 days	-	-	-	-	
			USD 12,637	1%	30-60 days	-	-	-	-		
			USD 6,157	-	30-60 days	-	-	-	-		
			USD 11,162	-	30-60 days	-	-	-	-		
			USD 4,931	-	30-60 days	-	-	-	-		

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Greencoast Marine S.A.	Evergreen Insurance Company Limited	Investee of the Parent Company's major shareholder	Purchases	USD 4,998	-	30-60 days	\$	-	(USD 751)	-	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	USD 37,459	1%	30-60 days	-	-	USD 422	-	
	Evergreen Shipping Agency (Vietnam)	Indirect subsidiary of the Parent Company	Purchases	USD 59,344	2%	30-60 days	-	-	(USD 24)	-	
	Taiwan Terminal Services Co., Ltd.	Associates	Purchases	USD 4,625	-	30-60 days	-	-	-	-	
	Greencoast Marine S.A.	Indirect subsidiary of the Parent Company	Purchases	USD 7,088	-	30-60 days	-	-	-	-	
	Evergreen Marine Corp.	The Parent	Sales	USD 25,039	2%	30-60 days	-	-	-	-	
	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 34,768	3%	30-60 days	-	-	(USD 1,582)	1%	
	Italia Maritima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Purchases	USD 19,470	1%	30-60 days	-	-	-	-	
	Evergreen Shipping Agency (Europe) GmbH	Indirect subsidiary of the Parent Company	Purchases	USD 25,298	2%	30-60 days	-	-	(USD 14)	-	
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Purchases	USD 76,318	6%	30 days	-	-	(USD 5,841)	4%	
Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Italia Maritima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Purchases	USD 6,291	1%	30-60 days	-	-	( 487)	-	
	Evergreen Shipping Agency (Europe) GmbH	Indirect subsidiary of the Parent Company	Purchases	USD 4,388	-	30-60 days	-	-	-	-	
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	USD 30,752	2%	30-60 days	-	-	USD 912	1%	
	Evergreen Shipping Agency (America) Corporation	Investee of the Parent Company's major shareholder	Purchases	USD 9,535	1%	30-60 days	-	-	-	-	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Purchases	USD 24,445	2%	30-60 days	-	-	-	-	
	Evergreen International Corporation	Investee of the Parent Company's major shareholder	Sales	USD 93,914	7%	30-60 days	-	-	USD 234	-	
	Gaining Enterprise S.A.	Investee of EITC	Purchases	USD 30,761	3%	30-60 days	-	-	(USD 11)	-	
	Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Investee of the Parent Company's major shareholder	Purchases	USD 5,105	-	30-60 days	-	-	-	-	
	Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Investee of EITC	Sales	MYR 187,732	100%	45 days	-	-	MYR 48,234	100%	

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Evergreen Shipping Agency (Europe) GmbH	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	EUR 9,772	24%	30-60 days	\$ -	-	-	-	
	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	EUR 3,841	9%	30-60 days	-	-	-	-	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	EUR 3,162	8%	30-60 days	-	-	-	-	
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	EUR 9,688	24%	30-60 days	-	-	EUR 1,289	2%	
Evergreen Marine Co. (Malaysia) SDN.BHD.	Evergreen Marine Corp.	The Parent	Sales	EUR 8,612	21%	30-60 days	-	-	-	-	
	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	MYR 20,729	23%	30-60 days	-	-	-	-	
Evergreen Shipping Agency (Vietnam) Corp.	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	MYR 15,445	17%	30-60 days	-	-	-	-	
	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	VND 107,480,258	27%	30-60 days	-	-	-	-	
Evergreen Shipping Agency (China) Co., Ltd.	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	VND 108,728,429	27%	30-60 days	-	-	VND 21,116,438	6%	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	CNY 228,122	100%	30-60 days	-	-	CNY 41,632	100%	

Note 1: If terms of related-party transactions are different from third-party transactions, explain the differences and reasons in the 'Unit price' and 'Credit term' columns.

Note 2: In case related-party transaction terms involve advance receipts (prepayments) transactions, explain in the footnote the reasons, contractual provisions, related amounts, and differences in types of transactions compared to third-party transactions.

Note 3: Paid-in capital referred to herein is the paid-in capital of parent company.

Evergreen Marine Corporation (Taiwan) Ltd.  
Receivables from related parties reaching TWD 100 million or 20% of paid-in capital or more  
For the year ended December 31, 2020

Table 5

Expressed in thousands of TWD/thousands of foreign currency

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2020 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts	Footnote
					Amount	Action taken			
Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Gaining Enterprise S.A.	Investee of EITC	MYR 48,234	-	\$ -	-	MYR 30,169	\$ -	
Peony Investment S.A.	Clove Holding Ltd.	Subsidiary	USD 7,503	-	-	-	-	-	
Peony Investment S.A.	Colon Container Terminal, S.A.	Investee of Clove Holding Ltd. accounted for using equity method	USD 20,307	-	-	-	-	-	
Everport Terminal Services Inc.	Evergreen Marine (UK) Limited	Indirectly subsidiary of the Parent Company	USD 5,841	-	-	-	USD 4,809	-	
Everport Terminal Services Inc.	Evergreen Marine (Singapore) Pte. Ltd.	Other related party	USD 8,311	-	-	-	USD 6,842	-	
Everport Terminal Services Inc.	Evergreen Marine Corp.	The parent	USD 5,586	-	-	-	USD 4,599	-	
Everport Terminal Services Inc.	Greencompass Marine S.A.	Subsidiary of the Parent Company	USD 4,205	-	-	-	USD 3,462	-	
Evergreen Marine (Hong Kong) Ltd.	Colon Container Terminal, S.A.	Investee of Evergreen Marine (Hong Kong) Limited accounted for using equity method	USD 4,576	-	-	-	-	-	

Note 1: Fill in separately the balances of accounts receivable-related parties, notes receivable-related parties, other receivables-related parties, etc.

Note 2: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NTS\$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Evergreen Marine Corporation (Taiwan) Ltd.  
Significant inter-company transactions during the reporting periods  
For the year ended December 31, 2020

Expressed in thousands of TWD

Table 6

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
0	Evergreen Marine Corporation	Taiwan Terminal Services Co., Ltd.	1	Operating cost	\$ 876,413	Note 4	0.42
0	Evergreen Marine Corporation	Taiwan Terminal Services Co., Ltd.	1	Accounts payable	129,051	"	0.04
0	Evergreen Marine Corporation	Greencompass Marine S. A.	1	Operating revenue	2,553,480	"	1.23
0	Evergreen Marine Corporation	Greencompass Marine S. A.	1	Operating cost	1,569,036	"	0.76
0	Evergreen Marine Corporation	Everport Terminal Services Inc.	1	Accounts payable	156,956	"	0.05
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	1	Operating revenue	744,548	"	0.36
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	1	Operating cost	573,031	"	0.28
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	1	Shipowner's account - credit	214,357	"	0.06
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	1	Operating revenue	1,114,774	"	0.54
0	Evergreen Marine Corporation	Evergreen Shipping Agency (Europe) GmbH	1	Operating cost	289,517	"	0.14
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	1	Operating cost	1,204,508	"	0.58
0	Evergreen Marine Corporation	Everport Terminal Services Inc.	1	Operating cost	1,669,028	"	0.81
1	Greencompass Marine S.A.	Evergreen Marine (UK) Limited	3	Operating cost	736,922	"	0.36
1	Greencompass Marine S.A.	Evergreen Shipping Agency (Europe) GmbH	3	Operating cost	328,513	"	0.16
1	Greencompass Marine S.A.	Evergreen Marine (Hong Kong) Ltd.	3	Operating cost	1,746,559	"	0.84
1	Greencompass Marine S.A.	Everport Terminal Services Inc.	3	Operating cost	911,248	"	0.44
2	Evergreen Marine (UK) Limited	Evergreen Marine (Hong Kong) Ltd.	3	Operating revenue	2,764,004	"	1.33
2	Evergreen Marine (UK) Limited	Greencompass Marine S. A.	3	Operating cost	1,023,256	"	0.49

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
2	Evergreen Marine (UK) Limited	Evergreen Marine (Hong Kong) Ltd.	3	Operating cost	\$ 905,337	Note 4	0.44
2	Evergreen Marine (UK) Limited	Everport Terminal Services Inc.	3	Operating cost	2,246,118	"	1.08
2	Evergreen Marine (UK) Limited	Everport Terminal Services Inc.	3	Accounts payable	164,121	"	0.05
3	Evergreen Marine (Hong Kong) Ltd.	Greencompass Marine S.A.	3	Operating cost	1,102,457	"	0.53
3	Evergreen Marine (Hong Kong) Ltd.	Everport Terminal Services Inc.	3	Operating cost	1,159,484	"	0.56
3	Evergreen Marine (Hong Kong) Ltd.	Evergreen Shipping Agency (China) Co., Ltd.	3	Operating cost	973,098	"	0.47
3	Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine (UK) Limited	3	Shipowner's account - credit	938,863	"	0.28
3	Evergreen Marine (Hong Kong) Ltd.	Greencompass Marine S.A.	3	Shipowner's account - credit	1,273,446	"	0.38
4	Peony Investment S.A.	Clove Holding Ltd.	3	Other receivables	210,793	"	0.06

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; Fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1) Parent company to subsidiary.

(2) Subsidiary to parent company

(3) Subsidiary to subsidiary

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Terms are approximately the same as for general transactions.

Note 5: The Company may decide to disclose or not to disclose transaction details in this table based on the Materiality Principle.



Evergreen Marine Corporation (Taiwan) Ltd.  
Information on investees (not including investee company of Mainland China)  
For the year ended December 31, 2020

Expressed in thousands of shares/thousands of TWD

Investor	Investee (Note 1 - Note 2)	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2020			Net profit (loss) of the investee For the year ended December 31, 2020 (Note 2(2))	Investment income (loss) recognised by the Company For the year ended December 31, 2020 (Note 2(3))	Footnote
				Balance as of December 31, 2020	Balance as of December 31, 2019	Number of shares	Ownership (%)	Book value			
Evergreen Marine Corp.	Peony Investment S.A.	Republic of Panama	Investment activities	\$ 14,301,195	\$ 14,301,195	4,765	100.00	\$ 39,265,711	\$ 15,301,113	Subsidiary of the Company	
	Taiwan Terminal Services Co., Ltd.	Taiwan	Loading and discharging operations of container yards	55,000	55,000	5,500	55.00	66,770	17,626	"	
	Everport Terminal Services Inc.	U.S.A	Terminal services	3,001	3,001	1	94.43	2,139,666	580,780	"	
	Evergreen Marine (Hong Kong) Ltd.	Hong Kong	Marine transportation	6,283,222	6,283,222	6,320	79.00	11,989,398	5,336,980	"	
	Evergreen Shipping Agency (Israel) Ltd.	Israel	Shipping agency	9,103	9,103	1,062	59.00	23,158	20,453	"	
	Chang Yang Development Co., Ltd.	Taiwan	Development, rental, sale of residential and commercial buildings	320,000	320,000	58,542	40.00	557,549	68,199	Investee accounted for using equity method	
	Evergreen International Storage and Transport Corporation	Taiwan	Container transportation and gas stations	4,840,408	4,840,408	430,692	40.36	9,315,382	275,333	"	
	Evergreen Security Corporation	Taiwan	General security guards services	25,000	25,000	6,336	31.25	114,257	11,537	"	
	EVA Airways Corporation	Taiwan	International passengers and cargo transportation	11,276,823	11,276,823	776,541	16.00	11,327,144	( 3,361,659)	"	
	Taipei Port Container Terminal Corporation	Taiwan	Container distribution and cargo stevedoring	1,446,196	1,094,073	144,799	27.85	1,523,550	323,833	"	
	Ever Ecove Corporation	Taiwan	Waste treatment and combined heat and power	305,000	-	30,500	19.06	305,965	( 12,698)	"	
	Evergreen Marine (Latin America), S.A.	Republic of Panama	Management consultancy	-	3,151	-	-	-	1,241	"	
	VIP Greenport Joint Stock Company	Vietnam	Terminal services	178,750	178,750	13,750	21.74	277,982	190,729	"	
	Peony Investment S.A.	Clove Holding Ltd.	British Virgin Islands	Investment holding company	1,476,424	1,476,424	10	100.00	2,581,880	28,518	Indirect subsidiary of the Company
Evergreen Shipping Agency (Europe) GmbH		Germany	Shipping agency	233,646	233,646	-	100.00	145,405	26,396	"	
Evergreen Shipping Agency (Korea) Corporation		South Korea	Shipping agency	68,161	68,161	121	100.00	64,445	31,610	"	
Greencompass Marine S.A.		Republic of Panama	Marine transportation	9,931,936	9,931,936	3,535	100.00	23,169,055	10,758,643	"	
Evergreen Shipping Agency (India) Pvt. Ltd.		India	Shipping agency	33,061	33,061	100	99.99	202,749	58,861	"	

Investor	Investee (Note 1 - Note 2)	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2020			Net profit (loss) of the investee For the year ended December 31, 2020 (Note 2(2))	Investment income (loss) recognised by the Company For the year ended December 31, 2020 (Note 2(3))	Footnote
				Balance as of December 31, 2020	Balance as of December 31, 2019	Number of shares	Ownership (%)	Book value			
Peony Investment S.A.	Evergreen Argentina S.A.	Argentina	Leasing	\$ 3,933	\$ 3,933	150	95.00	\$ 31,910	2,828	Indirect subsidiary of the Company	
	PT. Multi Bina Pura International	Indonesia	Loading and discharging operations of container yards and inland transportation	239,545	220,299	18	95.03	534,184	33,665	"	
	PT. Multi Bina Transport	Indonesia	Container repair, cleaning and inland transportation	22,597	22,597	2	17.39	13,302	(582)	"	
	Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Malaysia	Container manufacturing	766,876	766,876	42,120	84.44	919,730	9,541	"	
	Evergreen Shipping (Spain) S.L.	Spain	Shipping agency	189,516	189,516	6	100.00	277,621	127,803	"	
	Evergreen Shipping Agency (Italy) S.p.A.	Italy	Shipping agency	66,082	66,082	0.55	55.00	83,779	9,681	"	
	Evergreen Marine (UK) Limited	U.K	Marine transportation	3,767,748	3,767,748	765	51.00	3,528,202	2,920,412	"	
	Evergreen Shipping Agency (Australia) Pty. Ltd.	Australia	Shipping agency	47,999	47,999	1	100.00	100,677	88,228	"	
	Evergreen Shipping Agency (Russia) Ltd.	Russia	Shipping agency	23,825	23,825	-	51.00	26,445	49,876	"	
	Evergreen Shipping Agency (Thailand) Co., Ltd.	Thailand	Shipping agency	63,019	63,019	680	85.00	101,764	63,328	"	
	Evergreen Agency (South Africa) (Pty) Ltd.	South Africa	Shipping agency	16,324	16,324	5,500	55.00	54,548	8,993	"	
	Evergreen Shipping Agency (Vietnam) Corp.	Vietnam	Shipping agency	34,586	34,586	-	100.00	602,229	287,289	"	
	PT. Evergreen Shipping Agency Indonesia	Indonesia	Shipping agency	27,337	27,337	0.441	49.00	129,206	101,343	Investee company of Peony accounted for using equity method	
	Luania Investment (Netherlands) N.V.	Curacao	Investment holding company	1,335,663	1,335,663	460	50.00	1,485,739	(51,920)	"	
	Balsam Investment (Netherlands) N.V.	Curacao	Investment holding company	11,735,318	11,735,318	0.451	49.00	1,177,162	638,661	"	
	Evergreen Shipping Agency Co. (U.A.E.) LLC	United Arab Emirates	Shipping agency	58,496	58,496	-	49.00	114,156	80,607	"	
	Greenpen Properties Sdn. Bhd.	Malaysia	Renting estate and storehouse company	11,970	11,970	1,500	30.00	29,680	(4,111)	"	
	Evergreen Marine Corp. (Malaysia) SDN.BHD.	Malaysia	Shipping agency	264,501	264,501	500	100.00	621,123	292,582	Indirect subsidiary of the Company	

Investor	Investee (Note 1 - Note 2)	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2020			Net profit (loss) of the investee For the year ended December 31, 2020 (Note 2(2))	Investment income (loss) recognised by the Company For the year ended December 31, 2020 (Note 2(3))	Footnote
				Balance as of December 31, 2020	Balance as of December 31, 2019	Number of shares	Ownership (%)	Book value			
Peony Investment S.A.	Evergreen Marine (Hong Kong) Ltd.	Hong Kong	Marine transportation	\$ 74,454	\$ 74,454	80	1.00	\$ 151,765	\$ 6,859,680	\$ 67,557	Investee company of Peony accounted for using equity method
	Ics Depot Services Snd. Bhd.	Malaysia	Depot services	31,299	31,299	286	28.65	68,329	29,525	8,458	"
Clove Holding Ltd.	Colon Container Terminal, S.A.	Republic of Panama	Inland container storage and loading	642,275	642,275	22,860	40.00	2,417,403	(3,807)	(1,523)	Investee company of Clove Holding Ltd. accounted for using equity method
	Everport Terminal Services Inc.	U.S.A	Terminal services	182,735	182,735	0.059	5.57	285,900	615,046	34,266	Indirect subsidiary of the Company
Everport Terminal Services Inc.	Whiney Equipment LLC.	U.S.A	Equipment Leasing Company	5,619	5,619	-	100.00	228,844	23,953	23,953	"
PT. Multi Bina Pura Internasional	PT. Multi Bina Transport	Indonesia	Container repair cleaning and inland transportation	92,756	92,756	7.55	72.95	55,801	(3,347)	(2,441)	"
Evergreen Marine (Hong Kong) Limited	Colon Container Terminal S.A.	Republic of Panama	Inland container storage and loading	438,298	438,298	5,144	9.00	564,351	(3,807)	(343)	Investee company of Evergreen Marine (Hong Kong) Limited accounted for using equity method
	Evergreen Marine (Latin America), S.A.	Republic of Panama	Management consultancy	18,306	2,782	600	100.00	18,043	1,241	1,060	Indirect subsidiary of the Company
	Evergreen Shipping Service (Cambodia) Co., Ltd.	Cambodia	Shipping agency	5,619	5,619	200	100.00	45,371	41,641	41,641	"
	Evergreen Shipping Agency (Peru) S.A.C.	Peru	Shipping agency	7,800	7,800	900	60.00	68,376	108,403	65,042	"
	Evergreen Shipping Agency (Colombia) S.A.S	Colombia	Shipping agency	9,863	9,863	80	75.00	60,201	66,396	49,797	"
	Evergreen Shipping Agency Mexico S.A. de C.V.	Mexico	Shipping agency	6,440	6,440	44	60.00	39,395	51,397	30,838	"
	Evergreen Shipping Agency (Chile) SPA.	Chile	Shipping agency	8,957	8,957	2	60.00	45,552	51,278	30,767	"
	Evergreen Shipping Agency (Greece) Anonimi Eteria.	Greece	Shipping agency	7,594	7,594	2	60.00	41,933	39,084	23,450	"
	Evergreen Shipping Agency (Israel) Ltd.	Israel	Shipping agency	143	143	18	1.00	393	34,665	347	"

Investor	Investee (Note 1 - Note 2)	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2020			Net profit (loss) of the investee For the year ended December 31, 2020 (Note 2(2))	Investment income (loss) recognised by the Company For the year ended December 31, 2020 (Note 2(3))	Footnote
				Balance as of December 31, 2020	Balance as of December 31, 2019	Number of shares	Ownership (%)	Book value			
Evergreen Marine (Hong Kong) Limited	Evergreen Shipping Agency (Brazil) Ltd.	Brazil	Shipping agency	\$ 6,950	\$ -	120	60.00	\$ 12,199	9,758	5,855	Indirect subsidiary of the Company
	Evergreen Shipping Agency Lanka (Private) Ltd.	Lanka	Shipping agency	3,406	3,406	2,160	40.00	22,079	64,722	25,889	Investee company of Evergreen Marine (Hong Kong) Limited accounted for using equity method
	Evergreen Shipping Agency Philippines Corporation	Philippines	Shipping agency	138,453	-	10,000	100.00	166,171	48,315	27,512	Indirect subsidiary of the Company

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

- (1) The columns of 'Investee', 'Location', 'Main business activities', 'Initial investment amount' and 'Shares held as at December 31, 2020' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column.
- (2) The 'Net profit (loss) of the investee for the year ended December 31, 2020' column should fill in amount of net profit (loss) of the investee for this period.
- (3) The 'Investment income (loss) recognised by the Company for the year ended December 31, 2020' column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

Evergreen Marine Corporation (Taiwan) Ltd.  
Information on investments in Mainland China  
For the year ended December 31, 2020

Table 8

Expressed in thousands of TWD

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan as of January 1, 2020	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2020		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2020	Net income (loss) of the investee for the year ended December 31, 2020	Ownership held by the Company (direct or indirect) (%)	Investment income (loss) recognised by the Company for the year ended December 31, 2020 (Note 2(B))	Book value of investments in Mainland China as of December 31, 2020	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2020	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Nangbo Victory Container Co., Ltd.	Inland container transportation, container storage, loading, discharging, repair and related activities	\$ 538,263	(2)	\$ 201,210	\$ -	\$ -	\$ 201,210	\$ 50,783	40.00	\$ 20,313	\$ 328,607	\$ -	
Qingdao Evergreen Container Storage & Transportation Co., Ltd.	Inland container transportation, storage, loading, discharging, repair, cleaning and related activities	183,048	(2)	39,808	-	-	39,808	151,669	40.00	60,668	161,453	-	
Kingtrans Intl. Logistics (Tianjin) Co., Ltd.	Inland container transportation, storage, loading, discharging, repair, cleaning and related activities	335,642	(2)	265,936	-	-	265,936	50,582	46.20	23,369	167,865	-	
Ever Shine (Shanghai) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	1,871,291	(2)	2,288,710	-	-	2,288,710	24,858	80.00	( 52,355)	1,680,187	-	
Ever Shine (Ningbo) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	185,201	(2)	253,198	-	-	253,198	140	80.00	168	8,302	-	
Ever Shine (Shenzhen) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	264,220	(2)	440,559	-	-	440,559	3,333	80.00	( 5,156)	13,976	-	
Ever Shine (Qingdao) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	214,230	(2)	359,134	-	-	359,134	3,893	80.00	491	11,474	-	

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2020	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2020		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2020	Net income (loss) of the investee for the year ended December 31, 2020	Ownership held by the Company (direct or indirect) (%)	Investment income (loss) recognised by the Company for the year ended December 31, 2020 (Note 2(3)B)	Book value of investments in Mainland China as of December 31, 2020	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2020	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Evergreen Shipping Agency (China) Co., Ltd.	Shipping agency	29,534	(2)	83,160	-	-	83,160	46,236	52.00	2,913	1,755	-	
Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2020	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA										
Evergreen Marine Corp.	\$ 3,931,715	\$ 4,449,838	\$ 60,896,576										

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company, Peony Investment S.A. and Evergreen Marine (Hong Kong) Ltd., in the third area, which then invested in the investee in Mainland China.
- (3) Others

Note 2: In the 'Investment income (loss)' recognised by the Company for the year ended December 31, 2020' column:

- (1) It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.
- (2) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:

- A. The financial statements that are audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.
- B. The financial statements that are audited and attested by R.O.C. parent company's CPA.
- C. Others.

Note 3: The numbers in this table are expressed in New Taiwan Dollars.

Evergreen Marine Corporation (Taiwan) Ltd.  
Major shareholders information  
For the year ended December 31, 2020

Table 9

Name of major shareholders	Shares	
	Name of shares held	Ownership (%)
Evergreen International S.A.(EIS)	391,786,816	7.99%
Chang, Kuo-Hua	319,646,157	6.52%
Evergreen International Corp.	262,411,866	5.35%

Note 1: The major shareholders information was from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded in the financial statements may differ from the actual number of shares issued in dematerialised form because of a different calculation basis.

Note 2: If the aforementioned data contains shares which were kept in trust by the shareholders, the data disclosed was the settlor's separate account for the fund set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act, the shareholding ratio includes the self-owned shares and trusted shares, at the same time, persons who have power to decide how to allocate the trust assets. For the information of reported share equity of insider, please refer to Market Observation Post System.

## 7-1 Comparison of Financial Positions in the Last Two Years

Unit: TWD thousand

Item	Year	2019	2020	Difference	
				Amount	%
Current Assets		66,050,355	85,837,891	19,787,536	29.96%
Non-current assets		240,545,283	248,382,949	7,837,666	3.26%
<b>Total Assets</b>		306,595,638	334,220,840	27,625,202	9.01%
Current Liabilities		63,449,644	72,490,805	9,041,161	14.25%
Non-current liabilities		169,551,148	160,235,742	(9,315,406)	-5.49%
<b>Total Liabilities</b>		233,000,792	232,726,547	(274,245)	-0.12%
Common stock		48,129,738	48,980,353	850,615	1.77%
Capital surplus		11,407,437	12,433,364	1,025,927	8.99%
Retained Earnings		9,373,982	33,449,400	24,075,418	256.83%
Other equity interest		1,134,622	(581,406)	(1,716,028)	-151.24%
Equity attributable to owners of the parent		70,045,779	94,281,711	24,235,932	34.60%
Non-controlling interest		3,549,067	7,212,582	3,663,515	103.22%
<b>Total equity</b>		73,594,846	101,494,293	27,899,447	37.91%

The main reasons for the major changes (those with a change of more than 20% and a change of TWD300 million) in the Company's assets, liabilities and shareholders' equity in the last two years, their impacts and future corresponding plans:

- (1) The increase in current assets was due to the increase in net cash inflows and accounts receivable from operating revenue.
- (2) The increase of retained earnings was due to the net income of the parent company.
- (3) The decrease in other equity was mainly due to the depreciation of the exchange rate of USD:TWD, and the recognition of exchange differences on translation of foreign financial statements.
- (4) The increase in non-controlling interests was mainly due to the increase in the net income of investee companies, EMU (holding 51% shares) and EGH (holding 80% shares).



## 7-2 Comparison of Financial Performance in the Last Two Years

Unit: TWD thousand

Item	Year	2019	2020	Difference	
				Amount	%
Operating revenue		190,589,281	207,077,912	16,488,631	8.65%
Operating costs		176,071,661	161,590,726	(14,480,935)	-8.22%
Gross profit		14,517,620	45,487,186	30,969,566	213.32%
Unrealized profit from sales		25,181	(9,216)	(34,397)	-136.60%
Realized profit on from sales		12,220	11,123	(1,097)	-8.98%
Gross profit		14,555,021	45,489,093	30,934,072	212.53%
Operating expenses		10,272,698	10,875,169	602,471	5.86%
Other gains - net		375,947	53,940	(322,007)	-85.65%
Operating profit (loss)		4,658,270	34,667,864	30,009,594	644.22%
non-operating income and expenses		(3,879,370)	(2,828,035)	1,051,335	-27.10%
Profit (loss) before income tax		778,900	31,839,829	31,060,929	3,987.79%
Income tax expense		1,001,913	3,072,519	2,070,606	206.67%
Profit (loss)		(223,013)	28,767,310	28,990,323	12,999.39%
Owners of the parent		112,519	24,364,926	24,252,407	21,554.05%
Non-controlling interest		(335,532)	4,402,384	4,737,916	1,412.06%
Other comprehensive income (loss)		(427,792)	(2,359,806)	(1,932,014)	451.62%
Comprehensive income (loss)		(650,805)	26,407,504	27,058,309	4,157.67%
Owners of the parent		(143,740)	22,359,390	22,503,130	15655.44%
Non-controlling interest		(507,065)	4,048,114	4,555,179	898.34%

The main reasons for the major changes in gross profit, net unrealized profit, operating expenses, the net amount of other gains or losses, and non-operating income and expenses:

- (1) The increase in operating revenue was mainly due to the temporary imbalance between supply and demand caused by the COVID-19, which led to increase in freight rates and resulted in an increase of 8.65% compared to last year. And the average fuel cost fell, which caused operating costs to drop 8.22% compared to last year.
- (2) The increase in unrealized sales benefits was due to the fact that the sales of Peony's container manufacturing companies in 2020, and were re-recognized as unrealized sales benefits.

- (3) The increase in operating expenses was mainly due to salary and the employee benefits are higher than the same time last year.
- (4) The decrease in other gains and loss was due to the decrease of net gain on disposal of property, plant and equipment.
- (5) The decrease in net non-operating expenses was due to the lower interest rate, which dramatically decreased interest expenses.

### 7-3 Analysis of Cash Flow

#### 1. Cash Flow Analysis for the Current Year

Unit: TWD thousand

Cash and Cash Equivalents, Beginning of Year (1)	Net Cash Flow from Operating Activities (2)	Net Cash Inflow (Outflow) from Investment and Financing (3)	Cash Surplus (Deficit) (1)+(2)+(3)	Leverage of Cash Deficit	
				Investment Plans	Financing Plans
37,871,889	51,858,045	(45,633,449)	44,096,485	-	-

Analysis of deviation:

- A. Operating activities: Net cash inflow from operating activities throughout the year
- B. Investing activities: The net cash outflow is due to the purchase of the vessels, containers and equipment.
- C. Financing activities: The net cash outflow from repayment of borrowing.

Remedy Measures of Inadequate Liquidity: None.

#### 2. Cash Flow Analysis for the Coming Year

Unit: TWD thousand

Estimated Cash and Cash Equivalents, Beginning of Year (1)	Estimated Net Cash Flow from Operating Activities (2)	Estimated Net Cash Inflow (Outflow) from Investment and Financing (3)	Estimated Cash Surplus (Deficit) (1)+(2)+(3)	Leverage of Cash Deficit	
				Investment Plans	Financing Plans
44,096,485	71,621,064	(62,375,461)	53,342,088	-	-

Analysis of cash flow deviation:

- A. Cash balance at the beginning of the period: Cash and cash equivalents for Dec. 31, 2020.
- B. Net cash flow from operating activities throughout the year: Estimated cash flow from operating activities.

C. Net cash flow from investment and financing throughout the year: Repayment of bank borrowing and purchase of fixed assets.

## 7-4 Effects of Major Capital Expenditure on Finance and Business Operations

### 1. Major Capital Expenditure Items and Source of Capital

(1) Shipbuilding and improvement of ship: The actual or expected source of funds is self-owned funds and mortgages after obtaining ownership of the assets. The following table shows the delivery date of both new shipbuilding and the ship which underwent improvement program, the total amount of funds required, and the use of funds.

Unit: USD thousand

Actual or Planned Date of Completion	Total Capital	Actual or Expected Capital Expenditure					
		2020	2021	2022	2023	2024	2025
2020	596,106	481,344					
2021	1,088,394	207,988	756,121				
2022	887,200	117,780	177,440	561,380			
2023	359,455		61,975	49,580	247,900		
2024	1,351,055		136,345	61,975	247,900	904,835	
2025	768,490		37,185		148,740	136,345	446,220

(2) Machinery: The Company will purchase eleven units of ship to shore container gantry cranes and forty units of automation rail mounted gantry cranes. The total transaction price is USD 236,105 thousand.

(3) Leased improvements: In 2020, chartered container vessels have had SOx scrubbers installed. The total amount is USD 27,748 thousand.

(4) Containers Procurement: The Company purchased 13,000 containers from China International Marine Containers (Group) Co., Ltd. and Dong Fang International Container (Hong Kong) Ltd. in 2020. The total transaction price is USD 47,100 thousand. The Company will purchase 65,000 containers from Dong Fang International Container (Hong Kong) Ltd., Pan Ocean Container Supplies CO. Ltd., CIXC Group Container Company Limited and Singamas Management Services Limited in 2021. The total transaction price is USD 331,874 thousand.

### 2. Expected Benefits

As new energy-efficient vessels and new containers join the operation, this will not only

optimize fleet capacity, increase slot supply and provide customers with a wider range of services, but also reduce the Company's operating costs.

### 7-5 Investment Policy in the Last Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year

In order to seek the best interests for the Company and its shareholders, the Company has undergone careful evaluation in investment and focused on the vertical integration of the shipping business. The Company continues to require indirect investees to seize market opportunities and increase profits. The profit of investment accounted for using equity method is TWD 21,204,957 thousand in Parent company only balance sheet of 2020.

### 7-6 Analysis of Risk Management

#### 1. Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures

##### (1) Interest rate

##### A. The impact of interest fluctuation on the consolidated company:

Item	2020 (TWD thousand,%)
Net interest	(4,194,851)
Net interest represented percentage of annual revenue	2.03%
Net interest represented percentage of earnings before tax	13.17%

In the end of 2020, the financial assets and financial liabilities imply interest change risk are TWD 24,622,618 thousand and TWD 89,192,984 thousand. If the market rate increase in 1% the interest expense will be increased TWD 645,704 thousand, accounting for 0.37% of operating costs and expenses.

##### B. Corresponding measure

For the purpose of improve financial structure, increase long term working capital and decrease interest risk. EMC issued 8 billions secured corporate bonds with 5 years tenor on April 25, 2017, and issued 2 billions secured corporate bonds with 5 years tenor on June 27, 2018 with fixed rate. Also issued USD 300 millions overseas unsecured convertible bonds with 5 years tenor on September 29, 2020. It can fixed long term capital cost and avoid the risk of increase in market rate. The conditions of issue secured corporate bonds are as following:

Content	Secured Corporate Bonds
Total price	TWD 8,000,000,000
Coupon rate	Fixed rate
Tenor	5 years
Repayment method	Repayment of 50% of the principal in the fourth year and the remaining 50% in the fifth year
Issue date	April 25, 2017
Fundraising situation	Completed

Content	Secured Corporate Bonds
Total price	TWD 2,000,000,000
Coupon rate	Fixed rate
Tenor	5 years
Repayment method	Repayment in lump sum upon maturity
Issue date	June 27, 2018
Fundraising situation	Completed

Content	Overseas Unsecured Convertible Bonds
Issuing and transaction location	Singapore Exchange Limited
Total price	USD 300,000,000
Coupon rate	0.00%
Tenor	5 years
Repayment method	Unless previously redeemed, repurchased and cancelled or converted, the Bonds will be redeemed on the Maturity Date in US dollars at their principal amount with a yield of 0% per annum, calculated on a semi-annual basis.
Issue date	September 29, 2020
Fundraising situation	Completed

**(2) Foreign exchange rates****A. The impact of exchange rates fluctuation to net income :**

Item	2020 (TWD thousand,%)
Net foreign currency exchange gains	601,300
Ratio of net foreign exchange gains and operating revenue and net currency exchange gains	0.29%
Ratio of net foreign exchange gains and profit (loss) before income tax and net currency exchange gains	1.89%

For the year ending Dec. 31, 2020, net foreign exchange gain was TWD 601,300 thousand, accounting for 0.29% of operating revenue and 1.89% of profit before tax.

The information on assets and liabilities denominated in certain subsidiaries' functional currency whose values would be materially affected by the exchange rate fluctuations held by the Group for the year ended Dec. 31, 2020 amounted to TWD 30,537,773 thousand and TWD 32,946,545 thousand respectively. In terms of monetary items of financial assets, if the exchange rate of USD:TWD increases/decreases by 1%, foreign exchange gains will increase/decrease by TWD 302,376 thousand; if the exchange rate of JPY:USD had increased/decreased by 1%, net currency exchange gains would have increased/decreased by NTD 1,274; if the exchange rate of GBP:USD increases/decreases by 1%, foreign exchange gains will increase/decrease by TWD 1,728 thousand. In terms of monetary items of financial liabilities, if the exchange rate of USD:TWD increases/decreases by 1%, foreign exchange gains will increase/decrease by TWD 201,994 thousand; if the exchange rate of HKD:USD increases/decreases by 1%, foreign exchange gains will increase/decrease by TWD 4,686 thousand; if the exchange rate of GBP:USD increases/decreases by 1%, foreign exchange gains will increase/decrease by TWD 1,661 thousand; if the exchange rate of EUR:USD increases/decreases by 1%, foreign exchange gains will increase/decrease by TWD 1,625 thousand; if the exchange rate of RMB:USD increases/decreases by 1%, foreign exchange gains will increase/decrease by TWD 10,796 thousand.

**B. Corresponding measure**

As the freight income is mainly in USD, the Company pays attention to the exchange rate fluctuation all the time and continue to implement the following measures:

- a. Use a professional financial information system to monitor the international exchange rate fluctuations. The financial department maintains close contact

with financial institutions and request them to provide the information on foreign exchange market, so as to get the most updated exchange rate information and act proactively.

- b. Use the same currency of revenue to pay the expenses if possible in order to perform natural hedging to prevent exchange rate risks. Whereas, the freight revenue in foreign currency is used to meet foreign currency payables generated in various countries to avoid most of the foreign exchange risks by taking advantage of natural hedging.
- c. Open foreign currency savings accounts to buy or sell the foreign currencies according to the actual fund demand and the exchange rate trends.

### (3) Inflation

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The growth of the global economy has slowed significantly in 2020 due to U.S.-China, Australia-China trade tensions and BREXIT. The retail and service industries in various countries have affected by COVID-19. According to the prediction by IHS Markit, the global inflation will be slightly reduced from 2.6% (2019) to 2.12%. The forecast for 2020 global economic growth rate is -4%, lower than that of last year at 2.57% (2019).

Looking ahead for 2021, it's still being affected by impact of COVID-19. However, with the progress of vaccine development and the continuous fiscal stimulus fiscal effect, combined with monetary policies, global economic output and demand are expected to rebound strongly in 2021. OECD, IMF, IHS Markit, etc. has predicted that global economic growth in 2021 will be around 4.2% to 5.2%. As long as the vaccine can effectively control the COVID-19 pandemic, the global economy will continue to grow moderately. However, the job market of service industry, which has been severely affected, still remain sluggish. Trade tensions among major economies may also probably slow the pace of recovery.

The outbreak of COVID-19 epidemic in the first half of year 2020, is still affecting the crude oil market. Both the Organization of the Petroleum Exporting Countries (OPEC) and the International Energy Agency (IEA) have higher raised their forecasts for global oil demand growth, which means it will rebound significantly in the second half of 2021 and increase in daily oil demand by 5.89 million barrels (6.5% increase). It also predicted that the oil consumption will concentrate in the second half of the year. The OPEC and its allies have also decided to maintain the scale of production cuts. As mentioned above, the main institutions predictd the price of Brent oil between USD 60~65/barrel. According to the IHS Markit published in December 2020, global inflation rate is estimated to 2.24%. As the process of the vaccinations and the lockdown lifting, it is expected that the oil price will rise smoothly. In addition, the company regularly analyzes the qualification lists of fuel suppliers, sets target hedging prices and quantities, and reviews market conditions to reduce the risk of fuel price fluctuations.

Since our service routes span all over the world, such as port charges, stevedoring and cargo claims, we have regularly signed the contracts with our suppliers to reduce the volatility of main operation costs.

## **2. Policies, Main Causes of Gain or Loss with Respect to High-risk Investments, High-leveraged Investments, Lending, Endorsement, and Derivatives Transactions, and Future Corresponding Measures:**

All lendings and endorsements are provided to the subsidiaries and affiliates. All related transactions are handled according to the Company's guidelines of providing loans and endorsements to other parties.

All derivatives transactions are dealt with for hedging purposes. Interest rates and fuel swaps agreements are to hedge risk derived from market volatilities. All related transactions are handled according to the Company's guidelines of engaging in derivatives transactions.

## **3. Future Research & Development Projects and Corresponding Budget:**

- (1) i-B/L & i-Dispatch of Bolero project enhancement & Optimization - Add L/C billing & financing function with related banks
- (2) To build WEB service data exchange system
- (3) Information technology security solution for Evergreen overseas companies
- (4) Fleets information management
- (5) E-Payment system connection with foreign banks
- (6) Participate in the program of Digital Container Shipping Association (DCSA).

The company is expected to invest about TWD 37.23 million in related services expenditure on the above projects.

## **4. Effects of Major Policy at Home and Abroad and Legal Changes on the Corporate Finance and Business Operations, and Corresponding Measures:**

The Company has complied with the relevant laws and regulations set by the competent authorities, and is always aware of the adjustments and changes of the relevant laws and regulations. The information disclosed by the Company and its reporting operations are in compliance with the laws and regulations. Changes in the relevant laws and regulations had no significant impact on finance and business operations of the Company in 2020.

## **5. The Impacts of Changes in Technology and the Industry on Corporate Finance and Business Operations, and Corresponding Measures:** None.



## **6. The Impacts of Changes in Corporate Image on Corporate Risk Management, and Corresponding Measures:**

The Company has established comprehensive emergency response measures, and holds simulation exercises from time to time, which can effectively respond to various emergencies and avoid the corporate image from being affected.

At the outbreak of the COVID-19 pandemic in 2020, the Company instigated a carefully designed contingency plan. A regular online meetings schedule was introduced to continually update epidemic prevention procedures. The Company's global network of offices and agencies were instructed to frequently report the latest situation in their local areas, notifying headquarters of both the effects of the epidemic and the variable market demand effecting cargo prospects. The distribution of anti-epidemic supplies was put in place to ensure the safety of staff at worldwide service locations and within the Group's fleet, in order that reliable and uninterrupted transportation services could be maintained.

In response to the incident involving the chartered vessel Ever Given that resulted in the blockage of the Suez Canal, the Company demanded the vessel's owners maintain a constant line of communication to report any and all developments immediately. The Company also disclosed detailed information on the company's official website to providing transparency on the issue. On-going internal meetings are held involving all relevant departments, to plan for all possible scenarios, including resourcing potential implantation, in order to minimize the impact of any eventuality.

## **7. Expected Benefits and Potential Risks Relating to Mergers and Acquisitions:**

None.

## **8. Expected Benefits and Potential Risks Relating to Factory Expansion: N/A**

## **9. Risks Relating to Excessive Concentration of Purchasing Goods and Excessive Customer Concentration: None.**

## **10. The Impacts and Risks Relating to Massive Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%: None.**

## **11. The Impacts and Risks Relating to the Changes in Management Rights: None.**

## **12. Litigation or Non-litigation Matters, shall list the material litigation, non-litigation and administrative litigation cases which have been decided or are still pending of the Company, its subsidiary companies, and the directors, supervisors, senior executive, person in charge, shareholders with**

**Shareholdings of over 10%; for cases of which may have a significant impact on shareholders' equity or securities prices, shall disclose the facts, amount, and the major parties involved, the commencement date of the litigation, and the settlement as of the date of publication of the annual report: None.**

### 13. Other Major Risks and Corresponding Measures

#### (1) Strategies and operational risks assessment and corresponding measures

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The company's "Risk Management Policy" was approved by the board of directors on March 24, 2020. The Project Department is assigned to consolidate operating strategies and risks management to plan and coordinate the implementation of relevant strategies. The relevant departments have to report to the board of directors at least once a year. The recent report on the implementation of risk management was held by the board of directors on December 24, 2020.

#### (2) Evaluation of market risks and corresponding measures

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##### A. Risks of market management

In running each service string, the Company pays attention to territorial economic changes, customer demand for service quality, and business impact from industry competitions. Its headquarters keeps close contact with each overseas branch and agencies on market info. In addition, a Line Manager is specially assigned to regulate operations of each service string. Based on the changes of business volume, the Manager orderly adjusts the service route, port and bay, flexibly adjusts the slots of each port, timely adjust the quotation to optimize the cargo structure, so as to improve the utilization of shipping space, maximize the best operating performance of each service route and reduce operational risks.

##### B. Risks of cost variation

In running each service string, the Company pays attention to flexibly managing diversified fixed and variable costs. It has set up a dedicated Cost Control Team and Fuel Purchase Team across departments to coordinate with the Line Manager in enhancing operation performance to quickly fine-tune cost variations.

##### C. Risks of operation

In running each service string, the Company's ensures stability, safety, and international regulatory compliance of sailing schedules and ship and shipping operations. Aside from personnel dedicated to individual ship operations in operation departments, it also sets up a Schedule Coordination Center to work closely with the Fleet Deployment Team to keep its fleet safe and agile.

### **(3) Legal risk assessment and corresponding countermeasures**

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The Legal Department, under its jurisdiction, conducts the risk assessment by identifying and managing the legal risks which the Company may encounter, such as the risks related to violating domestic and international regulatory compliance programs, and the contract risks. The Department arranges training and education courses regularly and requests to review the contract before executing to effectively manage domestic and international regulatory compliance and contractual liability assignment, so as to mitigate the possible legal risks which Company may have.

### **(4) Financial risks assessment and corresponding countermeasures**

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#### A. Foreign exchange risk

The Group operates internationally and the relevant foreign exchange risks mainly come from transaction risk and accounting risk. The corresponding countermeasures are money market hedging, forward foreign exchange hedging, centralized fund management, risk positions offsetting, and exchange rate information controlling.

#### B. Interest rate risk

The Company has undertaken floating rate loans, and the interest rate risk comes from the possible increase in interest expenses. The corresponding countermeasures are the issuance of fixed-rate corporate bonds or fixed-rate bank borrowings to lock in the medium and long-term cost of capital; undertake interest rate swap timely to avoid the interest rate risk of long-term liabilities with floating interest rates; and use floating rate loans to offset part of the risks arising from interest rate changes through the time deposits undertaken.

#### C. Credit Risk.

Credit risk refers to the risk of financial loss to the Company arising from accounts receivable of clients who could not repay in full based on the agreed collection terms; and default by counterparties to a financial instruments for not fulfilling their contractual obligations. The corresponding countermeasures are to establish a system of credit risk management, evaluate the credit worthiness of clients, and financial instruments only accept financial institutions with good credit ratings as trading partners.

#### D. Liquidity Risk

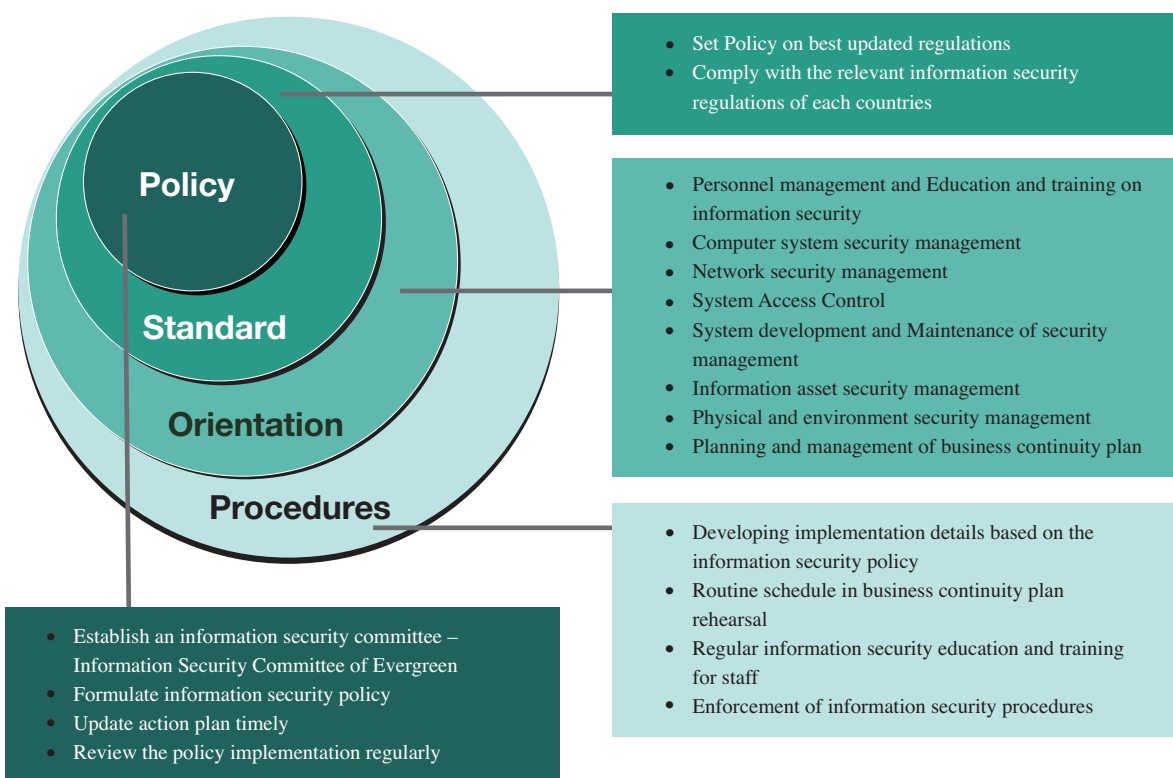
The Company has financial liabilities maturing on different dates. If it is not easy to realize the assets or there is insufficient liquidity to meet the financial liabilities due, the Company will be exposed to liquidity risk. The corresponding countermeasures are to only use surplus funds as time deposits of less than 3 months tenure to improve liquidity; prepare monthly cash flow projections for the coming year to ensure that sufficient funds are available to meet operational

needs and to cover against maturing financial liabilities; apply for credit line from financial institutions to cope with various temporary conditions; and increase capital by subscriptions in cash or issue convertible bonds to raise the required funds in the capital market according to market conditions.

#### (5) Information security risk assessment and corresponding countermeasures

To enhance information security management, the Company has established "Information Security Committee" and formulates information security policies and specific management programs, including information security policies, information security organizations and responsibilities, security classification of information assets, personnel management and education and training, computer system security management, network security management, system access control, system development and maintenance of security management, physical and environmental security management, planning, management and internal audit of business continuity plan, and regularly reports to the Board of Directors.

The Information Security Architecture of the Company is shown below:



#### (6) Hazard risk assessment and corresponding countermeasures

The Operations Department, under its jurisdiction, conducts the training and propaganda of Company personnel for the misdeclaration and concealment of dangerous

goods, including any omission of the goods which are actually dangerous goods but are not declared, any concealment of the goods which are actually dangerous goods but are declared as non-dangerous goods, concealment of the dangerous goods classes and the concealment, omission and misstatement of UN numbers, etc. At the same time, the Department strengthens the clients awareness on the standards and responsibilities of dangerous goods cargo shipping and improves the quality and vigilance of the operating personnel as a whole.

The Maritech Department, under its jurisdiction, uses the Fleet Safety Management System (FMS safety) provided by WNI, a meteorological navigation company, to monitor the dynamic information of tropical disturbances on a daily basis for extreme climates such as hurricanes and typhoons; and study the typhoon formation probability and its future trends. Each typhoon is examined based on three sections: transoceanic section, coastal section, and berth ships. In the daily interdepartmental meeting, the Department will respond in accordance with the sequential order of impact, in order to prevent typhoon damage to fleet's vessels under the condition of navigating safety and minimizing shipping delays as well as the fuel consumption cost.

The Occupational Safety & Health Department, under its jurisdiction, organizes Emergency Response Team in response to emergency needs such as fire accident, earthquake, emergency treatment, etc. The Team members attend the training courses at least once every half year. The Company organizes First Aid Team and all first aid personnel have completed the trainings and refresher trainings pursuant to the regulations. Meanwhile, the facilities maintenance suppliers and mechanics conduct regular maintenance and repair for all kinds of the emergency equipment and facilities in the building.

#### 14. Organizational Structure of Risk Management and In-charge Departments

An Auditing Department is set up to schedule annual auditing plans, in order to inspect and evaluate the implementation of various control measures in each department to ensure effective implementation of risk management policies. The organizational structure of the Company's risk management is as follows:

Risk Management	In-charge Department	Functions
Strategies & Operational Risks	Project Department	To formulate the Company's operating policies, evaluate the cost effectiveness, design service strings and fleet, supervise business operations, etc.

Risk Management	In-charge Department	Functions
Market Risks	Project Department Line Manager Cost Control Team Fuel Purchase Team Schedule Coordination Center All Department Heads	Specific to the scope of business, plan strategies and evaluate risks within and across each in-charge department.
Legal Risks	Legal Division (Competition Compliance Team Included)	Responsible for the study of laws and regulations related to global competition laws, establish the Company's principles of regulatory compliance, provide education and training and monitor each execution of business processes to ensure compliance with competition regulations.
Financial risks	Finance Department	Responsible for foreign exchange risk, interest rate risk, credit risk or liquidity risk which may cause losses to the Company.
Information security risk	Information Security Committee	Responsible for risks caused by improper security control, operation, and backup of information systems.
Hazard risk	Operations Department Maritech Department Occupational Safety & Health Department	Responsible for risks caused by natural disasters, global/regional financial crises, terrorist attack, or major communicable diseases which may cause losses to the Company.

### 7-7 Other important issues

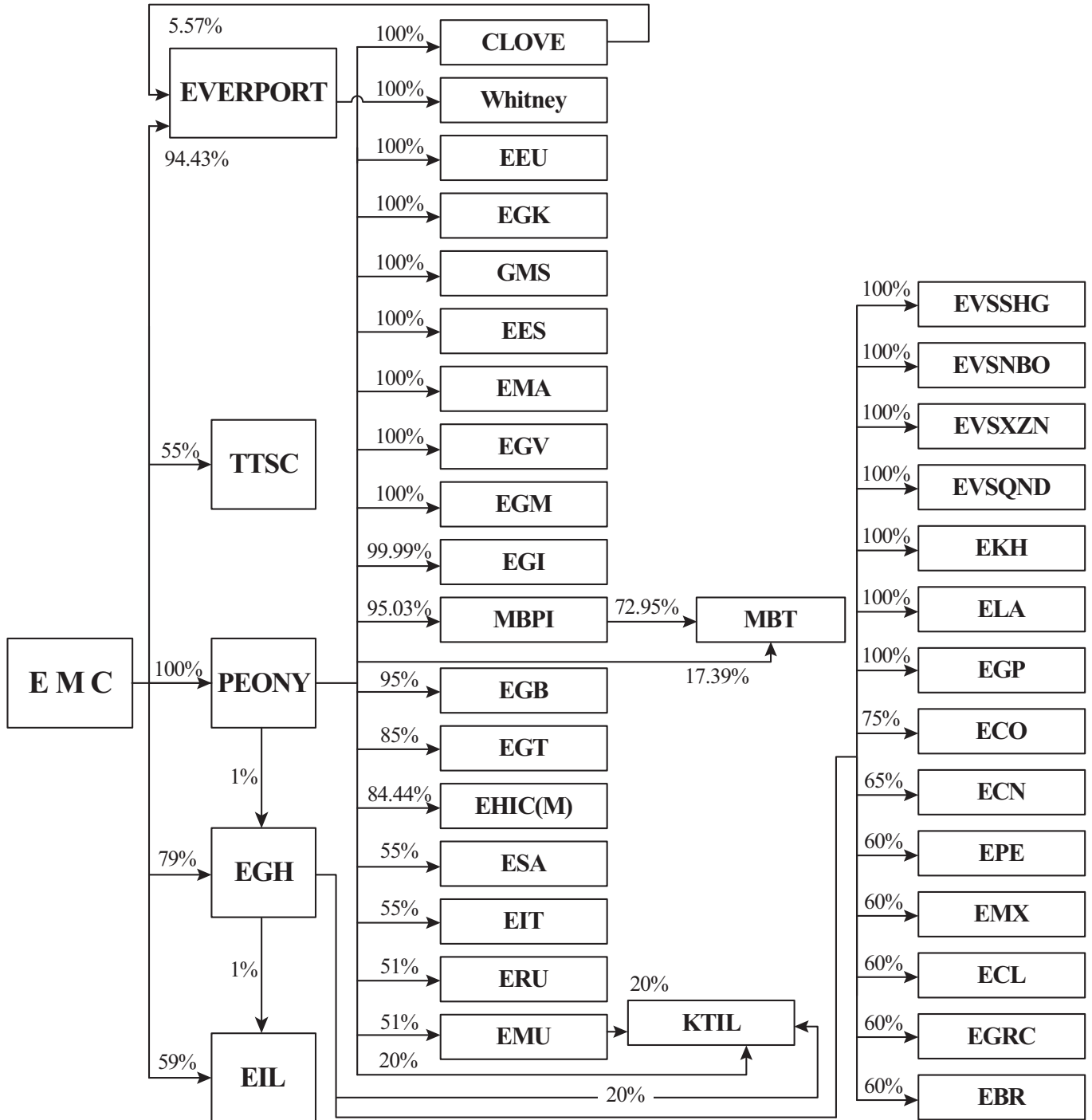
None.



8-1 Summary of Affiliated Companies

1. Subsidiaries business report

(1) EMC Subsidiaries Chart





EMC	: Evergreen Marine Corporation (TAIWAN) Ltd.
PEONY	: Peony Investment S.A.
EVERPORT	: Everport Terminal Services Inc.
EGH	: Evergreen Marine (Hong Kong) Ltd.
EIL	: Evergreen Shipping Agency (Israel) Ltd.
TTSC	: Taiwan Terminal Services Corp. LTD
CLOVE	: Clove Holding Ltd.
Whitney	: Whitney Equipment LLC.
EEU	: Evergreen Shipping Agency (Europe) GmbH
EGK	: Evergreen Shipping Agency (Korea) Corporation
GMS	: Greencompass Marine S.A.
EES	: Evergreen Shipping (Spain) S.L .
EMA	: Evergreen Shipping Agency (Australia) Pty. Ltd.
EGV	: Evergreen Shipping Agency (Vietnam) Corp.
EGM	: Evergreen Marine Co. (Malaysia) SDN. BHD.
EGI	: Evergreen Shipping Agency (India) Pvt. Ltd.
MBPI	: PT. Multi Bina Pura International
MBT	: PT. Multi Bina Transport
EGB	: Evergreen Argentina S.A.
EGT	: Evergreen Shipping Agency (Thailand) Co., Ltd.
EHIC (M)	: Evergreen Heavy Industrial Corp. (Malaysia) Berhad
ESA	: Evergreen Agency (South Africa) (Pty) Ltd.
EIT	: Evergreen Shipping Agency (Italy) S.p.A.
ERU	: Evergreen Shipping Agency (Russia) Ltd.
EMU	: Evergreen Marine (UK) Limited
KTIL	: Kingtrans Intl. Logistics (Tianjin) Co., Ltd.
EVSSHG	: Ever Shine (Shanghai) Enterprise Management Consulting Co., Ltd.
EVSNBO	: Ever Shine (Ningbo) Enterprise Management Consulting Co.,Ltd.
EVSXZN	: Ever Shine (Shenzhen) Enterprise Management Consulting Co., Ltd
EVSQND	: Ever Shine (Qingdao) Enterprise Management Consulting Co., Ltd.
EKH	: Evergreen Shipping Services (Cambodia) Co., Ltd.
ELA	: Evergreen Marine (Latin America), S. A.
EGP	: Evergreen Shipping Agency Philippines Corporation
ECO	: Evergreen Shipping Agency (Colombia) S.A.S.
ECN	: Evergreen Shipping Agency (China) Co., Ltd.
EPE	: Evergreen Shipping Agency (Peru) S.A.C.
EMX	: Evergreen Shipping Agency (Mexico) S.A. de C.V.
ECL	: Evergreen Shipping Agency (Chile) SPA.
EGRC	: Evergreen Shipping Agency (Greece) Anonimi Eteria
EBR	: Evergreen Shipping Agency (Brazil) S. A.

## (2) Basic information of Subsidiaries (As of DEC. 31, 2020)

				Expressed in thousands of local currency		
Company	Date Founded	Location	Capital	Main Business Activities		
Peony Investment S.A.	04/01/1993	2 <sup>nd</sup> Floor, Humboldt Tower, East 53rd Street, Marbella, Panama City, Rep. of Panama	USD 476,500	Investment holding company		
Everport Terminal Services Inc.	29/04/2011	1209 Orange Street in the City of Wilmington, County of New Castle.	USD 105.9	Terminal services		
Evergreen Marine (Hong Kong) Limited	31/10/1991	22-23/F., Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong.	HKD 8,000	Container shipping		
Evergreen Shipping Agency (Israel) Ltd.	24/06/2019	Habankim 8 street, HAIFA, 3326301	ILS 1,800	Shipping agency		
Taiwan Terminal Services Corp. Ltd.	27/12/1997	No. 6, Qijin 1 <sup>st</sup> Rd., Qijin Dist., Kaohsiung City 805, Taiwan (R.O.C.)	TWD 100,000	Cargo loading and discharging		
Clove Holding Ltd.	16/11/2000	Craigmuir Chambers, P. O. Box71, Road Town, Tortola, B. V. I.	USD 10	Investment holding company		
Whitney Equipment LLC.	15/03/2005	23868 HAWTHORNE BLVD., SUITE 200	USD 200	Equipment Leasing Company		
Evergreen Shipping Agency (Europe) GmbH	02/10/1986	Amsinckstrasse 55, 20097 Hamburg, Germany	EUR 61	Shipping agency		
Evergreen Shipping Agency (Korea) Corporation	01/01/2001	12F, 19, SAEMUNAN-RO 5-GIL, JONGNO-GU, SEOUL, REPUBLIC OF KOREA	KRW 606,000	Shipping agency		
Greencompass Marine S.A.	16/08/1993	2 <sup>nd</sup> Floor, Humboldt Tower, East 53rd Street, Marbella, Panama City, Rep. of Panama	USD 353,500	Container shipping		
Evergreen Shipping (Spain) S.L.	01/01/2007	Calle Siete Aguas, 11-entlo., Valencia 46023, Spain	EUR 600	Shipping agency		

Company	Date Founded	Location	Capital	Main Business Activities
Evergreen Shipping Agency (Australia) Pty. Ltd.	27/05/2002	SUITE 1101 , LEVEL 11, 77 PACIFIC HIGHWAY , NORTH SYDNEY , NEW SOUTH WALES 2060 , AUSTRALIA.	AUD 1	Shipping agency
Evergreen Shipping Agency (Vietnam) Company Limited	01/01/2003	561A, Dien Bien Phu St., Ward 25, Binh Thanh Dist., HCMC	USD 1,120	Shipping agency
Evergreen Marine Co. (Malaysia) SDN.BHD.	24/06/2000	NO.7, JALAN JURUTERA U1/23, SECTION U1, HICOM GLENMARIE INDUSTRIAL PARK, 40150 SHAH ALAM, SELANGOR DARUL EHSAN, MALAYSIA.	MYR 500	Shipping agency
Evergreen Shipping Agency (India) Pvt. Ltd.	19/01/2004	Marathon Nextgen Innova 'A' G-01, Opp. Peninsula Corporate Park, Off G. K. Marg, Lower Parel (W) , Mumbai - 400013, India	INR 1,000	Shipping agency
PT. Multi Bina Pura International	10/09/1992	Raya Cakung Cilincing Km 4, Underpass Rorotan Kirana, Jakarta Utara (14140)	RP 50,013,120	Cargo loading and discharging, inland transportation
PT. Multi Bina Transport	01/01/1994	Raya Cakung Cilincing Km 4, Underpass Rorotan Kirana, Jakarta Utara (14140)	RP 10,350,000	Repairs and cleaning of containers, inland transportation
Evergreen Argentina S.A.	31/10/1997	PJE. CARABELAS 344 (ZIP CODE:C1009AAD) BUENOS AIRES, ARGENTINA.	ARS 1,580	Leasing
Evergreen Shipping Agency (Thailand) Co., Ltd.	14/02/2001	Green Tower, 24-25th Floor, 3656/81 Rama 4 Road, Klongton, Klongtoey, Bangkok 1011	THB 40,000	Shipping agency
Evergreen Heavy Industrial Corp. (Malaysia) Berhad	06/06/1989	Lot 139, Jalan Cecair, Phase 2, Free Trade Zone, Johor Port Authority, 81700 Pasir Gudang, Johor, Malaysia	MYR 65,641	Container manufacturing
Evergreen Agency (South Africa) (Pty) Ltd.	01/04/2009	9B Riley Road, Bedfordview, Johannesburg 2007, South Africa	ZAR 10,000	Shipping agency
Evergreen Shipping Agency (Italy) S.p.A.	09/11/2005	Scali Cerere 9 - 57122 Livorno, Italy	EUR 2,000	Shipping agency

Company	Date Founded	Location	Capital	Main Business Activities
Evergreen Shipping Agency (Russia) Ltd.	01/09/2005	Business Centre Atrium, 3rd floor, office 316-B No. 1/25 litera A, Kazanskaya Street Saint-Petersburg, 191186 Russia	RUB 6,000	Shipping agency
Evergreen Marine (UK) Limited	30/04/2001	160 Euston Road, London NW1 2DX,U.K.	GBP 1,500	Container shipping
Kingtrans Intl. Logistics (Tianjin) Co., Ltd.	23/11/2006	NO.295, JI YUN EAST ROAD, TIANJIN PORT CONTAINER LOGISTICS CENTER,BINHAI NEW DISTRICT, TIANJIN, CHINA	USD 10,000	Loading, discharging, storage, repairs and cleaning of containers
Ever Shine (Shanghai) Enterprise Management Consulting Co., Ltd.	22/05/2007	Room 1205, Floor 12, No. 2, 1199 Alley, Minsheng Road, Pudongxin District, Shanghai City	USD 58,850	Management consultancy, self-owned property leasing
Ever Shine (Ningbo) Enterprise Management Consulting Co.,Ltd.	05/04/2016	32-6, No. 269, Ningdong Road, Yinzhou District, Ningbo City, China	RMB 43,000	Management consultancy, self-owned property leasing
Ever Shine (Shenzhen) Enterprise Management Consulting Co., Ltd.	27/03/2008	16F, GOLDEN CENTURY BUILDING, NO.6033 SHENNAN ROAD, FUTIAN DISTRICT, SHENZHEN	USD 8,800	Management consultancy, self-owned property leasing
Ever Shine (Qingdao) Enterprise Management Consulting Co., Ltd.	15/05/2008	NO.31 DONGHAI WEST ROAD, QINGDAO, CHINA	USD 7,300	Management consultancy, self-owned property leasing
Evergreen Shipping Agency (Cambodia) Co., Ltd.	18/10/2017	#292CD E2,street. Mao Tse Young (245) corner street. 205, Sangkat Tumnub Teuk, Khan Chamkarmorn, Phnom Penh, Cambodia.	USD 200	Shipping agency
Evergreen Marine (Latin America), S. A.	18/07/2012	EVERGREEN BUILDING 10TH FLOOR, 5TH B AVE AND 78 EAST STREET, SAN FRANCISCO,PANAMA CITY, PANAMA	USD 600	Management consultant
Evergreen Shipping Agency Philippines Corporation	05/02/1997	6/F Equitable Tower Condominium, 8751 Paseo De Roxas, Makati City, 1226	PHP 100,000	Shipping agency

Company	Date Founded	Location	Capital	Main Business Activities
Evergreen Shipping Agency (Colombia) S.A.S.	18/05/2018	Calle 97 AN° 9A - 50 Piso 4to, Bogota, Colombia	COP 106,668	Shipping agency
Evergreen Shipping Agency (China) Co., Ltd	31/01/2005	16F, GOLDEN CENTURY BUILDING, NO.6033 SHENNAN ROAD, FUTIAN DISTRICT, SHENZHEN	RMB 6,857	Shipping agency
Evergreen Shipping Agency (Peru) S.A.C.	23/08/2018	AV Javier Prado Este No. 480-488-492, Oficina 502 San Isidro, Lima, Peru Lima 27	PEN 1,500	Shipping agency
Evergreen Shipping Agency Mexico S.A. de C.V.	21/05/2018	AV. BENJAMIN FRANKLIN, 204, PISO 1, ESCANDON, MIGUEL HIDALGO, 11800, CIUDAD DE MEXICO, MEXICO	MXN 7,400	Shipping agency
Evergreen Shipping Agency (Chile) Spa	01/10/2018	Avenida Américo Vespucio Sur 100, Piso 8, Las Condes, Santiago, Chile	CLP 350,000	Shipping agency
Evergreen Shipping Agency (Greece) Anonimi Eteria	13/02/2019	3, K. Paleologou Str, GR 18535 Piraeus, Greece	EUR 400	Shipping agency
Evergreen Shipping Agency (Brazil) S. A.	21/01/2020	Rua Augusto Severo , no 07- 1 andar- Centro CEP:11010919 – Santos – SP - Brazil	BRL 2,000	Shipping agency

Note : The middle rate and annual average rate on December 31 2021.

USD : TWD=1:28.0960	1:29.4311	IDR : TWD=1:0.0020	1:0.0020	RMB : TWD=1:4.3070	1:4.2657
MYR : TWD=1:6.9743	1:7.0012	GBP : TWD=1:38.3354	1:37.7419	EUR : TWD=1:34.4779	1:33.6163
KRW : TWD=1:0.0258	1:0.0250	INR : TWD=1:0.3839	1:0.3969	ARS : TWD=1:0.3339	1:0.4157
AUD : TWD=1:21.6389	1:20.2749	RUB : TWD=1:0.3781	1:0.4062	SGD : TWD=1:21.2526	1:21.3331
THB : TWD=1:0.9381	1:0.9407	VND : TWD=1:0.0012	1:0.0013	ZAR : TWD=1:1.9224	1:1.7859
PLN : TWD=1:7.5563	1:7.5555	CHF : TWD=1:31.8766	1:31.3764	ILS : TWD=1:8.7335	1:8.5584
PEN : TWD=1:7.7613	1:8.4144	COP : TWD=1:0.0082	1:0.0080	MXN : TWD=1:1.4132	1:1.3677
CLP : TWD=1:0.0395	1:0.0372	HKD : TWD=1:3.6240	1:3.7947	BRL : TWD=1:5.4093	1:5.5483
PHP : TWD=1:0.5851	1:0.6057				

**(3) The EMC's shareholders representing both the holding company and subordinates:** None.

**(4) The affiliates scope of labor and division of labor**

Among the overall affiliated companies are mostly in transportation service industry. These affiliated companies aims at increasing overall revenue through working in the worldwide transportation network. The companies operates supporting services to maximize performance and provide global customers with the best service.

**(5) The Directors, Supervisors and President of Subsidiaries (As of Dec. 31, 2020)**

Expressed in local currency

Country	Company	Director	President and Supervisor	Capital
United States	Whitney Equipment LLC.	Ko, Lee-Ching Wu, Kuang-Hui Kuo, Feng-Yi	President: Ko, Lee-Ching	USD 200,000
	Everport Terminal Services Inc.	Chang, Yen-I Hsieh, Huey-Chuan Wang, Jiing-Huei	President: George Lang	USD 105,900
British Virgin Islands	Clove Holding Ltd.	Chang, Cheng-Yung Ko, Lee-Ching		USD 10,000
China	Kingtrans Intl. Logistics (Tianjin) Co., Ltd.	Chang, Cheng-Yung Lian, Chung-Te Yu, Ming-Jiang Chao, Chien-Hsin Tsai, Chih-Ho	President: Lin, Chao-Liang Supervisor: Chang, Shin-Yie	USD 10,000,000
	Ever Shine (Ningbo) Enterprise Management Consulting Co., Ltd.	Chang, Yen-I Hsieh, Huey-Chuan Chang, Shin-Yie	President: Hsieh, Huey-Chuan Supervisor: Ko, Lee-Ching	RMB 43,000,000
	Ever Shine (Shanghai) Enterprise Management Consulting Co., Ltd.	Chang, Cheng-Yung Hsieh, Huey-Chuan Lin, Yuan-Cheng	President: Hsieh, Huey-Chuan Supervisor: Ko, Lee-Ching	USD 58,850,000
	Ever Shine (Shenzhen) Enterprise Management Consulting Co., Ltd.	Chang, Cheng-Yung Hsieh, Huey-Chuan Chang, Shin-Yie	President: Hsieh, Huey-Chuan Supervisor: Ko, Lee-Ching	USD 8,800,000
	Ever Shine (Qingdao) Enterprise Management Consulting Co., Ltd.	Chang, Yen-I Hsieh, Huey-Chuan Chang, Shin-Yie	President: Hsieh, Huey-Chuan Supervisor: Ko, Lee-Ching	USD 7,300,000

Country	Company	Director	President and Supervisor	Capital
China	Evergreen Shipping Agency (China) Co., Ltd.	Chang, Shin-Yie Chao, Shien-Hsin Liu, Jeng-Chung Huang, Jian Han, Yu-Sen	President: Chang, Shin-Yie Supervisor: Wu, Kuang-Hui	RMB 6,857,143
Indonesia	PT. Multi Bina Pura International	Chang, Cheng-Yung Hsieh, Huey-Chuan Wu, Mao-Lin Chan, Cheng-Chi Ossin Dicky Widjaja	President: Wu, Mao-Lin Supervisor: Wu, Kuang-Hui, Gunadi Widjaja	IDR 50,013,120,000
	PT. Multi Bina Transport	Chang, Cheng-Yung Hsieh, Huey-Chuan Wu, Mao-Lin Chan, Cheng-Chi Ossin Dicky Widjaja	President: Wu, Mao-Lin Supervisor: Gunadi Widjaja	IDR 10,350,000,000
Malaysia	Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Chang, Cheng-Yung Wu, Kuang-Hui Wang, Kuo-Chin Lee, Ting-Ming Dato' Dr. Kenny Ong Kean Lee	President: Lee, Ting-Ming Supervisor: Tan Meng Huat	MYR 65,640,550
	Evergreen Marine Corp. (Malaysia) SDN. BHD.	Chang, Cheng-Yung Yen, Chia-Cheng Lin, Hung-Yu	President: Yen, Chia-Cheng	MYR 500,000
Panama	Peony Investment S.A.	Chang, Kuo-Hua Chang, Cheng-Yung Wu, Kuang-Hui	President: Chang, Kuo-Hua	USD 476,500,000
	Greencompass Marine S.A.	Chang, Yen-I Hsieh, Huey-Chuan Ko, Lee-Ching	President: Chang, Yen-I	USD 353,500,000
United Kingdom	Evergreen Marine (UK) Limited	Chang, Kuo-Cheng Tsai, Chih-Ho Maurice Storey	President: Tsai, Chih-Ho	GBP 1,500,000
Germany	Evergreen Shipping Agency (Europe) GmbH	Chang, Cheng-Yung Hsieh, Huey-Chuan	President: Huang, Sheng-Peng	EUR 61,335.03

Country	Company	Director	President and Supervisor	Capital
South Korea	Evergreen Shipping Agency (Korea) Corporation	Chang, Yen-I Hsieh, Huey-Chuan Wu, Yaw-Hwang	President: Wu, Yaw-Hwang Supervisor: Wu, Kuang-Hui	KRW 606,000,000
India	Evergreen Shipping Agency (India) Pvt. Ltd.	Chang, Cheng-Yung Chuang, Chao-Wei Lin, Hsin-Tsung	President: Chuang, Chao-Wei	INR 1,000,000
Argentina	Evergreen Argentina S.A.	Tsai, Chi-Sheng Alternate Director: Cheng, Ming-Feng	President: Tsai, Chi-Sheng	ARS 1,580,000
Spain	Evergreen Shipping (Spain) S.L.	Chang, Cheng-Yung Hsieh, Huey-Chuan Ko, Ching-Lin	President: Ko, Ching-Lin	EUR 600,000
Italy	Evergreen Shipping Agency (Italy) S.P.A.	Chang, Yen-I Hsieh, Huey-Chuan Cheng, Chi-Yi Alessandro Andreani Antonio Maneschi	President: Cheng, Chi-Yi	EUR 2,000,000
Australia	Evergreen Shipping Agency (Australia) Pty. Ltd.	Chang, Yen-I Hsieh, Huey-Chuan Hung, Tsu-Li	President: Hung, Tsu-Li	AUD 1,000
Russia	Evergreen Shipping Agency (Russia) Ltd.	Chang, Yen-I Hsieh, Huey-Chuan Liu, Day-Tzong Komarov Alexander Ivanovitch Laitinen Jouni Olli-Pekka	President: Liu, Day-Tzong	RUB 6,000,000
Thailand	Evergreen Shipping Agency (Thailand) Co., Ltd.	Chang, Cheng-Yung Tsai, Wen-Jung Mr. Nivat Changariyavong	President: Tsai, Wen-Jung	THB 40,000,000
South Africa	Evergreen Agency (South Africa) (Pty) Ltd.	Chang, Cheng-Yung Hsieh, Huey-Chuan Tsai, Ming-Feng Wu, Kuang-Hui Chen, Chih-Yi Chen, Lee-Chun Moegamat Zain Davids	President: Tsai, Ming-Feng	ZAR 10,000,000
Taiwan	Taiwan Terminal Services Corp. Ltd.	Kuo, Feng-Yi Chen, Yih-Jong	President: Huang, Ming-Ling Supervisor: Wu, Kuang-Hui	TWD 100,000,000



Country	Company	Director	President and Supervisor	Capital
Vietnam	Evergreen Shipping Agency (Vietnam) Corp.	Chang, Cheng-Yung Hsieh, Huey-Chuan Lin, Chien-Nan	President: Lin, Chien-Nan	USD 1,120,000
Hong Kong	Evergreen Marine (Hong Kong) Ltd.	Chang, Kuo-Hua Chang, Kuo-Cheng Chang, Shin-Yie Wu, Kuang-Hui Chao, Chien-Hsin	President: Chang, Shin-Yie	HKD 8,000,000
Chile	Evergreen Shipping Agency (Chile) Spa	Chang, Yen-I (Alternate Director: Yang, Chin-Chung) Hsieh, Huey-Chuan (Alternate Director: Wu, Chung-En) Pedro Pablo Rioja Garrido-Lecca (Alternate Director: Pamela Álvarez Castillo)	President: Yang, Chin-Chung	CLP 350,000,000
Colombia	Evergreen Shipping Agency (Colombia) S.A.S.	Chang, Cheng-Yung Hsieh, Huey-Chuan Huang, Pao-Jen Carlos Leano	President: Huang, Pao-Jen	CAPITAL-COP 106,668,000 PREMIUM-COP 1,333,332,000
Mexico	Evergreen Shipping Agency Mexico, S.A. de C.V.	Chang, Yen-I (Alternate Director: Yang, Lii-Yueh) Hsieh, Huey-Chuan (Alternate Director: Wang, Wen-Tai) Jesus Cutberto Parra Mendoza (Alternate Director: Otoniel Cutberto Parra Nicolín)	President: Yang, Lii-Yueh Supervisor: Isaac Martinez Cortina	MXN Peso 7,400,000
Peru	Evergreen Shipping Agency (Peru) S.A.C.	Chang, Cheng-Yung (Alternate Director: Lin, Ching-Yi) Hsieh, Huey-Chuan (Alternate Director: Liang, Kai-Wei) Moises Jose Woll Aste	President: Lin, Ching-Yi	PEN 1,500,000

Country	Company	Director	President and Supervisor	Capital
Cambodia	Evergreen Shipping Services (Cambodia) Co., Ltd.	Chang, Cheng-Yung Hsieh, Huey-Chuan Chi, Ping-Ze		KHR 800,000,000
Greece	Evergreen Shipping Agency (Greece) Anonimi Eteria	Chang, Cheng-Yung Hsieh, Huey-Chuan Chen-Jui Chen Constantinos Mouskos Georgios Ioannidis	President: Chen-Jui Chen	EUR 400,000
Israel	Evergreen Shipping Agency (Israel) Ltd.	Chang, Yen-I Hsieh, Huey-Chuan Huang, Teng-Wei Jacob Ben Shushan Ohad Vered	President: Huang, Teng-Wei	ILS 1,800,000
Latin America	Evergreen Marine (Latin America), S. A.	Chang, Yen-I Hsieh, Huey-Chuan	President: Lo, Yu-Ling	USD 600,000
Brazil	Evergreen Shipping Agency (Brazil) S. A.	Chang, Cheng-Yung Tseng, Yen-Hsun	President: Tseng, Yen-Hsun	BRL 2,000,000
Philippines	Evergreen Shipping Agency Philippines Corporation	Chang, Hsueh-Chih Chang, Cheng-Yung Lin, Yu-Cheng Hsieh, Huey-Chuan Maria Antonia Oliva I.Lacsamana	President: Chang, Hsueh-Chih	PHP 100,000,000

**(6) The Operating Overviews of Subsidiaries**

Unit: NT\$ thousands, except EPS (NT\$)  
As of 12/31/2020

Company	Capital	Total Assets	Total Liabilities	Total Equity	Operating Revenue	Operating Income (Loss)	Net Income (Loss)	Basic Earning (Loss) Per Share
Peony Investment S. A.	13,387,744	39,344,384	6,416	39,337,969	15,346,568	15,209,212	15,278,513	3,206
Everport Terminal Services Inc.	2,975	13,017,677	10,592,111	2,425,566	12,172,512	1,420,156	615,046	580,780
Evergreen Marine (Hong Kong) Ltd.	28,992	54,455,369	43,182,043	11,273,326	38,812,774	7,987,069	6,859,680	857
Evergreen Shipping Agency (Israel) Ltd.	15,720	264,264	225,013	39,251	102,107	45,466	34,665	19
Taiwan Terminal Services Corp. Ltd.	100,000	382,609	261,209	121,400	876,341	38,510	32,046	3
Clove Holding Ltd.	281	2,792,907	211,027	2,581,880	34,266	33,482	28,518	2,852
Whitney Equipment LLC.	5,619	487,841	258,997	228,844	166,852	43,119	23,953	-
Evergreen Shipping Agency (Europe) GmbH	2,115	3,141,185	2,995,780	145,405	1,375,510	34,733	26,396	-
Evergreen Shipping Agency (Korea) Corporation	15,665	580,148	515,703	64,445	170,895	41,909	31,610	261
Greencompass Marine S.A.	9,931,936	86,840,792	63,671,737	23,169,055	84,147,128	11,800,665	10,758,643	3,043
Evergreen Shipping (Spain) S.L.	20,687	722,684	445,063	277,621	494,062	167,652	127,803	21,300
Evergreen Shipping Agency (Australia) Pty Ltd.	22	275,276	174,599	100,677	226,771	123,022	88,228	88,228

Company	Capital	Total Assets	Total Liabilities	Total Equity	Operating Revenue	Operating Income (Loss)	Net Income (Loss)	Basic Earning (Loss) Per Share
Evergreen Shipping Agency (Vietnam) Corp.	34,444	1,202,942	600,712	602,230	503,571	334,669	287,289	-
Evergreen Marine Corp. (Malaysia) SDN. BHD.	3,487	1,347,529	726,406	621,123	630,128	367,959	292,582	585
Evergreen Shipping Agency (India) Pvt. Ltd.	384	525,652	322,901	202,751	192,695	77,588	58,862	589
PT. Multi Bina Pura International	100,026	613,018	50,895	562,123	215,072	27,640	35,425	1,905
PT. Multi Bina Transport	20,697	103,165	26,672	76,493	56,340	(5,577)	(3,347)	(323)
Evergreen Argentina S.A.	528	44,493	10,904	33,590	2,184	(217)	(2,977)	(19)
Evergreen Shipping Agency (Thailand) Co., Ltd.	37,524	773,073	653,350	119,723	302,572	90,778	74,504	93
Evergreen Heavy Industrial Corp. (Malaysia) Berhad	457,797	1,337,824	248,613	1,089,211	1,314,358	(15,769)	11,299	0
Evergreen Agency (South Africa) (Pty) Ltd.	19,224	218,038	118,860	99,178	125,170	10,128	16,351	2
Evergreen Shipping Agency (Italy) S.p.A.	68,956	277,884	125,558	152,325	257,506	27,608	17,602	17,602
Evergreen Shipping Agency (Russia) Ltd.	2,269	107,166	55,314	51,852	164,256	120,778	97,796	0
Evergreen Marine (UK) Limited	58,356	49,087,930	42,169,886	6,918,044	41,748,063	6,837,473	5,726,299	3,818
Kingtrans International Logistics (Tianjin) Co., Ltd.	307,535	491,134	36,235	454,899	202,378	65,158	50,582	0

Company	Capital	Total Assets	Total Liabilities	Total Equity	Operating Revenue	Operating Income (Loss)	Net Income (Loss)	Basic Earning (Loss) Per Share
Ever Shine (Shanghai) Enterprise Management Consulting Co., Ltd	1,809,843	1,798,510	22,785	1,775,725	167,921	31,148	24,858	-
Ever Shine (Ningbo) Enterprise Management Consulting Co., Ltd	185,202	231,243	45,838	185,404	13,285	2,683	140	-
Ever Shine (Shenzhen) Enterprise Management Consulting Co., Ltd.	270,631	310,607	46,670	263,937	23,952	7,084	3,333	-
Ever Shine (Qingdao) Enterprise Management Consulting Co., Ltd.	224,501	244,717	27,810	216,907	17,185	6,640	3,893	-
Evergreen Shipping Service (Cambodia) Co., Ltd.	6,122	69,145	23,773	45,371	148,134	63,937	41,641	139
Evergreen Marine (Latin America), S.A.	16,858	29,898	11,855	18,043	0	35,455	1,241	2
Evergreen Shipping Agency Philippines Corporation	58,509	935,805	831,904	103,902	90,930	46,410	48,315	3
Evergreen Shipping Agency (Colombia) S.A.S.	876	175,230	94,962	80,269	185,659	97,641	66,396	622
Evergreen Shipping Agency (China) Co., LTD.	29,534	1,447,086	1,347,857	99,229	20,483,226	63,363	46,236	-
Evergreen Shipping Agency (Peru) S.A.C.	11,642	204,250	90,290	113,960	251,764	149,558	108,403	72

Company	Capital	Total Assets	Total Liabilities	Total Equity	Operating Revenue	Operating Income (Loss)	Net Income (Loss)	Basic Earning (Loss) Per Share
Evergreen Shipping Agency (Mexico) S.A. DE C.V.	10,458	184,622	118,964	65,658	159,393	70,168	51,397	695
Evergreen Shipping Agency (Chile) Spa	13,840	261,721	185,800	75,921	178,654	68,805	51,278	20,511
Evergreen Shipping Agency (Greece) Anonimi Eteria	13,791	279,148	209,260	69,889	390,392	55,882	39,084	9,771
Evergreen Shipping Agency (Brazil) Ltd.	10,819	79,139	58,806	20,332	26,506	9,425	9,758	5

Note : The middle rate and annual average rate on December 31 2021.

Financial Position	Income	Financial Position	Income
USD : TWD=1:28.0960	1:29.4311	IDR : TWD=1:0.0020	1:0.0020
MYR : TWD=1:6.9743	1:7.0012	GBP : TWD=1:38.3354	1:37.7419
KRW : TWD=1:0.0258	1:0.0250	INR : TWD=1:0.3839	1:0.3969
AUD : TWD=1:21.6389	1:20.2749	RUB : TWD=1:0.3781	1:0.4062
THB : TWD=1:0.9381	1:0.9407	VND : TWD=1:0.0012	1:0.0013
PLN : TWD=1:7.5563	1:7.5555	CHF : TWD=1:31.8766	1:31.3764
PEN : TWD=1:7.7613	1:8.4144	COP : TWD=1:0.0082	1:0.0080
CLP : TWD=1:0.0395	1:0.0372	HKD : TWD=1:3.6240	1:3.7947
PHP : TWD=1:0.5851	1:0.6057		
		Financial Position	Income
		RMB : TWD=1:4.3070	1:4.2657
		EUR : TWD=1:34.4779	1:33.6163
		ARS : TWD=1:0.3339	1:0.4157
		SGD : TWD=1:21.2526	1:21.3331
		ZAR : TWD=1:1.9224	1:1.7859
		ILS : TWD=1:8.7335	1:8.5584
		MXN : TWD=1:1.4132	1:1.3677
		BRL : TWD=1:5.4093	1:5.5483

## 2. Consolidated Financial Statement of Subsidiaries

### REPRESENTATION LETTER

In connection with the Consolidated Financial Statements of Affiliated Enterprises of EVERGREEN MARINE CORPORATION (TAIWAN) LTD. (the “Consolidated FS of the Affiliates”), we represent to you that, the entities required to be included in the Consolidated FS of the Affiliates as of and for the year ended December 31, 2020 in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those required to be included in the Consolidated Financial Statements of EVERGREEN MARINE CORPORATION (TAIWAN) LTD. and its subsidiaries (the “Consolidated FS of the Group”) in accordance with International Financial Reporting Standard 10, as well as that, the information required to be disclosed in the Consolidated FS of Affiliates is disclosed in the Consolidated FS of the Group. Consequently, EVERGREEN MARINE CORPORATION (TAIWAN) LTD. does not prepare a separate set of Consolidated FS of Affiliates.

Very truly yours,

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.

By

YEN-I CHANG,

Chairman

March 22, 2021

**3. Affiliated Companies Report:** None.**8-2 Securities issuance through private placement:**

None.

**8-3 Holdings and sale of shares by subsidiaries:**

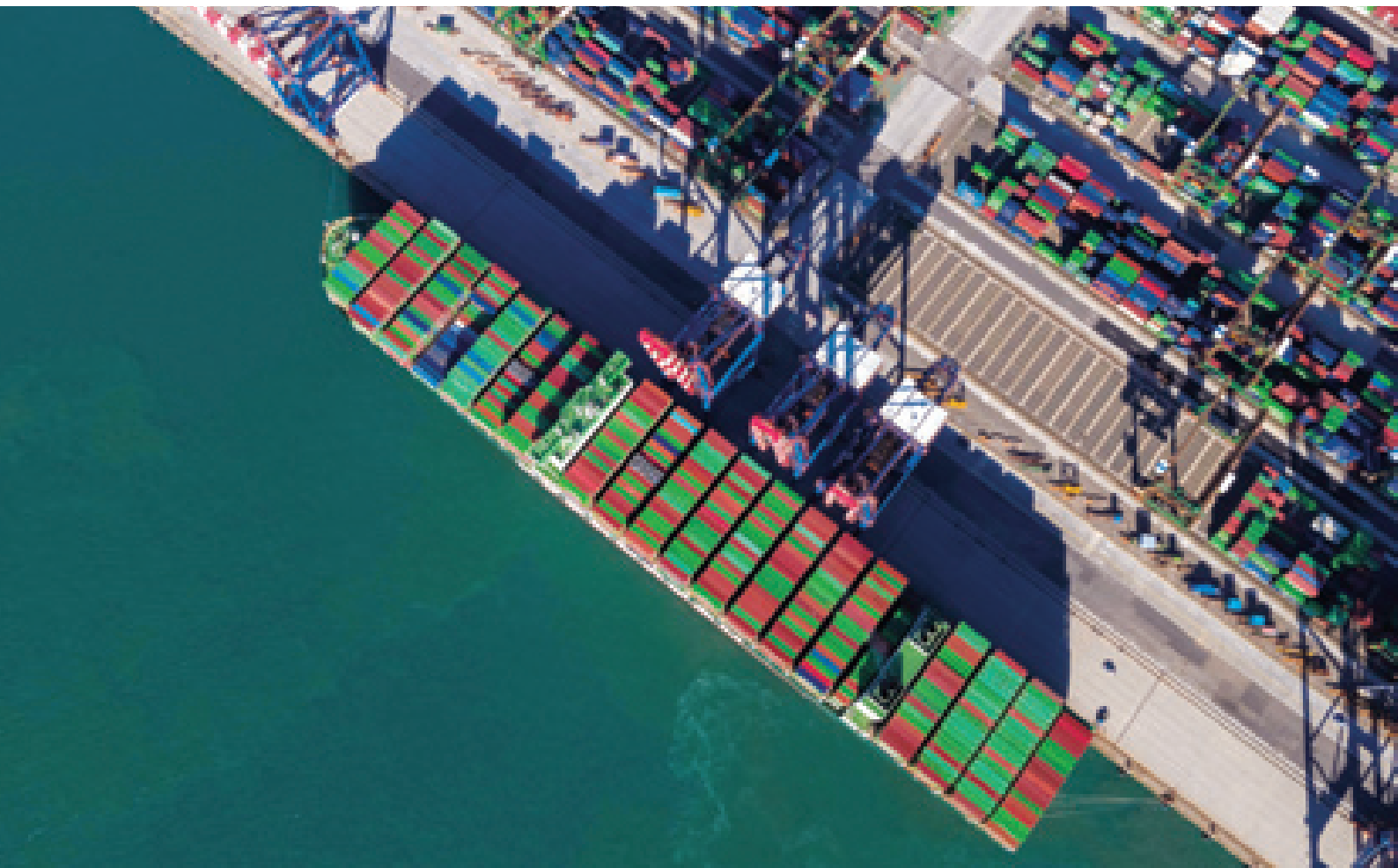
None.

**8-4 Other necessary supplementary information:**

None.

**8-5 Any events in 2020 and as of the date of this annual report had significant impacts on shareholders' right or security prices as stated in item 3 paragraph 2 of Article 36:**

None.







長 榮 海 運 股 份 有 限 公 司  
EVERGREEN MARINE CORP. (TAIWAN) LTD.