

2022 ANNUAL REPORT

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

111年度年報

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VICE-SPOKESPERSON

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01 Letter to Shareholders

Chapter

Dear Shareholders,

The global economy faced many challenges in 2022. The ongoing epidemic has disrupted the supply chain, China's policy of Zero-COVID has dragged down economic recovery, the Russia-Ukraine war and the energy crisis triggered by the war have not only worsened global inflation, but also highlighted the fragility of the supply chain and the safety of industrial chain. Also the geopolitical tensions that could jeopardize the current global model of precision industry, have bring more uncertain risks to global trade and economic prospects.

According to the World Economic Outlook report released by the International Monetary Fund (IMF) in January 2023, the global economy fight against severe challenges in 2022 due to the impact of the Russia-Ukraine war, inflationary pressure and the continue epidemic. Although the global economic growth rate is expected to remain at 3.4%, as the economic growth continues to stagnate in three major economies: United States, European Union and China. And most countries in the world are facing huge risks in monetary, fiscal and financial policy, the global economic outlook is turbulent.

For the shipping industry, 2022 was a year of full of challenges and opportunities. Affected by the epidemic, terminals and ports congestion, the effective market capacity reduction, coupled with difficulties in intermodal logistics operations, the shipping industry is facing shortage in manpower, shipping capacity and container equipment. However, we are running with a sustainable operation, continue to expand the fleet capacity, timely adjust the shipping route and capacity, optimize logistics support, and strengthen the fleet's epidemic prevention and safety operations in navigation that further improved our revenue performance in 2022.

Due to geopolitical tensions, the relationship between the United States and China has escalated from the trade war to technological war and financial war. In order to reduce industrial and national security risks, European and American countries have re-examined their industrial policies and tried to transfer production to other regions to reduce their dependence on China, especially after the Russo-Ukraine War. In addition to the original low unit price and low-cost industries being transferred to Southeast Asia and India, the high-tech semiconductor industry has also begun to transfer. Countries re-evaluate their food and energy policies, showing that the industry chain will also change in the near future.

Three years after the outbreak of the COVID-19, a new crisis has followed. The energy crisis, economic sanctions, financial risks, and technological restrictions caused by the gambling of powerful countries have added more unrest and uncertain to the recovery of the global economy. In 2022, the spillover effect of the epidemic and war had a deep impact in the shipping market, many shipping issues and supply chain challenges, such as new energy fleets, environmental protection and carbon emission regulations, shipping digitization, and requirements for ESG issues, these all will make the shipping industry enter into another new shipping era.

Looking into the future, the global shipping carriers will still face a highly uncertain operating environment. In addition to continuing to closely observe requirements of the relevant and potential changes in the market, we will also prepare for various projects to meet the challenges of the new shipping era.



I. 2022 Business Report

1. Container Shipping Market Overview

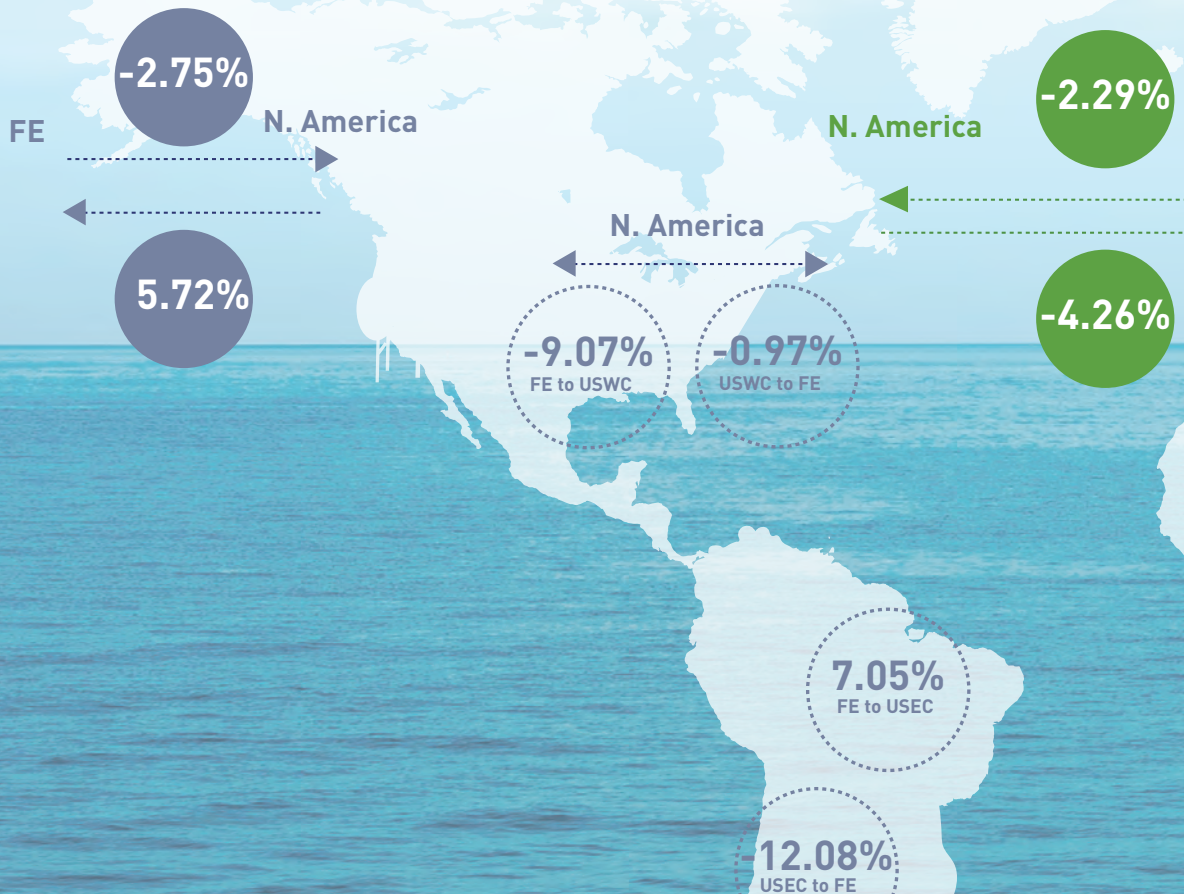
(1) Cargo volume Growth

According to the latest statistical analysis reports from Datamyne and Container Trades Statistics (CTS), the cargo volume of the world's main routes decreased by about 5.95% in 2022, among which the cargo volume from the Far East to North America decreased by 2.75% (the US West Coast decreased by 9.07% and the US East Coast increased by 7.05%); North America to the Far East decreased by 5.72% (the US West Coast decreased by 0.97% and the US East Coast decreased by 12.08%); the Far East to Europe decreased by 10.20% and to the Mediterranean region decreased by 9.04%; Europe to the Far East decreased by 11.76% and the Mediterranean region to the Far East decreased by 17.23%. In the routes between Europe and North America segments, Europe to North America decreased by 2.29% and North America to Europe decreased by 4.26%.

(2) Capacity Supply

According to Alphaliner, published in March 2023, the capacity of total global container fleet increased by 4.1% in 2022 (about 26 million TEU).

A total of 185 ships were newly delivered in 2022, the capacity increased by 1.02million TEU. The new ship orders of 18 thousand TEU and above stand at 68 units and 10 thousand–18 thousand TEU at 257 units. There are 325 large ships in total with a size of 10 thousand TEU and above, and total capacity is at 5.39 million TEU, accounting for 70% of the order-yet-undelivered global total capacity. At the end of 2022, there were 93 idle capacity in the shipping market, totaling 0.58 million TEU, accounting for 2.2% of the total global shipping capacity. This is compared with 0.15 million TEU, 48 vessels, at the end of 2021, accounting for 0.6% of the total global capacity at the time. There



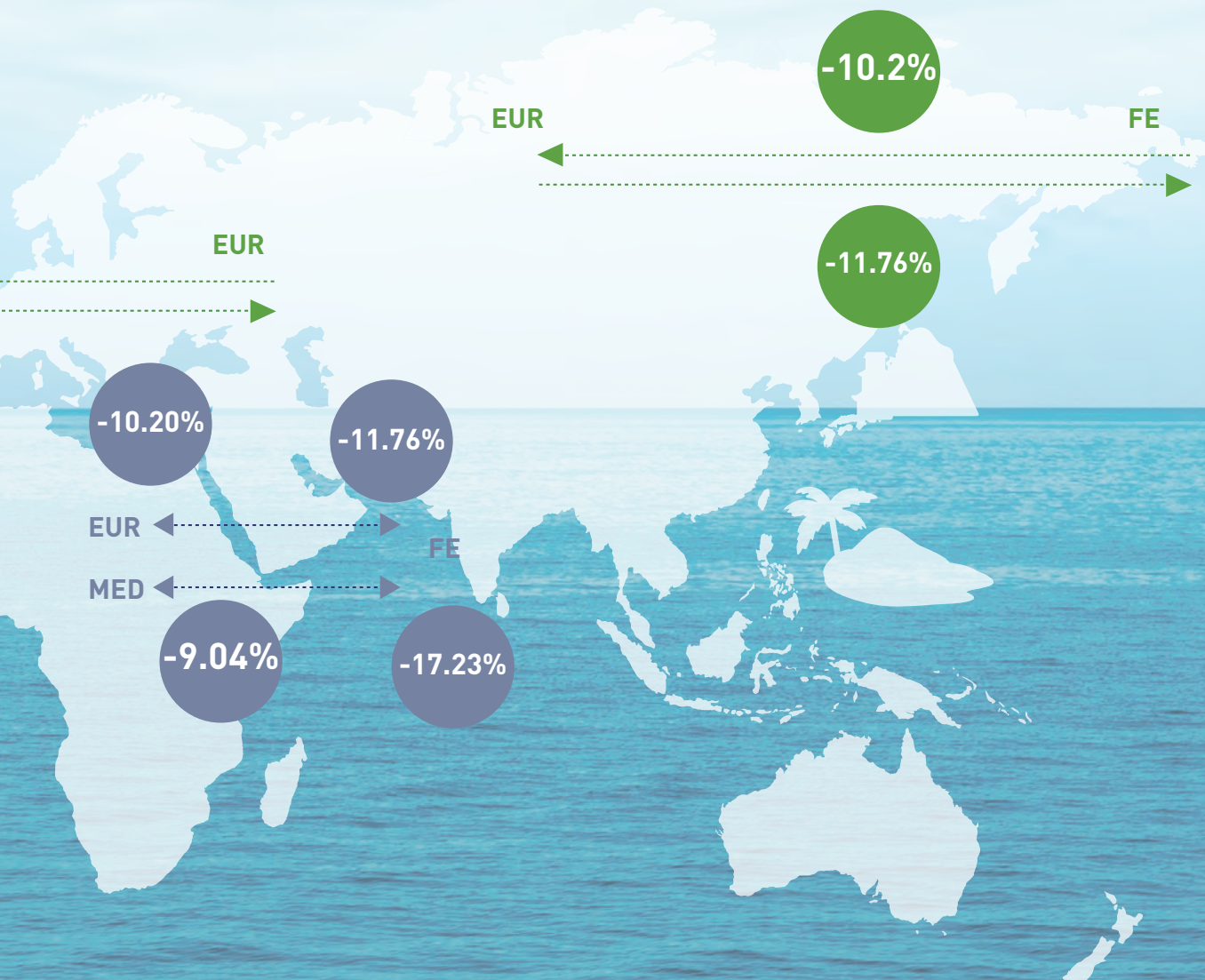
were more than 153 ships of 18 thousand TEU in 2022, accounting for 12.3% of the global total, 353 ships of 12.5 thousand–18 thousand TEU, accounting for 19.4% of the global total, and 206 ships of 10 thousand–12.5 thousand TEU, accounting for 8.7% of the global total. The total number of 712 ships of 10 thousand TEU and above, accounting for 40.5% of the total global capacity.

(3) Freight Market Status

Affected by the epidemic, the major ports around the world are suffered shortage of labor force and container equipment, poor terminal operation efficiency, port congestion, and global supply chain disruption, the zero-COVID policy has deeply affected the global economic recovery and the energy crisis and inflation pressure caused by the Russia-Ukraine War have seriously damaged the normal operation of the global industry chain and logistics supply chain, the growth of global cargo volume is limited. According to Alphaliner’s statistics, the global cargo volume increased by 0.1% in 2022, far lower than the 6.7% increase in 2021.

The growth of global cargo volume is limited, but the port congestion, seriously blank sailing, ports skipping, and the effective market capacity reduction caused by the epidemic, under the substantial increase pressure of supply chain disruption risk, shippers plan to fulfill their inventory in advance, which resulting in continuous market demand. Therefore, the market freight rate in the first three quarters continued to be at a high level.

Alphaliner’s information shows that the average profit level of the industry’s airlines in the 1st quarter was 57.4% (38.6% in the same period of 2021), 56.3% in the 2nd quarter (44.8% in the same period of 2021), 51.9% in the 3rd quarter (55.6% in the same period of 2021), and 33.3% in the 4th quarter (55.4% for the same period in 2021).



2. Company Operational Strategy

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



3. Results vs. Projections

In 2022, estimated total consolidated operating income was TWD 478.76 billion and actual consolidated operating income was TWD 627.28 billion, with an achievement rate of 131%.

4. Annual Accounts & Profitability Analysis

(1) Annual Accounts

In 2022, actual consolidated operating income totaled TWD 627.28 billion, an increase of TWD 137.87 billion compared to TWD 489.41 billion in 2021.

In 2022, actual consolidated operating costs were TWD 228.84 billion, an increase of TWD 41.43 billion compared to TWD 187.41 billion in 2021.

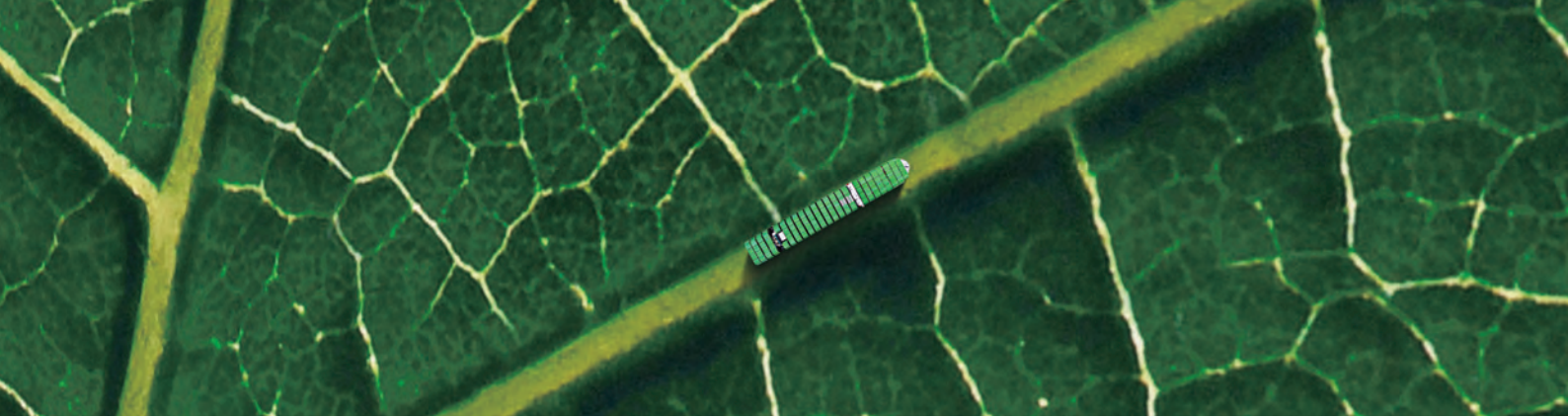
(2) Profitability Analysis

ROA: 46.55%

ROE: 73.66%

Net Profit Margin: 55.19%

EPS: TWD 87.07 per share



5. Research & Development



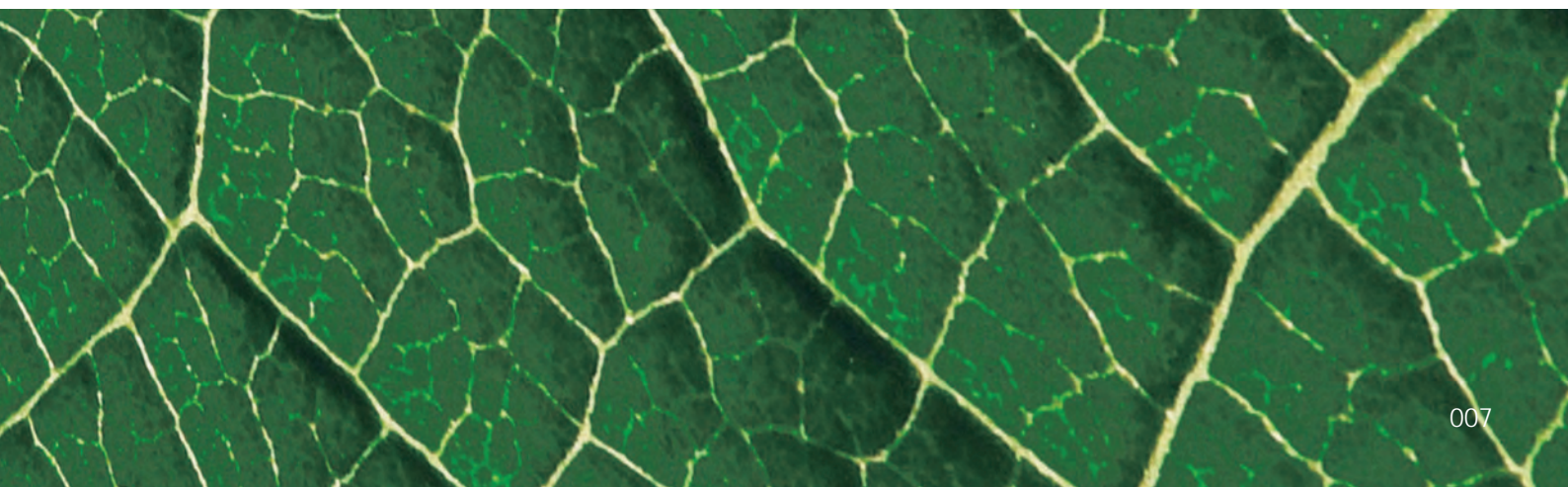
(1) Green Fleet

Evergreen Marine have tried explore every possibility to apply new energy sources for the fleet in terms of regulations and equipment in order to meet the CO₂ reduction requirements of IMO2030 and 2050. It also continued to discuss future energy cooperation plans with various alternative energy suppliers, and signed MOUs to achieve The goal for new energy supply, and it focuses on fundamentally reducing the generation of nitrogen oxides and sulfur oxides, coupled with back-end treatment, to minimize the overall pollutant discharge and achieve the best balance between economy and environmental protection; On the basis of new technologies, shipyards can also use data and hydrodynamic analysis before design to optimize ship lines and further reduce fuel consumption; research and development of new equipment, such as air lubrication systems, can further reduce energy consumption during navigation.

It has always been the principle and goal of the company to provide customers with high-quality services of environmental protection and energy saving, and to deliver the goods to the destination port safely and on time. The new ship types ordered apply advanced ship technology, develop optimized ship types, and achieve the best ship loading efficiency and energy-saving goals. With the environmental protection design of various leading international regulations and conventions, it responds to and supports the international prevention of marine oil pollution, air pollution and climate change, ballast water treatment and other issues.

In the latest new ship construction plan, the new ship adopts the best ship shape design, improves the propulsion efficiency of the main engine, reduces fuel consumption, optimizes the ship shape and sword bow, and configures a hybrid type SOx scrubber. The introduction will result in a significant reduction in carbon emissions per unit shipped. In terms of ship safety and route planning, Evergreen Marine and the shipyard have cooperated to develop an intelligent system to avoid marine pollution caused by navigation safety. The ship intelligent system provides suggestions on optimal route, improves fuel efficiency, and further achieves the goal of reducing emissions and carbon emissions.

Evergreen Marine has also obtained ISO 14001:2015 environmental protection certification, and actively implements the environmental protection management system to prevent environmental accidents.





(2) Maritime Training

Evergreen upholds the spirit and vision of sustainable development and maintains a firm commitment to professional maritime training. The Evergreen Seafarer Training Center has a comprehensive range of training equipment, and we run training courses to continuously improve the ability and skills of our crews so as to prevent maritime accidents and environmental pollution.

- In order to ensure the continuation of training throughout the COVID-19 preventative lockdown of 2022, some training courses moved to a Webex remote video format, and used the Evergreen E-learning platform for post-course evaluations. The Evergreen Seafarer Training Center organized 133 training courses in 21 categories throughout the year, including 29 STCW international convention trainings and 104 company-organized trainings, with 1,390 total trainees.
- In December 2021, Evergreen passed “2021 crew training professional institution evaluation” of Maritime Port Bureau (every two years). Also, in October 2022, we finished ISO 9001:2015 Quality Management System Annual Audit of Class NK successfully. Evergreen continues to provide high quality crew training environment and courses.
- To expand the development of maritime professionals, Evergreen has been extending our partnership with National Kaohsiung University of Science and Technology. This starts with a post-bachelor program of engineering. In addition, we encourage non-maritime undergraduates to engage in maritime work. Evergreen also subsidizes full tuition and part of the accommodation cost for qualified students who are offered the opportunity to intern onboard the Evergreen fleet. Employment offers are extended to cadets with excellent performance.
- Alongside the construction of new ship types, new types of main engine training equipment have been added. At the end of 2021, a new Win GD-X92B simulator equipment was added to the lineup, in addition to the original X92 and X62 main engine training courses. Now, training for all types of main engines in the WinGD fleet are covered.
- To assist the deck crew to use the calculation software correctly and to solve the loading mistake, Evergreen has offered MACS3 calculation software course since 2022 to achieve the goals of cargo and ship safety.



(3) E-Commerce

- Evergreen participate in the Digital Container Shipping Association (DCSA) from 2019, working with international carriers to promote the digitization and standardization of container transportation of the shipping industry. Evergreen has successfully implemented Track and Trace Application Programming Interface (API) in 2022 and will continuously exchange data with related industry stakeholders more efficiently.
- Evergreen has provided an alternative & efficient way to make online payment by ACH/Wire through ShipmentLink platform. US and Canada customers can ensure payment credit is posted to their account without delay and enabling customer to monitor their payment status.
- Evergreen continuously provide 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.
- To provide a friendly function for e-booking, ShipmentLink is enhanced to have 'Cancel booking request' function in e-Booking service. Customer can request booking cancellation online instead of current e-mail/telephone communication channel.
- During COVID-19 pandemic period, Evergreen has provide high efficiency website services and also provide Electronic Data Interchange(EDI) connections with global customers. EDI messages include sailing schedule, booking, submitting Verified Gross Mass (VGM), B/L instruction, BL amendment and Cargo Tracking. It benefits customers to have needed information without limitation of time and location which also helping to reduce carbon emissions.



4 Features

No Contract Needed

Make bookings without spending time negotiating contracts or the need to commit to shipping a xed amount of cargo each week, month, or year.



Secured Space

Enjoy secured space and empty equipment pick-up priority.

Instant Quotes

Quote in minutes, not days.



Fast Bookings

Reserve your space immediately.



(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:

- MSCI ESG–2022 MSCI ESG rating 「 A 」
- CDP response - 2022 「 B 」 score on climate change
- Constituent of the FTSE4Good TIP Taiwan ESG Index
- Ecovadis - Sustainability Achievement Bronze Medal
- Inbound Logistics - G75 Green Supply Chain Partners 2022
- Port of Vancouver - 2021 Blue Circle Award
- 2022 AFLAS Awards - Best Shipping Line - Trans Pacific
- 2021 ISO 14064-1:2018 & GHG Protocol Certification
- U.S. Coast Guard - 2021 AMVER Certificate of Merit



6. Strengthen Corporate Governance and Corporate Sustainability

Facing an ever-changing business environment, we remain firm in our belief that environmental protection, social inclusion, and corporate governance are our only ways to secure a sustainable future. Only by adhering to environmental protection and carbon reduction, protecting the ecosystem, respecting the universal value of human rights, promoting diversified development, and establishing a fair and transparent management mechanism which can level up the company's business resilience and ensure the company's sustainable operation in these troubled times.

In terms of environmental protection, we continue to plan an efficient and environmentally friendly fleet, launch various carbon emission and disclosure projects, complete greenhouse gas inventories, and obtain ISO-14064 and GHG Protocol certifications. At the same time, we have also deployed green renewable energy supply chains and key terminals and participated in the Digital Container Shipping Association (DCSA) to speed up the digitalization of the shipping industry, working together to save energy and reduce carbon emissions.

As for social inclusion, the Company has not only strengthened pandemic prevention of measures for land and sea employees around the world, it has also paid more attention to the navigation safety of ships at sea and improved the recruitment and training of maritime personnel during the pandemic. The Company donated educational supplies to disadvantaged groups in various places and sponsored scholarships to local schools through overseas subsidiaries. Moreover, we assisted in the emergency delivery of medical relief supplies in areas where the pandemic was severe.

Finally, in terms of corporate governance, with the rise of various emerging risks in recent years, the Company upgraded the Sustainability Committee to a functional committee under the Board of Directors to strengthen the Company's ESG management and performance disclosure and ensure full implementation of the relevant risk management system. Robust corporate governance is the cornerstone of sustainable development, and as such, Evergreen has built corporate sustainability into its daily operations and has set various goals and actions per the United Nations' Sustainable Development Goals (SDGs). Working toward these, we plan to work together with stakeholders to create a blueprint for environmental protection, social inclusion, and economic growth.



II. 2023 Business Plan

According to the Alphaliner forecast in the latest report released in March 2023, global capacity will increase by 8.2%, while demand for growth will increase by 1.4% in 2023. In the context of uncertainties over COVID-19, Russia-Ukrainian War, energy crisis and inflation risk, the global container transport market still faces considerable challenges.

1. Business Strategy

(1) Continuously Strengthen the Alliance Collaboration

The OCEAN Alliance was kicked off officially in April 2017, which comprises the China Ocean (COSCO), French CMA CGM, Hong Kong Orient Overseas (OOCL), and Evergreen. In 2022, it had 42 service routes, deploying total 352 vessels, and a total operating capacity of nearly 4.43 million TEU. In 2023, it is planned to continue its cooperation to provide 40 service routes, deploying total 353 vessels, and a total operating capacity of nearly 4.62 million TEU to develop a better serve network. OCEAN Alliance's services in 2023 include 9 Asia-Pacific South-West Coast Services, 4 Asia-Pacific North-West Coast Services, 8 Asia-U.S. East Coast Services, 7 Asia-North Europe Services, 4 Asia-Mediterranean Services, 4 Asia-Middle East Asia Services, 2 Asia-Red Sea Services, and also 2 Trans-Atlantic Services.

The Alliance Collaboration in 2022



Service routes

42



Vessels

352



Total operating capacity

4.43 million

The Alliance Collaboration in 2023



Service routes

40



Vessels

353



Total operating capacity

4.62 million

(2) Accelerated Fleet Upgrade Plan

In order to improve service quality and competitiveness, Evergreen continues to implement fleet renewal program, which includes various type of ships (1,800 TEU, 2,300 TEU, 2,500 TEU, 3,000 TEU, 12,000 TEU, 15,000 TEU and 24,000 TEU). These newly-built ships are eco-friendly ships in line with global trends, including MARPOL's SOx and NOx emission regulations, EEDI carbon emission index (superior to the standard), and equipped with Green facilities such as ballast water management system and energy saving equipments.

With delivery of these newly-built ships, Evergreen will also simultaneously return the expired charter ships, and dispose the retired self-owned ships. By this way, the fleet structure will be optimized to a younger, greener and higher-efficiency level, reducing operating costs and enhancing the competitiveness of its service quality.

2. Industry Outlook

(1) Capacity Supply

According to Alphaliner, the global fleet will be 28.13 million TEU in 2023, an increase of 8.2% over 2022. It is expected that 361 new ships at 2.48 million TEU will be added in 2023.

(1) The Growth of Cargo Volume

Alphaliner has projected the global volume of goods is estimated to be increased by 1.4% in 2023. (6.7% in 2021, 0.1% in 2022)



III.External Competitive Environment, Regulatory Environment and Overall Operating Environment

1. 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 IMO 2020 Sulphur Limit regulations, we have completed the scrubber installation on a total of 153 vessels by the end of 2022. 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.

2. Regulatory Impact

The impact of carbon emission and speed of ships due to Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator (CII), which are expected to take effect in 2023 by IMO.

Evergreen is committed to a philosophy of sustainable business. In order to pursue environmentally sustainable operations, Evergreen's green fleet reduces its energy consumption through various operational management measures, such as emission reduction strategies, optimized ship design, and the continuous introduction of new generations of vessels to reduce pollution and greenhouse gas emissions. Evergreen's efforts toward fleet energy savings, fuel efficiency, greenhouse gas emissions, and carbon reduction have made considerable progress over the years, with annual emission data verified by a third party (ClassNK).

The sustainability section of Evergreen's website publishes our fleet of emission control measures, certification results, and instantly responds to customers' enquires regarding the company's environmental projects.



3. Macro Business Environment

The on-going pandemic, the Russia-Ukraine war, inflation threats and international trade protectionism will continue to affect global supply chains. Reasons for uncertainty such as geopolitical tension will accelerate the integration of certain regional economies, and will continue to dominate the future global economic trends. Alphaliner estimates a global volume growth rate of 1.4% in 2023, and the global economic recovery is expected to continue slowly.

IV.Future strategy

Environmental protection, social care and corporate governance (ESG) are the only ways to ensure the sustainable operation of the company. In terms of environmental protection, the company will continue to build environmental friendly ships, complete greenhouse gas inventory and certification, and carry out energy-saving and environmental green building projects in the office buildings; In terms of social care, we promote social welfare activities, promote maritime education, attach importance to human rights and legal compliance, and establish a friendly workplace to nurture and retain talents, so as to fulfill our responsibility of social care. In terms of corporate governance, we have implemented marine anti-corruption policies, obtained cyber security certifications, and established a green supplier chain.

Looking ahead, although the epidemic continues to spread but is controllable, with the popularization of global vaccination, countries around the world have gradually found solutions to the food security and energy crises caused by the Russian-Ukrainian war, adjusted the zero epidemic prevention policy in the mainland, overcome the energy crisis in Europe, and reduced inflationary pressure in the United States, the global economy will gradually recover its growth momentum. We will also pay close attention to changes in market demand, quickly adjust capacity deployment, and continue to upgrade our fleet, make good use of the advantages of joint service, reduce operating costs, provide customers with quality services, and actively generate profits to meet the shareholders' expectation.

02 Company Profile

Chapter

I. Registration Date of the Company: September 25, 1968

II. A Chronology of Evergreen Marine Corporation (Taiwan) Ltd.

1968–1976

- Founding of Evergreen Marine (UK) Limited.
- Launching of unprecedented round-the-world eastbound and westbound services and announcing the plan to build twenty four 2,728 TEU G-type container vessels in preparation for the services.
- Founding of Evergreen Shipping Agency (Deutschland) GmbH.



1987–1996

- Established with a capital of NT\$2 million.
- Founding of Evergreen Shipping Agency (Japan) Corporation.
- Founding of Evergreen Shipping Agency (America) Corporation.

1977–1986



- Listed on the Taiwan Stock Exchange (TWSE Stock Code: 2603).
- Launching of Far East–US West Coast reefer service.
- Founding of Evergreen Marine (Hong Kong) Limited.
- Issuance of Global Depository Receipts for a total value of US\$115 million on the London Stock Exchange.



1997–2001

- Founding of Evergreen Shipping Agency Philippines Corporation.
- Inauguration of Colon Container Terminal (CCT) in Panama.
- Founding of Evergreen Shipping Agency (Poland) SP.Z.O.O.
- Taiwan’s Customs authorities approved the implementation of an “overall self-management” system to improve and upgrade Evergreen’s services to shippers.
- Founding of Evergreen Shipping Agency (France) S.A.S.
- Evergreen Container Terminal No. 5, Berths 79, 80 and 81 in Kaohsiung Port became fully operational.
- Founding of Evergreen Shipping Agency (Korea) Corporation, Evergreen Marine Corp. (Malaysia) Sdn. Bhd., Evergreen Shipping Agency (Netherlands) B.V., Evergreen Shipping Agency (Thailand) Co., Ltd., and Evergreen Marine (Singapore) Pte. Ltd.
- Inauguration of Taranto Container Terminal in Italy as its transit hub in the Mediterranean.
- Evergreen Seafarer Training Center awarded ISO-9001:2000 certificate for quality systems, maritime simulator and training centers by DNV, a leading classification society.
- Chang Yang Development Co., Ltd. was established as a joint venture with Tesco Taiwan for investment and construction of the Tesco Chingkuo Store in Taoyuan City.



2002–2006

- Founding of Evergreen Shipping Agency (Australia) Pty. Ltd.
- Certified for Safety, Quality, & Environmental Management by American Bureau of Shipping.
- Founding of PT. Evergreen Shipping Agency Indonesia.
- Evergreen Seafarer Training Center awarded an Occupational Training Institution certificate by the Council of Labor Affairs of the Executive Yuan.
- Investment in Taipei Port Container Terminal Corp.
- Founding of Evergreen Shipping Agency (Vietnam) Corporation.
- Evergreen Group ordered ten 7,000 TEU-class S-type container vessels from Mitsubishi Heavy Industries.
- Founding of Evergreen Shipping Agency (India) Private Ltd..
- Inauguration of Pierce County Terminal (PCT) at Port of Tacoma.
- Founding of Evergreen Shipping Agency (Italy) S.p.A.

- Founding of Evergreen Shipping Spain, S.L.
- Founding of Evergreen Shipping Agency (Switzerland) AG.
- Founding of Evergreen Shipping South Africa.
- Evergreen Group signed shipbuilding agreements with Samsung Heavy Industries for twenty 8,000 TEU-class L-type container vessels.



2012–2016

2007–2011



- Launching of “ShipmentLink Mobile”, an application on its e-commerce system to mobile devices.
- Honored with AEO certificate by Customs Administration.
- Launching of West Coast of Central America service.
- Evergreen Seafarer Training Center obtained ClassNK Certification.
- Launching of South China–Philippines–East Malaysia service.
- Launching of China–Pacific South West service.
- Launching of China–Australia–Taiwan service.
- Launching of New Ho Chi Minh service, linking Korea, China, Vietnam, Singapore and Malaysia.
- Evergreen signed charter parties with both Costamare and Shoeni Kisen Kaisha to each provide, on charter, five 14,000 TEU-class T-type containerships.
- Evergreen Line partnered with CKYH Alliance members, including COSCO, K Line, Yang Ming and Hanjin to establish CKYHE Alliance.
- 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.
- Evergreen Marine signed charter parties with Shoeni Kisen Kaisha for six 20,000 TEU-class G-type container vessels..
- Launching of Taiwan–Shekou–Malacca Strait service and introduced dedicated Taiwan–Hong Kong service.
- Launching of China–Surabaya Express service and Vietnam–Singapore–Malaysia service.



- Evergreen signed shipbuilding agreements with CSBC Corporation and Imabari Shipbuilding for ten 2,800 TEU-class B-type vessels each; a total of twenty container ships.
- Evergreen's Colon Container Terminal commenced operation of its newly built Berth No. 4, which could accommodate container ships of 14,000 TEU-class.
- Evergreen Line and CMA CGM, COSCO, OOCL signed a Memorandum of Understanding to form OCEAN Alliance with comprehensive service network, to begin operation in April 2017.
- Evergreen teamed up with National Kaohsiung Marine University to provide a special seafarer training program to cultivate maritime talents.
- Evergreen Line named Best Shipping Line—Trans-Pacific by Asia Cargo News at 2016 Asian Freight, Logistics and Supply Chain Awards (AFLAS).
- In light of the business opportunity offered by the expanded Panama Canal, Evergreen upgraded the vessel size of its Fast East – US East Coast service, with the first 8,000 TEU-class L-type container ship passing through the canal in July 2016.
- Evergreen teamed up with Wan Hai, COSCO, K Line and PIL to offer two joint services on China – India Sub-continent trade.
- In response to the financial restructuring of Hanjin Shipping, a CKYHE member, Evergreen added new functions to its e-commerce system to help those customers affected by this situation to track their cargo and find alternative transportation services.
- Evergreen partnered with COSCO in operating a joint Adriatic – Israel service.
- Evergreen teamed up with Yang Ming, OOCL, MOL and K Line to offer a joint Northeast Asia – Australia Express service.
- Evergreen Line, CMA CGM, COSCO and OOCL signed a document entitled the Day One Product, which set out the OCEAN Alliance's network, including port rotation for each service loop.

- Evergreen signed shipbuilding agreements with Samsung Heavy Industries for eight 12,000 TEU-class F-type container vessels and charter parties with Shoen Kisen Kaisha for twelve ships of the same capacity.
- Evergreen partnered with Bolero International to offer paperless bill of lading and dispatch documentation via its ShipmentLink portal, simplifying supply chain linkages and increasing efficiency.
- Founding of Evergreen Shipping Services (Cambodia) Company Limited.
- 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 its valued customers.
- Evergreen teamed up with National Taiwan Ocean University to provide a special seafarer training program to cultivate maritime talents.
- Evergreen Marine (Hong Kong) Ltd., a subsidiary of EMC, merged Hatsu Marine (Hong Kong) Ltd.
- Founding of Evergreen Shipping Agency (Peru) S.A.C.
- Founding of Evergreen Shipping Agency (Chile) SPA.
- Founding of Evergreen Shipping Agency Mexico S.A.DE C.V.
- Evergreen ordered four 2,500 TEU-class O-type container ships, chartered ten units of the same capacity and twenty four 1,800 TEU-class C-type vessels.



2017

- 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 its valued customers.
- Evergreen teamed up with National Taiwan Ocean University to provide a special seafarer training program to cultivate maritime talents.
- Evergreen Line cooperated with Alibaba.com to roll out online sea freight services and appointed Evergreen Logistics as a designated provider of comprehensive logistics solutions.
- Evergreen Line was named Best Shipping Line – Asia-Africa by Asia Cargo News at the 2017 Asian Freight, Logistics, and Supply Chain Awards (AFLAS).
- OCEAN Alliance officially commenced operations, with service networks covering Asia–Europe, Asia–Mediterranean, Asia–Trans-Pacific, Asia–North America East Coast, Trans-Atlantic and Far East–Middle East/Red Sea trades.
- Evergreen Shipping Agency (Deutschland) Gmbh renamed Evergreen Shipping Agency (Europe) Gmbh, and merged with Evergreen Shipping Agencies in the Netherlands, Belgium, France, Poland, Switzerland and Austria.
- Evergreen Marine Corp. and its subsidiary Peony Investment S.A. acquired 80% shares of Evergreen Marine (Hong Kong) Ltd.

2018



- Founding of Evergreen Shipping Agency (Colombia) S.A.S.
- Evergreen Line and other OCEAN Alliance members extended the duration of the alliance agreement to ten years and announced the Day Three Product network.
- 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 and is selected as Ship of the Year by Taiwan Society of Naval Architects and Marine Engineers.
- Evergreen teamed up with National Taiwan Ocean University to provide a special seafarer training program to cultivate maritime talents.
- Founding of Evergreen Shipping Agency (Greece) Societe Anonyme.
- Founding of Evergreen Shipping Agency (Israel) Ltd.
- Founding of Evergreen Shipping Agency Lanka (Private) Limited.
- Evergreen ordered ten 24,000 TEU-class A-type container vessels in total from Samsung Heavy Industries, Hudong-Zhonghua Shipbuilding, and Jiangnan Shipyard.
- Evergreen ordered four 1,800 TEU-class C-type container vessels from Hyundai Mipo Dockyard.

2019





2020

- Rank among top 5% of TWSE-listed companies in sixth Corporate Governance Evaluation.
- Evergreen launched GreenX e-commerce platform, providing online quotation, container space booking and digital payment services.
- Evergreen teamed up with National Taiwan Ocean University to provide a special seafarer training program to cultivate maritime talents.
- Evergreen joined Ship Recycling Transparency Initiative, sharing eco-friendly shipbreaking policies to support sustainable life cycle of vessels.
- Founding of Evergreen Shipping Agency (Brazil) S.A.



2021

- Evergreen teamed up with National Kaohsiung University of Science and Technology to provide a special seafarer training program to cultivate maritime talents.
- Founding of Evergreen Marine (Asia) Pte. Ltd.
- Evergreen ordered twenty 15,000 TEU-class M-type container vessels from Samsung Heavy Industries.
- Founding of Evergreen Shipping Agency (Argentina) S.A.
- Evergreen ordered twenty four container ships, including two 1,900 TEU-class C-type, eleven 2,300 TEU-class W-type and eleven 3,000 TEU-class V-type vessels, from Huangpu Wenchong Shipbuilding.
- Founding of Evergreen Shipping Agency Saudi Co. (L.L.C.).
- Evergreen Marine (Hong Kong) Ltd. a subsidiary of EMC, acquired 100% shares of Unigreen Marine, S.A.

- Evergreen ordered three 24,000 TEU-class A-type container vessels from Hudong-Zhonghua Shipbuilding.
- Evergreen Marine Corp. acquired 62.25% shares of Evergreen Security Corp.
- Evergreen Marine (Asia) Pte. Ltd., a subsidiary of EMC, acquired 70% shares of Evergreen International Myanmar Co., Ltd.
- Evergreen Marine (Asia) Pte. Ltd., a subsidiary of EMC, acquired 100% shares of Evergreen Shipping Agency (Japan) Corporation.
- Founding of Evergreen Business Process Inc. (EBPI).
- Founding of Evergreen Shipping Agency (Turkey) Corporation.
- Founding of Evergreen Shipping Agency (Ecuador) S.A.
- Evergreen continued to team up with National Kaohsiung University of Science and Technology to provide a special seafarer training program.
- Evergreen obtained double certifications for its greenhouse gas emission inventory.



2023

2022



- Evergreen Marine (Asia) Pte. Ltd., a subsidiary of EMC, acquired 100% shares of Colon Container Terminal S.A.

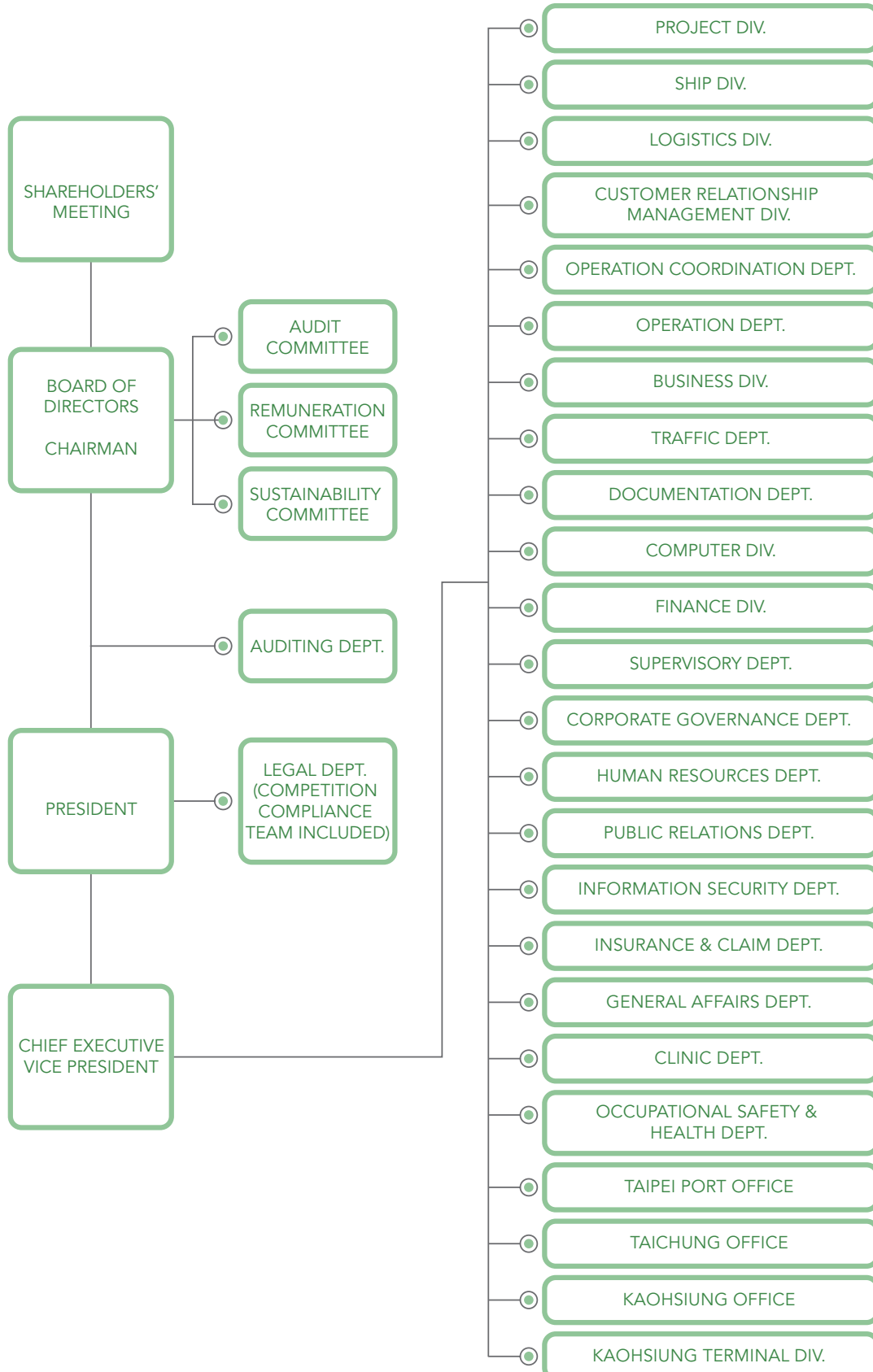


03 Corporate Governance Report

Chapter

I. Organization

1. Organizational Chart



2. Major Corporate Functions

- (1) According to the company's articles of incorporation, 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 represents the Company in all business matters. To enhance corporate governance and strengthen the Board's functions, the Board of Directors has established an "Audit Committee", "Remuneration Committee" and "Sustainability Committee".
- (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: Assisting the top management with monitoring and achieving goals for businesses and operations.
- (4) Auditing Dept.: Conducting internal audits, inspections, and reviews of the internal control system to improve operational effectiveness.
- (5) Legal Dept. (including the Competition Compliance Team): Handling corporate legal affairs, such as consultation, contracts, and litigation. The team is responsible for establishing the Company's regulatory compliances, providing training, and ensuring compliance with competition regulations.
- (6) Project Div.: Monitoring global business strategy, alliances, chartered vessels, fleet deployment, agency management, IT integration, industry research, pricing guidance, and space control for all services.
- (7) Ship Div.: Responsible for 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.
- (8) Logistics Div.: Responsible for deploying global empty containers, managing terminal contracts, planning inland transportation, and overseeing container-related affairs.
- (9) Customer Relationship Management Div.: Responsible for developing, designing, promoting, and managing ecommerce websites. They also supervise global agency customer service, maintain document management systems, process customer data, and handle bill of lading processing and ocean freight rating.
- (10) Operation Coordination Dept.: Global long-term sailing schedule management, fleet fuel consumption monitoring and analysis, terminal/depot contracts negotiation and owned terminal operation management.

- (11) Operation Dept.: Global short-term sailing schedule planning, port cargo handling, and out of gauge and dangerous cargoes examination.
- (12) Business Div.: Responsible for conducting market analysis and canvassing of import and export cargo in Taiwan.
- (13) Traffic Dept.: Providing export booking and consulting services for Taiwan.
- (14) Documentation Dept.: Handling import and export documentation and counter operations in Taiwan.
- (15) Computer Div.: Responsible for system programming, information security management, and planning, purchasing, and maintenance of information appliances.
- (16) Finance Div.: Corporate finance and accounting, agency account assessment and cost of revenue analysis.
- (17) Supervisory Dept.: Inspecting cross-functional work procedures and system requirements, and supervises and manages subsidiaries.
- (18) Corporate Governance Dept.: Responsible for shareholders' meeting, Board Meeting and Functional Committee affairs, corporate governance and shareholder related matters.
- (19) Human Resources Dept.: Managing human resources, including talent recruitment and retention, employees' training, and organizational development.
- (20) Public Relations Dept.: Promoting and protecting the Company's image and products, and creates and disseminates press releases.
- (21) Information Security Dept.: Managing and supervising information security.
- (22) Insurance and Claim Dept.: Handling marine incidents and settlement of insurance claims, vessel insurance planning, and provides legal counseling on marine insurance.
- (23) General Affairs Dept.: Responsible for general affairs, equipment maintenance, and staff canteen.
- (24) Clinic Dept.: Providing regular physical exams, health services, and health management, including the provision of suitable health advice and fitness for both sea and land crew.
- (25) Occupational Safety and Health Dept.: Planning and implementing the occupational safety and health.
- (26) Taipei Port Office: Taipei Port shipping affairs.
- (27) Taichung Office: Taichung cargo canvassing and shipping affairs.
- (28) Kaohsiung Office: Kaohsiung cargo canvassing and shipping affairs.
- (29) Kaohsiung Terminal Div.: Terminal operation, machinery and equipment maintenance.

II. Directors and Management Team

1. Directors

(1) Director information

April 1, 2023

Title	Nationality	Name	Gender Age (Note 2)	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		
							Shares	(%) (Note 1)	Shares	(%) (Note 1)	Shares	(%) (Note 1)	Number	(%) (Note 1)			Title	Name	Relation
	R.O.C	HUI Corporation	-	2020.06.24	2020.06.24	3 Years	1,000,000	0.020	400,000	0.019	-	0	0.000	-	-	-	-	-	-
Chairman	R.O.C	Representative: Chang, Yen-H	Male 61-70	2020.10.07	2020.10.07	2.71 Years	-	-	0	0.000	0	0.000	0	0.000	Chairman, Taipei Port Container Terminal Corp. Chairman, United Stevedoring Corp. Taipei College of Maritime Technology in Navigation (Now called Taipei University of Marine Technology)	Director: Evergreen International Storage & Transport Corp., Taipei Port Container Terminal Corp.	-	-	-
Director	R.O.C	Chang, Kuo-Hua	Male 61-70	1976.09.02 (Note 3)	2020.06.24	3 Years	319,646,157	6.641	63,938,462	3.021 (Note 3)	0	0.000	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 Corp.	-	-	-
Director	Panama	Evergreen International S.A.	-	1988.03.25 (Note 4)	2020.06.24	3 Years	391,786,816	8.140	156,714,726	7.405	-	0	0.000	-	-	-	-	-	

Title	Nationality	Name	Gender Age (Note 2)	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		
							Shares	(%) (Note 1)	Shares	(%) (Note 1)	Shares	(%) (Note 1)	Number	(%) (Note 1)			Title	Name	Relation
Director	R.O.C	Representative: Ko, Lee-Ching	Female 71-80	1982.06.12 (Note 5)	2020.06.24	3 Years	-	-	37,025	0.002	0	0.000	0	0.000	Vice Group Chairman, Evergreen Group Keelung Girls' National Keelung Girls' Senior High School	Director: Evergreen International Storage & Transport Corp., Taiwan High Speed Rail Corp., Evergreen Steel Corp. Supervisor: Evergreen Sky Catering Corp.	-	-	-
	R.O.C	HUI Corporation	-	2020.06.24	2020.06.24	3 Years	1,000,000	0.020	400,000	0.019	-	-	0	0.000	-	-	-	-	-
Director	R.O.C	Representative: Tai, Jjin-Chyuan	Male 61-70	2011.06.24 (Note 6)	2020.06.24	3 Years	-	-	11,774	0.001	0	0.000	0	0.000	Director & President, Evergreen International Corp. Executive Vice President, Legal Dept., Evergreen International Corp. Master of Maritime Law, National Taiwan Ocean University	Director: Evergreen International Storage & Transport Corp., Evergreen Sky Catering Corp., Taipei Port Container Terminal Corp. Supervisor: Evergreen International Corp.	-	-	-
	R.O.C	Evergreen Steel Corp.	-	2014.06.18	2020.06.24	3 Years	38,261,703	0.794	15,304,681	0.723	-	-	0	0.000	-	-	-	-	-
Director	R.O.C	Representative: Wu, Kuang-Hui	Male 61-70	2020.06.24	2020.06.24	3 Years	-	-	40,887	0.002	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: Taipei Port Container Terminal Corp. Supervisor: UNI Airways Corp., Taiwan Terminal Services Corp. Ltd.	-	-	-
	R.O.C	Evergreen Steel Corp.	-	2014.06.18	2020.06.24	3 Years	38,261,703	0.794	15,304,681	0.723	-	-	0	0.000	-	-	-	-	-

Title	Nationality	Name	Gender Age (Note 2)	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		
							Shares	(%) (Note 1)	Shares	(%) (Note 1)	Shares	(%) (Note 1)	Number	(%) (Note 1)			Title	Name	Relation
Independent Director	R.O.C	Yu, Fang-Lai	Male 71-80	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 MBA of Institute of Management Science, National Chiao Tung University	-	-	-	
Independent Director	R.O.C	Li, Chang-Chou	Male 51-60	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., St.Shine Optical Co.,Ltd., Hotal Insurance Co., Ltd.	-	-	-
Independent Director	R.O.C	Chang, Chia-Chue	Male 61-70	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: Law, National Taiwan University Medicine Institute of Molecular Medicine, National Taiwan University Department of Accounting and Information Technology National Chung Cheng University	Attorney-in-Charge, Tai-Yang Life Science Business Law Office	-	-	-

Note 1: The Company had issued 4,812,973,786 shares when current Board of Directors was elected on 06/24/2020. As of 04/01/2022, the Company had issued 5,291,050,204 shares. (Include common shares converted from the 1st overseas unsecured Euro convertible bonds and the 4th domestic unsecured convertible bonds) As of 09/19/2022, the Company had issued 2,116,420,082 shares by the cash reduction. As of 04/01/2023, the Company has issued 2,116,420,082 shares.

Note 2: To list your actual age and express it in intervals, such as 41-50 years old or 51-60 years old.

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.

The number of shares held by the director, Mr. Chang, Kuo-Hua, was reduced by entrusted shares of Insiders with discretion reserved.

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, 06/11/1983 to 06/12/1984, and from 05/09/1992 till present.

Note 6: Mr. Tai, Jjin-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).

Note 9: The diversity policy of the Board of Directors: Please refer to page 38.

(2) Major shareholders of the institutional shareholders

April. 1, 2023

Name of Institutional Shareholder (Note1)	Major Shareholders of Institutional Shareholder (Note2)
HUI Corporation	Yang, Mei-Chen (86.36%) Chang, Chien-Hui (13.64%)
Evergreen Steel Corp. (Note 4)	Evergreen International Corp. (21.69%) EVA Airways Corp. (9.10%) Chang, Kuo-Ming (6.61%) Continental Engineering Corp. (6.11%) Chang, Kuo-Hua (5.95%) Chang, Kuo-Cheng (5.95%) Chang Yung-Fa Foundation (5.95%) Wei-Dah Development Co., Ltd. (3.05%) TSRC Corp. (2.89%) Chang-Ying Development Ltd. (2.12%)
Evergreen International S.A.	Chang, Yung-Fa (20%) (Deceased) 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. The major shareholders of the institutional shareholder (for those holding more than 10% shares) and its shareholdings percentage should be disclosed. If the major shareholders of the institutional shareholders are institute, please fill in chart 2.

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

Note4: The data of Evergreen Steel Corp. was the close period information of the Shareholders' Meetings of 2022.

Note5: 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. The endower have passed away, add "Deceased".

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

April. 1, 2023

Legal Entity (Note1)	Name of Institutional Shareholders (Note2)	Major Shareholders of Institutional Shareholders (Note3)
Evergreen Steel Corp.	Evergreen International Corp.	Chang Yung-Fa Foundation (28.86%) Sheng Shi Corp. (18%) Chang, Kuo-Ming (17.99%) Lee, Yu-Mei (7.14%) Chang, Kuo-Hua (6.46%) Cathay United Bank. Trust Account – Chang, Kuo-Hua (6.44%) Chang Yung-Fa Charity Foundation (5%) Chang, Yung-Fa (Deceased) (5%) Yang, Mei-Chen (2.55%) Cathay United Bank. Trust Account – Yang, Mei-Chen (2.05%)
	EVA Airways Corp.	Evergreen Marine Corp. (Taiwan) Ltd. (14.48%) Evergreen International Corp. (13.28%) Falcon Investment Services Ltd. (8.96%) Bank SinoPac as Custodian ALLY HOLDING LTD. Investment Account (4.28%) Evergreen Steel Corp. (3.82%) Chang, Yung-Fa (Deceased) (2.46%) Chang, Kuo-Cheng (1.72%) New Labor Pension Fund (1.15%) Evergreen International Storage & Transport Corp. (0.91%) Bank SinoPac as Custodian for ALL ASIA MANAGEMENT INC. Investment Account (0.69%)
	Continental Engineering Corp.	Continental Holdings Corp. (99.99%)
	Chang Yung-Fa Foundation (Note 6)	Chang ,Yung-Fa (Deceased) Chang, Shu-Hua (Deceased) 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 (Note1)	Name of Institutional Shareholders (Note2)	Major Shareholders of Institutional Shareholders (Note3)
Evergreen Steel Corp.	Wei-Dah Development Co., Ltd.	Maoshi Corp. (99.59%)
	TSRC Corp.	Panama Banco Industrial Company (8.41%) Han-De Construction Co., Ltd. (7.64%) Wei-Dah Development Co., Ltd. (6.50%) Formosa Plastics Marine Corp. (4.99%) Tamerton Group Limited (4.19%) Fubon Life Insurance Co., Ltd. (4.05%) Hao Ran Foundation (3.41%) Cathay Life Insurance Co., Ltd. (3.02 %) Miriton Investment Corp. (1.71%) CITI Bank Taiwan branch in custody for Government of Singapore Investment Fund (1.59%)
	Chang-Ying Development Ltd.	Lin, Yan-Huang (46.24%)
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.

Note4: 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. The endower have passed away, add "Deceased".

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

(4) Disclosure of Professional Qualifications of Directors and Independence of Independent Directors

April. 1, 2023

Name and Title	Professional Qualifications and Independence Criteria
Chairman, Chang, Yen-I	1. Education: Taipei College of Maritime Technology in Navigation (Now called Taipei University of Marine Technology) 2. Professional qualifications and experience: Please refer to page 27 to 30. (Director information) 3. Independence Criteria: N/A 4. Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director or the member of Remuneration Committee: 0
Director, Chang, Kuo-Hua	1. Education: Taipei College of Maritime Technology in Marine Engineering (Now called Taipei University of Marine Technology) 2. Professional qualifications and experience: Please refer to page 27 to 30. (Director information) 3. Independence Criteria: N/A 4. Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director or the member of Remuneration Committee: 0
Director, Ko, Lee-Ching	1. Education: National Keelung Girls' Senior High School 2. Professional qualifications and experience: Please refer to page 27 to 30. (Director information) 3. Independence Criteria: N/A 4. Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director or the member of Remuneration Committee: 0
Director, Tai, Jiin-Chyuan	1. Education: Master of Maritime Law, National Taiwan Ocean Uni- versity 2. Professional qualifications and experience: Please refer to page 27 to 30. (Director information) 3. Independence Criteria: N/A 4. Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director or the member of Remuneration Committee: 0

Name and Title	Professional Qualifications and Independence Criteria
<p>Director, Wu, Kuang-Hui</p>	<ol style="list-style-type: none"> 1. Education: Master of Business Administration, National Sun Yat-Sen University 2. Professional qualifications and experience: Please refer to page 27 to 30. (Director information) 3. Independence Criteria: N/A 4. Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director or the member of Remuneration Committee: 0
<p>Independent Director, Yu, Fang-Lai (Convener of the Remuneration Committee, member of the Audit Committee and the Sustainability Committee)</p>	<ol style="list-style-type: none"> 1. Education: MBA of Institute of Management Science, National Chiao Tung University 2. Professional qualifications and experience: Political Deputy Minister, Ministry of Transportation & Communications (2002~2008) Administrative Deputy Minister, Ministry of Transportation & Communications (2008~2009) Chairman, Chunghwa Post Co., Ltd. (2009~2013) Director, China Aviation Development Foundation (2013~2016) Independent Director, Evergreen International Storage & Transport Corp. (2014~2017) Independent Director, Evergreen Marine Corporation (Taiwan) Ltd. (Since 2017) 3. Independence Criteria (Note 2): Independence Director, Yu, Fang-Lai complies with the independence requirements of “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”. 4. Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director or the member of Remuneration Committee: 0
<p>Independent Director, Li, Chang-Chou (Convener of the Audit Committee, Committee member of the Remuneration Committee and the Sustainability Committee)</p>	<ol style="list-style-type: none"> 1. Education: Master of Accounting, University of Illinois at Urbana-Champaign 2. Professional qualifications and experience: Partner, PricewaterhouseCoopers, Taiwan (1999~2012) Independent Director, Axcen Photonics Corporation, Ltd. (2015~2020) Independent Director, Kuen Ling machinery refrigerating Co., Ltd. (2015~2021) Partner, CPA, Zhi Cheng CPA Firm (Since 2013) Independent Director, Evergreen Marine Corporation (Taiwan) Ltd. (Since 2017) Independent Director, Silicon Optronics, Inc. (Since 2017) Independent Director, Hotai Insurance Co., Ltd. (Since 2020) Independent Director, St. Shine Optical Co., Ltd. (Since 2021)

Name and Title	Professional Qualifications and Independence Criteria
	<p>3. Independence Criteria (Note 2): Independence Director, Li, Chang-Chou complies with the independence requirements of “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”.</p> <p>4. Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director or the member of Remuneration Committee: Independence Director: Silicon Optronics, Inc., St. Shine Optical Co., Ltd., Hotai Insurance Co., Ltd. The member of Remuneration Committee: Silicon Optronics, Inc., St.Shine Optical Co., Ltd.</p>
<p>Independent Director, Chang, Chia-Chee (Committee member of the Remuneration Committee, the Audit Committee, and the Sustainability Committee)</p>	<p>1. Education: Master degree: School of Law of National Taiwan University, College of Medicine Institute of Molecular Medicine of National Taiwan University, Department of Accounting and Information Technology of National Chung Cheng University</p> <p>2. Professional qualifications and experience: Tai-Yang Life Science Business Law Office Attorney-in-Charge (Since 1994) Independent Director, Evergreen Marine Corporation (Taiwan) Ltd. (Since 2014)</p> <p>3. Independent Criteria (Note 2): Independence Director, Chang, Chia-Chee complies with the independence requirements of “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”.</p> <p>4. Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director or the member of Remuneration Committee: 0</p>
<p>Note 1: There are none of the situations listed in Article 30 of the Company Act with the 8 directors of the Company.</p> <p>Note 2: The Company conducts regular reviews of the qualifications of its Independent Directors, once a year. The three Independent Directors themselves, as well as their spouses, relatives within the second degree of kinship, or lineal relatives within the third degree of kinship, are not natural person shareholders holding an aggregate of 1% or more of the total number of issued shares of the Company or ranking in the top 10 in holdings. Additionally, they are not directors, supervisors, or employees of the Company or its affiliated companies. The other three Independent Directors are not directors, supervisors, or employees of the companies listed in Article 3, Paragraph 1, Subparagraphs 5 to 8 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”.</p>	

Name and Title	Professional Qualifications and Independence Criteria
<p>Furthermore, apart from serving as Independent Directors and members of the functional committees of the Company, they do not provide auditing or other professional services for the Company. Based on the above, all three Independent Directors meet the independence requirements.</p>	

(5) Diversity, Independence and Professionalism of the Board of Directors

(1) Diversity of the Board of Directors:

- A. According to the “Corporate Governance Best-Practice Principles” of the Company, as stated in Paragraph 3 of Article 20, the composition of the Board of Directors should be diversified. Additionally, Paragraph 4 of the same Article requires that the members of the Board of Directors possess professional knowledge, skills, and abilities. The current directors of the Company have expertise in various fields, including transportation management, business management, law, finance accounting, government and supervision, and information and technology among others. This diversity can enhance the professionalism of the Board of Directors’ decision-making and contribute to the Company’s long-term development and operation.
- B. The Company places great emphasis on gender equality in the composition of the board members, with a goal of at least 10% female representation. Currently, the Board of Directors comprises 8 members, one of whom is female, accounting for 12.5% of the Board.
- C. Going forward, the Company will modify its diversity policy in a timely manner based on the actual operation of the Board of Directors and its needs, with the aim of achieving the ideal goal of corporate governance.

D. The diversification of the Company’s Board of Directors is as follows:

Directors		Basic Information					Professional Abilities					
Title	Name	Nationality	Gender	Age	Concurrent Positions in the Company	Served Less than Three Terms as Independent Director	Business Management	Transportation Management	Finance Accounting	Law	Government & Supervision	Information & Technology
Chairman	Chang, Yen-I	R.O.C	Male	61-70			✓	✓				
Director	Chang, Kuo-Hua	R.O.C	Male	61-70			✓	✓				
Director	Ko, Lee-Ching	R.O.C	Female	71-80	✓		✓	✓	✓			
Director	Tai, Jiin-Chyuan	R.O.C	Male	61-70	✓		✓	✓		✓		
Director	Wu, Kuang-Hui	R.O.C	Male	61-70	✓		✓	✓	✓			
Independent Director	Yu, Fang-Lai	R.O.C	Male	71-80		✓	✓	✓			✓	
Independent Director	Li, Chang-Chou	R.O.C	Male	51-60		✓	✓		✓			
Independent Director	Chang, Chia-Chee	R.O.C	Male	61-70		✓	✓		✓	✓		✓

(2) Independence of the Board of Directors

- A. The Company has a total of eight directors, three of whom are independent directors, accounting for 37.5% of the total number of directors. To strengthen the independence and operational efficiency of the Board of Directors, the Company has formulated the “Rules for the Scope of Responsibilities of Independent Directors.” All Independent Directors perform their duties in accordance with these rules and have not established any relationship with the management or the Company during their term of office. The three Independent Directors are able to independently and effectively supervise the operation of the Board of Directors to prevent any harm to the interests of the Company or impairment of fair judgment.
- B. All directors of the Company have no spouses or relatives within the second degree of kinship also serving. If Board meeting matters involve interests of directors that could prejudice the interest of the Company, said directors shall refrain from discussing and voting on the proposal to ensure that the Board of Directors can make resolutions independently and objectively.
- C. According to Article 20, paragraph 4 of the Company’s “Corporate Governance Regulations”, members of the Board of Directors should pay attention to gender equality and possess the knowledge, skills, and accomplishments necessary to perform their duties. To achieve the ideal goal of corporate governance, all members of the Board of Directors should have the following capabilities:

- a. Operational Judgment
- b. Accounting and Financial Analysis
- c. Management
- d. Crisis Management
- e. Industry Knowledge
- f. International Market View
- g. Leadership
- h. Decision-Making

Note 1: Professional qualifications and experience:

The professional qualifications and experience of individual directors should be stated. If they are members of the audit committee and possess accounting or financial expertise, they should also state their accounting or financial background and work experience. Additionally, it should be indicated whether there are any circumstances outlined in Article 30 of the Company Act.

Note 2: Independent directors are required to disclose their independence, which includes but is not limited to the following: whether they, their spouse, or relatives within the second degree are directors, supervisors, or employees of the Company or its affiliated companies; the number and proportion of the Company's shares held in the name of another person; whether they serve as a director, supervisor, or supervisor of a company that has a specific relationship with the Company (as defined in Article 3, Paragraph 1, Subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and the amount of remuneration received for providing business, legal, financial, accounting, and other services to the Company or its affiliates in the last two years.

2. Management Team

April. 1, 2023

Title	Nationality	Name	Gender	Date First Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Other Position	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	41,500	0.002	0	0	0	0	Exp: Italia Marittima S.P.A. Vice Chairman Edu: National Chiao Tung University Transportation and Logistics Management	Director: Taipei Port Container Terminal Corp.	-	-	-
Chief Executive Vice President (Finance Supervisor)	R.O.C	Wu, Kuang-Hui	Male	2018.07.01	40,887	0.002	0	0	0	0	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Finance Div. Executive Vice President Edu: National Sun Yat-Sen University Business Management	Director: Taipei Port Container Terminal Corp. Supervisor: UNI Airways Corp.	-	-	-
Finance Div. Div. Chief	R.O.C	Wang, Pei-Chun	Male	2021.01.01	0	0	0	0	0	0	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Marketing Div. Executive Vice President Edu: University of Hertfordshire Business Administration	-	-	-	-
Project Div. Div. Chief	R.O.C	Huang, Tsung-Yung	Male	2020.04.01	34,800	0.002	0	0	0	0	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Shipbuilding Dept. Executive Vice President Edu: National Taiwan Ocean University Systems Engineering and Naval Architecture	-	-	-	-

Title	Nationality	Name	Gender	Date First Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Other Position	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Logistics Div. Div. Chief	R.O.C	Lin, Wen-Kuei	Male	2017.02.25	92	0	0	0	0	0	Exp: Evergreen Shipping Agency (Netherlands) B.V. President Edu: National Taiwan Ocean University Merchant Marine	-	-	-	
Customer Relationship Management Div. Div. Chief	R.O.C	Fang, Yu-Yen	Female	2020.04.10	465	0	0	0	0	0	Exp: Evergreen International Corp. International Customer Service Div. Executive Vice President Edu: Shilin High School of Commerce Business Management	-	-	-	
Business Div. Div. Chief	R.O.C	Lian, Chung-Te	Male	2022.03.10	1,389	0	0	0	0	0	Exp: Evergreen International Corp. Business Div. Executive Vice President Edu: Tamkang University German	-	-	-	
Computer Div. Div. Chief	R.O.C	Huang, Chao-Kuo	Male	2022.03.17	0	0	1,286	0	0	0	Exp: Evergreen International Corp. Computer Div. Executive Vice President Edu: Tamkang University Cooperative Economics	Auditing Dept. Dept. Head	Wu, Yu-Chi	Couples	
Finance Div. Div. Chief	R.O.C	Tsai, I-Jung	Male	2014.07.01	0	0	0	0	0	0	Exp: Italia Marittima S.p.A. Finance Dept. Senior Vice President Edu: Tamkang University Accounting	-	-	-	

Title	Nationality	Name	Gender	Date First Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Other Position	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
KSG Terminal Div. Chief	R.O.C	Kuo, Feng-Yi	Male	2022.01.01	0	0	0	0	0	0	Exp: Evergreen International Corp. Investment Dept. Deputy Senior Vice President Edu: Tunghai University Business Administration	Chairman: Taiwan Terminal Services Corp. Ltd.	-	-	-
Project Div. Deputy Div. Chief	R.O.C	Chen, Wei-Hsun	Male	2023.01.05	10,366	0	0	0	0	0	Exp: Evergreen Marine (UK) LTD. Chairman Edu: University of Central Oklahoma Family and Consumer Science Education	-	-	-	-
Operation Coordination Dept. Head	R.O.C	Su, Teng-Huan	Male	2020.01.01	0	0	0	0	0	0	Exp: Taipei Port Container Terminal Corp. Chairman Edu: National Taiwan Ocean University Shipping And Transportation Management	-	-	-	-
Project Div. Business Coordination Dept. Head	R.O.C	Wei, Wei-Der	Male	2021.01.01	52,116	0.002	0	0	0	0	Exp: Evergreen Shipping Agency (Europe) GMBH President Edu: National Chung Hsing University Finance and Cooperative Management	-	-	-	-

Title	Nationality	Name	Gender	Date First Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Other Position	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Project Div. North America Dept. Dept. Head	R.O.C	Hsu, Ching-Che	Male	2022.01.01	0	0	0	0	0	0	Exp: Evergreen Shipping Agency (America) Corp. Dallas Office Senior Vice President Edu: National Chung Hsing University Foreign Languages and Literatures	-	-	-	
Project Div. Latin America Dept. Dept. Head	R.O.C	Su, Ming-Sung	Male	2021.01.01	0	0	0	0	0	0	Exp: Evergreen International Corp. Latin America Dept. Deputy Senior Vice President Edu: National Chiao Tung University Transportation and Logistics Management	-	-	-	
Project Div. Europe Dept. Dept. Head	R.O.C	Huang, Sheng-Peng	Male	2021.02.25	172	0	375	0	0	0	Exp: Evergreen Shipping Agency (Europe) GMBH President Edu: Chinese Culture University Mechanical Engineering	-	-	-	
Project Div. Intra Asia Dept. Dept. Head	R.O.C	Wu, Yi-Min	Male	2021.01.01	0	0	0	0	0	0	Exp: Pt. Evergreen Shipping Agency Indonesia President Edu: National Chung Hsing University Business Administration	-	-	-	

Title	Nationality	Name	Gender	Date First Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Other Position	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Project Div. Near East Dept. Dept. Head	R.O.C	Huang, Ming-Jer	Male	2021.01.01	0	0	0	0	0	0	Exp: Evergreen Shipping Agency (Europe) GMBH, France Branch Executive Vice President Edu: Fu Jen Catholic University International Trade	-	-	-	
Ship Div. Seaman Dept. Dept. Head	R.O.C	Yang, Hong-Ming	Male	2023.02.01	0	0	0	0	0	0	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Ship Div. Maritech Dept. Deputy Senior Vice President Edu: National Chiao Tung University Transportation & Logistics Management	-	-	-	
Ship Div. KSG Maintenance Dept. Dept. Head	R.O.C	Kung, Chi-Chieh	Male	2022.03.01	0	0	0	0	0	0	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Project Dept. Senior Vice President Edu: National Taiwan Ocean University Systems Engineering And Naval Architecture	-	-	-	
Ship Div. Shipbuilding Dept. Dept. Head	R.O.C	Chiang, Shou-Hsing	Male	2006.01.01	0	0	0	0	0	0	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Engineering Div. Shipbuilding Dept. Deputy Senior Vice President Edu: National Taiwan Ocean University Systems Engineering and Naval Architecture	-	-	-	

Title	Nationality	Name	Gender	Date First Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Other Position	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Logistics Div. Equipment Control Dept. Dept. Head	R.O.C	Kuo, Yuan-Ping	Male	2020.02.17	8	0	0	0	0	0	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Logistics Div. Intermodal Dept. Senior Vice President Edu: National Taiwan University of Science and Technology Mechanical Engineering	-	-	-	
Customer Relationship Management Div. Customer Relationship Management Dept. Dept. Head	R.O.C	Chiu, Ping-Chuan	Female	2022.01.01	0	0	0	0	0	0	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. II Dept. Head	R.O.C	Chou, So-Hui	Female	2022.07.04	83,075	0.004	24,067	0.001	0	0	Exp: Evergreen International Corp. Customer Service Div. Documentation Dept. Senior Vice President Edu: Fu Jen Catholic University French Language and Culture	-	-	-	

Title	Nationality	Name	Gender	Date First Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Other Position	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Traffic Dept. Dept. Head	R.O.C	Lee, Kuei-Chu	Female	2022.10.17	10,772	0.001	0	0	0	0	Exp: Evergreen International Corp. Customer Service Div. Traffic Dept. Senior Vice President Edu: National Taipei College of Business Banking and Insurance	-	-	-	
Computer Div. Software Designing Dept. Dept. Head	R.O.C	Chen, Sheng-Pao	Male	2022.03.17	0	0	0	0	0	0	Exp: Evergreen International Corp. Computer Div. Software Designing Dept. III Senior Vice President Edu: National Chiao Tung University Applied Mathematics	-	-	-	
Finance Div. Finance Dept. Dept. Head	R.O.C	Mo, Cheng-Ping	Male	2017.02.22	8,000	0	507	0	0	0	Exp: Italia Maritima S.p.A. Chief Executive Vice President Edu: Tamsui Institute of Business Administration Public Finance and Taxation	-	-	-	
Supervisory Dept. Dept. Head	R.O.C	Chao, Hui-Ling	Female	2022.01.10	0	0	244	0	0	0	Exp: Evergreen International Corp. Supervisory Dept. Senior Vice President Edu: National Chengchi University Banking	-	-	-	
Corporate Governance Dept. Dept. Head	R.O.C	Hsieh, Shu-Hui	Female	2016.04.27	0	0	0	0	0	0	Exp: Evergreen International Corp. Stocks Dept. Senior Vice President Edu: Soochow University Law	-	-	-	

Title	Nationality	Name	Gender	Date First Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Other Position	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Human Resources Dept. Head	R.O.C	Yang, Pi-Sao	Female	2014.01.01	7,200	0	0	0	0	0	Exp: Evergreen Group Management Office Junior Vice President Edu: Lawrence Technological University Business Administration	-	-	-	
Public Relations Dept. Head	R.O.C	Li, Ying-Ti	Female	2022.03.10	4,000	0	0	0	0	0	Exp: Evergreen International Corp. Public Relations Dept. Senior Vice President Edu: Shih Hsin School Of Journalism Journalism	-	-	-	
Ship Div. Maritech Dept. Head	R.O.C	Li, Hua-Lung	Male	2022.02.14	17,076	0.001	0	0	0	0	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Ship Div. Seaman Dept. Deputy Senior Vice President Edu: National Taiwan Ocean University Shipping and Transportation Management	-	-	-	
Ship Div. Maintenance Dept. Head	R.O.C	Chen, Jenn-Hwang	Male	2022.03.01	2,000	0	0	0	0	0	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Ship Div. Maintenance Dept. I Deputy Senior Vice President Edu: National Taiwan Ocean University Marine Engineering	-	-	-	

Title	Nationality	Name	Gender	Date First Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Other Position	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Ship Div. Supply Dept. Dept. Head	R.O.C	Yeh, Ching-Rong	Male	2000.07.01	9,200	0	0	0	0	0	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Maintenance Dept. Deputy Senior Vice President Edu: National Taiwan Ocean University Marine Engineering	-	-	-	
Customer Relationship Management Div. Customer Data Processing Dept. I Dept. Head	R.O.C	Chien, Chin-Fang	Female	2022.06.20	0	0	0	0	0	0	Exp: Evergreen International Corp. International Customer Service Div. Data Maintenance Dept. II Deputy Senior Vice President Edu: National Taipei College of Business International Trade	-	-	-	
Operation Dept. Dept. Head	R.O.C	Hwang, Yi-Syue	Male	2018.04.01	0	0	0	0	0	0	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Operation Coordination Dept. Deputy Senior Vice President Edu: China Junior College of Marine Technology Navigation	-	-	-	
Business Div. America Dept. Dept. Head	R.O.C	Jen, Yi-Kang	Male	2022.03.10	369	0	0	0	0	0	Exp: Evergreen International Corp. Business Div. America Dept. Deputy Senior Vice President Edu: National Chengchi University Oriental Languages	-	-	-	

Title	Nationality	Name	Gender	Date First Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Other Position	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Business Div. Europe Dept. Dept. Head	R.O.C	Cheng, Chi-Yi	Male	2022.03.10	0	0	0	0	0	0	Exp: Evergreen International Corp. Business Div. Europe Dept. Deputy Senior Vice President Edu: National Taipei College of Business Transportation and Communication Management	-	-	-	
Business Div. Asia Dept. Dept. Head	R.O.C	Chiang, Kuo-Wei	Male	2022.07.01	171	0	0	0	0	0	Exp: Evergreen Shipping Agency (Japan) Corp. Business Dept. Dept. Head Edu: Fu Jen Catholic University Japanese Language and Culture	-	-	-	
Business Div. Import Dept. Dept. Head	R.O.C	Lu, Pao-Lung	Male	2022.03.10	0	0	0	0	0	0	Exp: Evergreen International Corp. Business Div. Import Dept. Deputy Senior Vice President Edu: National Taiwan Institute Of Technology Industrial Management	-	-	-	
Documentation Dept. Dept. Head	R.O.C	Lin, Chi-Day	Female	2022.10.17	0	0	0	0	0	0	Exp: Evergreen International Corp. International Customer Service Div. Data Maintenance Dept. Deputy Senior Vice President Edu: Tamkang University International Trade	-	-	-	

Title	Nationality	Name	Gender	Date First Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Other Position	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Computer Div. System Management Dept. Dept. Head	R.O.C	Lin, Yu-Huan	Male	2023.02.01	0	0	0	0	0	0	Exp: Evergreen International Corp. Computer Div. System Management Dept. Junior Vice President Edu: Yuan-Ze Institute of Technology Computer Science and Engineering	-	-	-	-
Auditing Dept. Dept. Head	R.O.C	Wu, Yu-Chi	Female	2015.01.01	1,286	0	0	0	0	0	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Finance Div. Finance Dept. Junior Vice President Edu: Chungyu Institute of Technology Accounting	Computer Div. Div. Chief	Huang, Chao-Kuo	Couples	
Taipei Port Office Office Head	R.O.C	Chang, Shing-Hua	Male	2022.03.10	0	0	0	0	0	0	Exp: Evergreen International Corp. Taipei Port Office Deputy Senior Vice President Edu: Tamkang University English	-	-	-	-
Kaohsiung Office Office Head	R.O.C	Wang, Chien-Kuo	Male	2022.03.10	0	0	0	0	0	0	Exp: Evergreen International Corp. Kaohsiung Office Deputy Senior Vice President Edu: National Chengchi University International Trade	-	-	-	-

Title	Nationality	Name	Gender	Date First Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Other Position	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
KSG Terminal Div. Terminal Operation Dept.I Dept. Head	R.O.C	Hwang, Ming-Ling	Male	2022.02.21	0	0	0	0	0	0	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. Terminal Operation Dept.II Dept. Head	R.O.C	Wu, Yueh-Feng	Male	2023.02.21	0	0	0	0	0	0	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Operation Dept. Junior Vice President Edu: Kaohsiung College of Marine Technology Shipping Technology		-	-	-
KSG Terminal Div. Maintenance Dept.I Dept. Head	R.O.C	Pan, Chin-Tung	Male	2023.02.21	0	0	0	0	0	0	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Operation Coordination Dept. Junior Vice President Edu: Kaohsiung College Of Technology Mechanical Engineering		-	-	-
Project Div. Business Coordination Dept. Deputy Dept. Head	R.O.C	Chang, Da-Chih	Male	2021.04.15	0	0	0	0	0	0	Exp: Evergreen Shipping Agency (America) Corp. President Edu: Soochow University Business Administration		-	-	-

Title	Nationality	Name	Gender	Date First Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Other Position	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Operation Coordination Dept. Deputy Dept. Head	R.O.C	Huang, Yi-En	Male	2023.02.01	100	0	0	0	0	0	Exp: Evergreen Shipping Agency (China) Co., Ltd. (Shanghai Branch) Marine Dept. Deputy Senior Vice President Edu: National Taiwan Ocean University Shipping And Transportation Management	-	-	-	
Ship Div. Shipbuilding Dept. Deputy Dept. Head	R.O.C	Weng, Chao-Yueh	Male	2023.02.01	120	0	100	0	0	0	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Ship Div. Shipbuilding Dept. Junior Vice President Edu: National Cheng Kung University Naval Architecture Engineering	-	-	-	
Customer Relationship Management Div. Customer Relationship Management Dept. Deputy Dept. Head	R.O.C	Chen, Mei-Chi	Female	2023.02.01	0	0	0	0	0	0	Exp: Evergreen International Corp. International Customer Service Div. Customer Service System Dept. Junior Vice President Edu: Tamkang University International Trade	-	-	-	

Title	Nationality	Name	Gender	Date First Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Other Position	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Supervisory Dept. Deputy Dept. Head	R.O.C	Cheng, Hui-Chen	Female	2023.02.01	465	0	0	0	0	0	Exp: Evergreen International Corp. Supervisory Dept. Junior Vice President Edu: Ming Chuan College of Management Financial Management	-	-	-	
Human Resources Dept. Deputy Dept. Head	R.O.C	Lin, An-Yi	Male	2022.01.01	0	0	0	0	0	0	Exp: Evergreen Shipping Agency (China) Co., Ltd. (Shanghai Branch) Human Resources Dept. Junior Vice President Edu: National Central University Business Administration	-	-	-	
Finance Div. Finance Dept. Deputy Dept. Head (Accounting Supervisor)	R.O.C	Chang, Chuan-Fu	Male	2019.01.01	800	0	0	0	0	0	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Finance Div. Finance Dept. Deputy Junior Vice President Edu: National Chung Hsing University Public Finance	-	-	-	
Finance Div. Assessment Dept. II Vice President	R.O.C	Lee, Shu-Feng	Male	2022.06.01	15,200	0.001	0	0	0	0	Exp: Colon Container Terminal S.A. Finance Dept. Senior Vice President Edu: Fu Jen Catholic University Statistics	-	-	-	
Project Div. Business Coordination Dept. Vice President	R.O.C	Tseng, Neng-Fang	Male	2021.01.01	0	0	0	0	0	0	Exp: Evergreen International S.A. HKG Representative Edu: Tunghai University International Business	-	-	-	

Title	Nationality	Name	Gender	Date First Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Other Position	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Project Div. Business Coordination Dept. Vice President	R.O.C	Shih, Wang-Yi	Male	2022.10.18	12,000	0.001	0	0	0	0	Exp: Evergreen Shipping Agency (Europe) GMBH, Netherlands Branch Executive Vice President Edu: Tunghai University Social Work	-	-	-	-
Project Div. Business Coordination Dept. Vice President	R.O.C	Chen, Chun-Yen	Male	2021.01.01	0	0	0	0	0	0	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. Vice President	R.O.C	Cheng, Min-Chou	Male	2021.03.08	0	0	0	0	0	0	Exp: Evergreen International Corp. Business Div. Europe Dept. Deputy Senior Vice President Edu: Chinese Culture University International Trade	-	-	-	-
Project Div. Business Coordination Dept. Vice President	R.O.C	Sheu, Dong-Han	Male	2021.01.01	0	0	0	0	0	0	Exp: Evergreen Marine (UK) Limited Project Div. Deputy Senior Vice President Edu: National Chung Hsing University Economics	-	-	-	-
Operation Coordination Dept. Vice President	R.O.C	Chang, Chih-Chao	Male	2018.02.01	26,400	0.001	0	0	0	0	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Project Dept. Deputy Senior Vice President Edu: Tamkang University Navigation	-	-	-	-

Title	Nationality	Name	Gender	Date First Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Other Position	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Operation Coordination Dept. Vice President	R.O.C	Yeh, Cheng-Hung	Male	2022.02.21	1,200	0	0	0	0	0	Exp: Evergreen International Corp. Business Div. Intra Asia Dept., Deputy Senior Vice President Edu: National Chiao Tung University Management Science	-	-	-	-
Operation Coordination Dept. Vice President	R.O.C	Tsai, Yu-Ta	Male	2023.02.01	0	0	0	0	0	0	Exp: Evergreen Shipping Agency (Deutschland) GmbH Logistics Dept. Deputy Senior Vice President Edu: China Junior College Of Technology Electrical Engineering	-	-	-	-
Operation Coordination Dept. Vice President	R.O.C	Fan, Cheng-Fu	Male	2022.03.10	0	0	0	0	0	0	Exp: Evergreen International Corp. Investment Dept. Deputy Senior Vice President Edu: Chung Yuan Christian University Hydraulic Engineering	-	-	-	-
Supervisory Dept. Vice President	R.O.C	Jou, Kuen-Cheng	Male	2021.04.25	0	0	89	0	0	0	Exp: Evergreen Marine Corp. (Taiwan) LTD. Project Div. Business Coordination Dept. Deputy Senior Vice President Edu: National Taipei College of Business Information Management	-	-	-	-

Note: The General Manager or person of equivalent position (Top Manager) and the Chairman are the same person, each other's spouse, or relatives in the first-degree: None.

3. Remuneration of Directors, President, and Vice Presidents

(1) Remuneration of General Directors and Independent Directors

Unit: TWD Thousands

Title	Name	Remuneration				Total Remuneration (A+B+C+D) and Ratio of Total Remuneration to Net Income (Note 7)		Relevant Remuneration Received by Directors Who are Also Employees				Total Compensation (A+B+C+D+E+F+G) and Ratio of Total Compensation to Net Income (Note 7)		Compensation from an Invested Company and the Company Other than the Company's Subsidiaries (Note 8)						
		Base Compensation (A) (Note 1)		Severance Pay (B) (Note 2)		Directors Compensation (C) (Note 2)		Allowances (D) (Note 3)		Salary, Bonuses, and Allowances (E) (Note 4)		Severance Pay (F) (Note 5)			Employee Compensation (G) (Note 5)					
		EMC	Consolidated Subsidiaries of EMC (Note 6)	EMC	Consolidated Subsidiaries of EMC (Note 6)	EMC	Consolidated Subsidiaries of EMC (Note 6)	EMC	Consolidated Subsidiaries of EMC (Note 6)	EMC	Consolidated Subsidiaries of EMC (Note 6)	Cash	Stock		EMC	Consolidated Subsidiaries of EMC (Note 6)	Cash	Stock		
Chairman	HUI Corp. Representative: Chang, Yen-I	24,661	24,661	0	0	2,000	2,000	2,000	54	54	0	0	0	0	0	0	0	26,705/0.01%	26,705/0.01%	1,901
Director	Chang, Kuo-Hua	0	0	0	0	1,500	1,500	1,500	54	54	0	0	0	0	0	0	0	1,554/0.00%	1,554/0.00%	0
Director	Evergreen International S.A. Representative: Ko, Lee-Ching	0	0	0	0	1,500	1,500	1,500	54	54	0	0	0	0	0	0	0	1,554/0.00%	12,495/0.00%	1,442
Director	HUI Corp. Representative: Tai, Jjin-Chyuan	0	0	0	0	1,500	1,500	1,500	54	54	0	0	0	0	0	0	0	1,554/0.00%	12,346/0.00%	2,732

Title	Name	Remuneration						Total Remuneration (A+B+C+D) and Ratio of Total Remuneration to Net Income (Note 7)				Relevant Remuneration Received by Directors Who are Also Employees				Total Compensation (A+B+C+D+E+F+G) and Ratio of Total Compensation to Net Income (Note 7)		Compensation from an Invested Company and the Company other than the Company's Subsidiaries (Note 8)			
		Base Compensation (A) (Note 1)		Severance Pay (B) (Note 2)		Directors Compensation (C) (Note 2)		Allowances (D) (Note 3)		Ratio of Total Remuneration to Net Income (Note 7)		Salary, Bonuses, and Allowances (E) (Note 4)		Severance Pay (F) (Note 5)		Employee Compensation (G) (Note 5)			Consolidated Subsidiaries of EMC (Note 6)		
		EMC	Consolidated Subsidiaries of EMC (Note 6)	EMC	Consolidated Subsidiaries of EMC (Note 6)	EMC	Consolidated Subsidiaries of EMC (Note 6)	EMC	Consolidated Subsidiaries of EMC (Note 6)	EMC	Consolidated Subsidiaries of EMC (Note 6)	EMC	Consolidated Subsidiaries of EMC (Note 6)	EMC	Consolidated Subsidiaries of EMC (Note 6)	Cash	Stock			Cash	Stock
																			Cash			Stock	Cash	Stock
Director	Evergreen International S.A. Representative: Hseh, Huey-Chuan	0	0	0	1,500	1,500	1,500	54	54	1,554/0.00%	22,094	22,094	0	0	3,872	0	3,872	0	27,520/0.01%	27,520/0.01%	24
Director	Evergreen Steel Corp. Representative: Wu, Kuang-Hui	0	0	0	1,500	1,500	1,500	54	54	1,554/0.00%	20,792	20,792	108	108	3,717	0	3,717	0	26,170/0.01%	26,170/0.01%	219
Independent Director	Yu, Fang-Lai	2,460	2,460	0	0	0	66	66	2,526/0.00%	0	0	0	0	0	0	0	0	0	2,526/0.00%	2,526/0.00%	0
Independent Director	Li, Chang-Chou	2,460	2,460	0	0	0	66	66	2,526/0.00%	0	0	0	0	0	0	0	0	0	2,526/0.00%	2,526/0.00%	0
Independent Director	Chang, Chia-Chee	2,460	2,460	0	0	0	66	66	2,526/0.00%	0	0	0	0	0	0	0	0	0	2,526/0.00%	2,526/0.00%	0

1. Illustrate the remuneration policies, system, standards, and structure for independent directors, and describe the relevance of the amount of remuneration with responsibilities, risks, engaged time, and other factors:

(1) The company's independent directors serve as members of both the audit committee and the remuneration committee. As per the "Payment Regulation of Directors Compensation," these independent directors receive monthly remuneration as well as a travel allowance for each committee meeting they attend.

(2) The company conducts periodic reviews of the remuneration standard and structure for independent directors. These reviews are based on the Company's operating performance, future operating risks, the degree of participation by independent directors, and the value of their contributions to the Company's operations.

2. 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: Directors' remuneration for 2022 (including salary, subsidy, severance pay, and various bonuses)

Note 2: Directors' remuneration for 2022 which was approved by the Board of Directors in 2023.

Note 3: Includes the relevant business execution expenses of directors in 2022 (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 4: Relevant remuneration received by directors who are also employees (including the President, Executive Vice President, other managers and employees) in 2022, including salary, subsidy, severance pay, and various bonuses, incentive payment, transportation allowance, special expenses, various allowances, dormitory, car, and other physical supplies. 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 5: Employees' compensation for 2022 which was approved by the Board of Directors in 2023.

Note 6: Total amount of remuneration paid to the directors by EMC and its consolidated subsidiaries.

Note 7: Net income is the profit after tax of the parent-company-only financial statements of 2022.

Note 8: 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.

Note 9: Since Feb. 14th, 2023, the director of "Evergreen International S.A." terminated the designation of the representative Mr. Hsieh, Huey-Chuan.

* 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 Total compensation (A+B+C+D) and 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)	Cash	Stock	Cash	Stock	EMC		Consolidated Subsidiaries of EMC (Note 4)
President	Hsieh, Huey-Chuan												
Chief Executive Vice President	Wu, Kuang-Hui												
Division Chief	Tsai, I-Jung												
Division Chief	Wang, Pei-Chun												
Department Head	Wei, Wei-Der												
Executive Vice President	Tang, Chia-Sheng												
Deputy Department Head	Chang, Da-Chih	40,193	40,193	3,097	3,097	162,201	162,201	33,635	0	33,635	0	239,127/0.07%	243
Division Chief	Lin, Wen-Kuei												
Division Chief	Fang, Yu-Yen												
Division Chief	Huang, Chao-Kuo												
Division Chief	Huang, Tsung-Yung												
Division Chief	Lian, Chung-Te												
Department Head	Su, Teng-Huan												

Range of Remuneration	Name of President and Executive Vice Presidents	
	EMC (Note 5)	The Invested Company of EMC (E) (Note 7)
Under TWD1,000,000	-	-
TWD1,000,001 ~ TWD2,000,000	-	-
TWD2,000,001 ~ TWD3,500,000	-	-
TWD3,500,001 ~ TWD5,000,000	Tang, Chia-Sheng	Tang, Chia-Sheng
TWD5,000,001 ~ TWD10,000,000	-	-
TWD10,000,001 ~ TWD15,000,000	-	-
TWD15,000,001 ~ TWD30,000,000	Hsieh, Huey-Chuan, Wu, Kuang-Hui, Tsai, I-Jung, Wang, Pei-Chun, Wei, Wei-Der, Chang, Da-Chih, Lin, Wen-Kuei, Fang, Yu-Yen, Huang, Chao-Kuo Huang, Tsung-Yung, Lian, Chung-Te, Su, Teng-Huan	Hsieh, Huey-Chuan, Wu, Kuang-Hui, Tsai, I-Jung, Wang, Pei-Chun, Wei, Wei-Der, Chang, Da-Chih, Lin, Wen-Kuei, Fang, Yu-Yen, Huang, Chao-Kuo Huang, Tsung-Yung, Lian, Chung-Te, Su, Teng-Huan
TWD30,000,001 ~ TWD50,000,000	-	-
TWD50,000,001 ~ TWD100,000,000	-	-
Over TWD100,000,000	-	-
Total	13	13

Note 1: Includes President and Executive Vice Presidents' salary, subsidy, and severance pay for 2022.

Note 2: Includes President and Executive Vice Presidents' bonus, incentive payment, transportation allowance, special expenses, various allowances, dormitory, car, and other physical supplies. 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 2022 which was approved by the Board of Directors in 2023.

Note 4: Total amount of remuneration paid to the Presidents and Vice Executive Presidents by EMC

and its consolidated subsidiaries.

Note 5: The names of the Presidents and Executive Vice Presidents are 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 2022.

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 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. As such, 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, 2022

Unit: TWD thousands

	Title (Note1)	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	General Manager	Hsieh, Huey-Chuan	0	111,640	111,640	0.03%
	Chief Executive Vice President	Wu, Kuang-Hui				
	Division Chief	Wang, Pei-Chun				
	Division Chief	Lin, Wen-Kuei				
	Division Chief	Fang, Yu-Yen				
	Division Chief	Huang, Tsung-Yung				
	Division Chief	Tsai, I-Jung				
	Division Chief	Lian, Chung-Te				
	Division Chief	Huang, Chao-Kuo				
	Division Chief	Kuo, Feng-Yi				
	Department Head	Su, Teng-Huan				

	Title (Note1)	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	Department Head	Wei, Wei-Der	0	111,640	111,640	0.03%
	Department Head	Hsu, Ching-Che				
	Department Head	Su, Ming-Sung				
	Department Head	Huang, Sheng-Peng				
	Department Head	Wu, Yi-Min				
	Department Head	Huang, Ming-Jer				
	Department Head	Kuo, Yuan-Ping				
	Department Head	Li, Hua-Lung				
	Department Head	Yang, Hong-Ming				
	Department Head	Yeh, Ching-Rong				
	Department Head	Chen, Jenn-Hwang				
	Department Head	Kung, Chir-Chieh				
	Department Head	Chiang, Shou-Hsing				
	Department Head	Hwang, Yi-Syou				
	Department Head	Mo, Cheng-Ping				
	Department Head	Wu, Yu-Chi				
	Department Head	Chao, Hui-Ling				
	Department Head	Yang, Pi-Sao				
	Department Head	Li, Ying-Ti				
	Department Head	Hsieh, Shu-Hui				
	Department Head	Chen, Sheng-Pao				
	Department Head	Chiu, Ping-Chuan				
	Department Head	Chien, Chin-Fang				
	Department Head	Chou, So-Hui				
Department Head	Jen, Yi-Kang					
Department Head	Cheng, Chi-Yi					

	Title (Note1)	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	Department Head	Chiang, Kuo-Wei	0	111,640	111,640	0.03%
	Department Head	Lu, Pao-Lung				
	Department Head	Lee, Kuei-Chu				
	Department Head	Lin, Chi-Day				
	Department Head	Hwang, Ming-Ling				
	Office Head	Chang, Shing-Hua				
	Office Head	Wang, Chien-Kuo				
	Deputy Department Head	Chang, Da-Chih				
	Deputy Department Head	Lin, An-Yi				
	Deputy Department Head	Huang, Yi-En				
	Deputy Department Head (Principal Accounting Officer)	Chang, Chuan-Fu				
	Vice President	Tseng, Neng-Fang				
	Vice President	Lee, Shu-Feng				
	Vice President	Chen, Chun-Yen				
	Vice President	Cheng, Min-Chou				
	Vice President	Shih, Wang-Yif				
	Vice President	Sheu, Dong-Han				
	Vice President	Chang, Chih-Chao				
	Vice President	Yeh, Cheng-Hung				
Vice President	Fan, Cheng-Fu					
Vice President	Jou, Kuen-Cheng					

Note 1: The title as of December 31, 2022

Note 2: The amount of employees' compensation for managers for 2022, which was approved by the Board of Directors in 2023.

Note 3: Net income is the profit after tax of the parent-company-only financial statements of 2022.

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, President and Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Director, 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	
	2021	2022	2021	2022
Directors	0.01%	0.03%	0.01%	0.03%
President and Vice Presidents	0.07%	0.07%	0.07%	0.07%

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

A. Director Remuneration Policy:

The directors' remuneration, as outlined in the "Organization Regulations of the Remuneration Committee" and the "Payment Regulation of Directors," encompasses various components, including remuneration, stock options, bonuses, pensions, unemployment benefits, and business execution expenses. The proportion of bonuses for short-term performance and the payment schedule for variable remuneration should be determined based on the industry's characteristics and the Company's nature of the Company's business.

As per the “Articles of Incorporation” and the “Payment Regulation of Directors” of the Company, if the Company generates a profit in a fiscal year, it must allocate no more than 2% of the profit for directors’ remuneration. However, the Company’s accumulated losses shall have been covered. The remuneration will be distributed based on the individual director’s level of participation and contribution to the Company’s operations.

Furthermore, The Individual Director’s level of participation in and the value of contribution to the Company’s operation mentioned above shall be determined based on his/her personal performance and the evaluation results of the performance of the Director (including Board attendance, training status, the level of participation in the operations of the Company, the interaction status with the management team, promotion of sustainable development, implementation of corporate governance etc.)

B. Manager’s Remuneration Policy:

The company has established a reasonable salary structure for managers based on the “Manager’s Remuneration Payment Method.” This method includes fixed remuneration such as salary and allowances, as well as variable remuneration such as year-end bonuses and employee remuneration, pension, and severance pay. Additionally, the method outlines a performance evaluation process for managers. The adjustment of annual salary, bonuses, and remuneration payments are determined based on the results of the annual performance evaluation. As the method has specific regulations linking a manager’s personal performance to their remuneration payment, there is no separate remuneration claim clause.

III. Implementation of Corporate Governance

1. Board of Directors

A total 9 (A) meetings of the Board of Directors were held in the year 2022.

The attendance of directors is as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Chairman	HUI Corp. Representative: Chang, Yen-I	9	0	100%	-
Director	Chang, Kuo-Hua	9	0	100%	-
Director	Evergreen International S.A. Representative: Ko, Lee-Ching	9	0	100%	-
Director	Evergreen International S.A. Representative: Hsieh, Huey-Chuan	9	0	100%	Term ceased on Feb. 14, 2023
Director	HUI Corp. Representative: Tai, Jiin-Chyuan	9	0	100%	-
Director	Evergreen Steel Corp. Representative: Wu, Kuang-Hui	9	0	100%	-
Independent Director	Yu, Fang-Lai	9	0	100%	-
Independent Director	Li, Chang-Chou	9	0	100%	-
Independent Director	Chang, Chia-Chee	9	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 132 to 141 (Major

Resolutions of Board of Directors, Audit Committee and Remuneration Committee, and Sustainability 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 132 to 141 (Major Resolutions of Board of Directors, Audit Committee and Remuneration Committee, and Sustainability Committee).

3. The 2022 Self-evaluation of the performance of the Board of Directors:

Evaluation Cycle (Note 1)	Once a year
Evaluation Period (Note 2)	From Jan. 1, 2022 to Dec. 31, 2022
Evaluation Scope (Note 3)	The Board, the Board members and the functional committees.
Evaluation Method (Note 4)	Internal self-evaluation of the Board, the Board members, and the functional committees were conducted by the way of filling out questionnaire from Directors.
Evaluation Indexes (Note 5)	<p>1. Board Performance Self-Evaluation: This evaluation will assess the Board's participation in the operation of the company, the quality of decisions made by the Board of Directors, the composition and structure of the Board of Directors, the election and continuing education of the directors, and the implementation and promotion of sustainable management practices (ESG).</p> <p>2. Board Member Performance Self-Evaluation: This evaluation will assess each Board member's alignment with the goals and missions of the Company, their awareness of the duties of a director, their participation in the operation of the Company, their management of internal relationships and communication, their professionalism and continuing education, and their adherence to internal control policies.</p> <p>3. Audit Committee Performance Self-Evaluation: This evaluation will assess the audit committee's participation in the operation of the Company, their awareness of the duties of the audit committee, the quality of decisions made by the audit committee, the makeup of the audit committee and the election of its members, and their adherence to internal control policies.</p> <p>4. Remuneration Committee Performance Self-Evaluation: This evaluation will assess the remuneration committee's participation in the operation of the Company, their awareness of the duties of the remuneration committee, the quality of decisions made by the remuneration committee, the makeup of the remuneration committee and the election of its members, and their adherence to internal control policies.</p>

**Evaluation Result
(Full score: 5)**

1. Board Performance Self-Evaluation: Good, average score of 4.99.
2. Board Member Performance Self-Evaluation: Good, average score of 4.95.
3. Audit Committee Performance Self-Evaluation: Excellent, average score of 5.
4. Remuneration Committee Performance Self-Evaluation: Excellent, average score of 5.

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 its directors, supervisors, and key employees to mitigate the risk of their legal responsibility and improve corporate governance.
 - (2) The Company has three Independent Directors and has established the “Rules Governing the Duties of Independent Directors” to enhance the functionality of the Board of Directors. Additionally, the Company established the Audit Committee on June 22, 2017, to further improve the Board’s effectiveness.
 - (3) To increase information transparency, the Company voluntarily publishes important resolutions from Board Meetings and has established several zones on its website, including Corporate Sustainability, Stakeholder, Ethical Management, and Corporate Governance.
 - (4) The Company regularly invites lecturers to provide training courses for directors twice a year to enhance their professional abilities and implement corporate governance.
 - (5) The Company established “The Standard Operating Procedure for Handling Directors’ Requests” on May 13, 2019, to enable directors to obtain appropriate and timely assistance in making requests or requesting information, thereby improving Board’s effectiveness.
 - (6) In addition to the Audit Committee and Remuneration Committee the Company has established in accordance with the law, the Company has established the Sustainability Committee on December 22, 2022, to fulfill its corporate social responsibility and achieve sustainable operation goals. The Sustainability Committee has been raised to the function committee under the Board of Directors.
 - (7) The Company’s performance in corporate governance was ranked in 6% to 20% of all listed companies in the 9th Annual Corporate Governance Evaluation, which illustrated that the Company performed well in corporate governance.

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 2022:

(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 Shareholder's Meeting 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; 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, 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 conducts an annual evaluation of the professionalism, independence, suitability, and reasonableness of remuneration for CPAs, using Audit Quality Indicators (AQIs) as a reference. During the 8th meeting of 2022, the Audit Committee reviewed and approved the proposal to Board for appointment Mr. Lai, Chung-Hsi and Ms. Chou, Hsiao-Tzu, both CPAs from PricewaterhouseCoopers Taiwan (PwC Taiwan), as the Company's CPAs for 2023, along with their remuneration for 2022. Additionally, CPAs have several closed-door meetings with the Audit Committee each year to discuss matters related to financial reports.

(3) Implementation Status of the Audit Committee:

A total of 8 (A) meetings of the Audit Committee were held in 2022 and 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	8	0	100%	-
Member	Yu, Fang-Lai	8	0	100%	-
Member	Chang, Chia-Chee	8	0	100%	-

Other mentionable items:

1. If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, objection, expression of reservation or qualified opinion by independent directors' resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified:

(1) The items listed in Article 14-5 of Securities and Exchange Act: Please refer to page 132 to 141. (Major Resolutions of Board of Directors, Audit Committee, Remuneration Committee and Sustainability Committee)

(2) Except for the proposal mentioned above, other resolutions which are not approved by Audit Committee but are approved by two-third of directors: None.

2. 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 132 to 141. (Major Resolutions of Board of Directors, Audit Committee, Remuneration Committee and Sustainability Committee)

3. 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 communication meetings every year. In 2022, the Independent Directors and the chief internal auditor had seven closed-door communication meetings to report the results of execution of internal audit and the operation of internal control; in case of abnormality, a meeting may be convened at any time.

B. The summaries of communication in 2022:

NO	Date	Communication Content	The Company's Wresponse
1	Jan. 25 Audit Committee	Internal audit reports of Dec. 2021.	Submitted to Board meeting.
2	Mar. 15 Audit Committee	1. Internal audit reports of Jan. 2022 2. Amendment of internal control systems 3. 2021 Internal Control Statement	1. Submitted to Board meeting. 2. After being approved, the proposal was submitted to Board meeting for a resolution.

NO	Date	Communication Content	The Company's Wresponse
3	May 6 Audit Committee	Internal audit reports from Feb. 2022 to Mar. 2022	Submitted to Board meeting.
4	Jul. 15 Audit Committee	Internal audit reports from Apr. 2022 to May 2022	1. Submitted to Board meeting. 2. After being approved, the proposal was submitted to Board meeting for a resolution.
5	Aug. 5 Audit Committee	Internal audit reports of Jun. 2022.	Submitted to Board meeting.
6	Nov. 4 Audit Committee	Internal audit reports from Jul. 2022 to Sep. 2022	Submitted to Board meeting.
7	Dec. 22 Audit Committee	1. Internal audit reports from Oct. 2022 to Nov. 2022 2. 2023 Internal Audit Plan 3. Amendment of internal control systems	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 had at least four closed-door meetings in 2022. The CPAs reported to the Independent Directors on 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. In case of abnormal occurrence, a meeting may be convened at any time.

B. The summaries of communication in 2022:

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

NO	Date	Communication Content	The Company's Response
1	Mar. 15 Audit Committee	1. CPAs Report: 2021 Q4 Financial Statement Report audit scope and results. 2. CPAs discussed and communicated the problems raised by the independent directors.	None
2	May 6 Audit Committee	1. CPAs Report: 2022 Q1 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
3	Aug. 5 Audit Committee	1. CPAs Report: 2022 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
4	Nov. 4 Audit Committee	1. CPAs Report: 2022 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 is disclosed on both the Company’s 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 shareholders’ suggestions, doubts and disputes according to the internal operating procedures.	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 the relevant departments.	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?	✓		1. 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 regulate the trading of the Company’s equity based securities by insiders. The Company amended the “Insider Trading Prevention Management”	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>and “Corporate Governance Best Practice Principles” on December 22, 2022 and stipulated that the directors are not allowed to trade Company securities with the nature of equity during the closed period (30 days before the announcement of annual financial reports and 15 days before the announcement of the quarterly financial report). In addition, directors are reminded to pay attention to relevant regulations. Before the above mentioned closed period begins.</p> <p>2. To enable the directors and managers of the Company to fully understand the relevant rules and penalties regarding insider trading, the Company provides the directors and managers with a monthly Q&A on insider trading prevention and forwards information on insider trading prevention immediately.</p> <p>3. In order to implement the Company’s policy of preventing insider trading, the Company launched an online (E-learning) course entitled “Preventing Insider Trading” in July 2022 (be scheduled for 30 minutes), with a total of 2,465 employees and related companies in charge of shipping-related business participating. The course includes information on the reasons for insider trading, example explanations, and criminal responsibility. In addition, the employees passed the online test, and the completion rate was 100%.</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
3. Composition and Responsibilities of the Board of Directors				
(1) Does the Board develop and implement the diversification policy, specific management objectives and implementation of the Board of Directors?	✓		Please refer to page 37 for the implementation of the diversified policy of the Company’s Board of Directors.	None
(2) Does the Company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	✓		In addition to the Audit Committee and Remuneration Committee that the Company has established in accordance with the law, the Company has established the Sustainability Committee on December 22, 2022 to fulfill corporate social responsibility and achieve the goal of sustainable operation and raised it to the function committee under the Board of Directors. The Sustainability Committee has five members appointed by the Board of Directors, more than half of whom are independent directors. The committee shall assist in reviewing corporate sustainability policies, strategies, goals or management guidelines, corporate sustainability annual plans and other related matters. The operation of the Sustainability Committee can play a sound supervisory function and strengthen the management function of the Board of Directors.	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 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"> 1. The Company has established the “Regulations Governing the Board Performance Evaluation”, and has disclosed it on both the company’s website and the Market Observation Post System (MOPS). 2. The “Regulations Governing the Board Performance Evaluation” stipulates that the company shall conduct an internal board performance evaluation at least once a year. Additionally, an external independent professional institution or a panel of external experts and scholars shall conduct the Company’s board performance evaluation once every three years. 3. The evaluation results of the Board of Directors’ performance in 2022 (please refer to Note 1) were reported to the Board meeting on March 14, 2023. 4. The annual evaluation results of the Board of Directors’ performance are also used as a basis for individual director remuneration and nomination. 	None
(4) Does the Company regularly evaluate the independence of CPAs?	✓		The Audit Committee conducts an annual evaluation of the professionalism, independence, suitability, and reasonableness of remuneration for CPAs, using Audit Quality Indicators (AQIs) as a reference, and the CPAs have completed independent reports for the appointed auditing affair. The assignment and remuneration of CPAs for the 2023 financial and tax certification has been approved by the Board of Directors on Dec. 22, 2022. The assigned	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>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 2 for the independence evaluation of CPAs.</p>	
<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>	✓		<p>1. On May 13, 2019, the Board of Directors appointed Senior Vice President Hsieh, Shu-Hui, head of the Corporate Governance Department, as the Chief Corporate Governance Officer of the Company. The Officer will lead a team of professional corporate governance personnel to protect shareholders’ rights and strengthen the Board’s functionality. The Officer has at least 3 years of experience in corporate governance affairs, making her eligible for the position of Chief Corporate Governance Officer.</p> <p>2. The primary responsibilities of the Company’s Chief Corporate Governance Officer are as follows:</p> <p>(1) To manage matters related to Board meetings and Shareholders’ meetings in accordance with applicable laws.</p> <p>(2) To prepare minutes of Board meetings and Shareholders’ meetings.</p> <p>(3) To assist in the onboarding and ongoing education of directors.</p> <p>(4) To provide directors with necessary information for business execution.</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>(5) To support directors in complying with regulatory requirements.</p> <p>(6) To report to the Board of Directors on the results of their review of whether the qualifications of independent directors comply with relevant laws and regulations during the nomination, election, and term of office.</p> <p>(7) To manage matters related to changes in directors.</p> <p>3. To furnish directors with relevant information and regulations to perform their duties and arranged training courses for directors:</p> <p>(1) To furnish Directors with relevant information and regulations to perform their duties and arranged training courses for directors:</p> <p>a. To irregularly provide the Directors with the latest regulations on corporate governance.</p> <p>b. To provide the Directors with the necessary company’s information to effectively perform their duties and maintain smooth communication between the Directors and all department heads.</p> <p>c. To arrange at least four closed-door meetings to facilitate face-to-face communication between independent directors, the chief internal auditor, and CPAs to gain a deeper understanding of the Company’s audit and financial status, as well as the audit results.</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>d. To conduct two training courses for the Directors, each lasting three hours.</p> <p>(2) To handle matters relating to functional committees, Board meetings and Shareholders meetings according to laws:</p> <p>a. To notify each director of the meeting agenda at least seven days in advance, provide all necessary materials, remind directors who have a conflict of interest not to participate in discussion or voting on related agenda items, and distribute the meeting minutes to each director within 20 days after the meeting.</p> <p>b. To assist in announcing material information after Board meetings to ensure the legality and accuracy of the information. This helps to protect the information equity of investor transactions.</p> <p>c. To register the date of the Shareholders’ Meeting and prepare meeting notices, handbooks, and minutes in accordance with the law.</p> <p>(3) To review regularly (once a year) whether the qualifications of independent directors comply with relevant laws and regulations.</p> <p>4. Chief corporate governance officer training records in 2022 (please refer to Note 3).</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
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 features a “Stakeholders Zone” (URL: https://csr.evergreen-marine.com/csr/tw/jsp/CSR_StakeholderEngagement.jsp), which provides information on major management issues, communication channels, communication reports, and a CSR mailbox for real-time responses to ESG-related issues. Through issue questionnaires, the Company analyzes energy resource management, green fleets, fleet decarbonization technology research and development, operational performance, emission and pollution management, compliance with laws and regulations, information security, customer privacy protection, corporate governance and integrity management, ship safety, shipping operations, waste management, and risk control. The company has established relevant policies, management guidelines, evaluation and management mechanisms, and tracks annual performance while setting future goals for all 11 major issues. The company is well aware of stakeholder concerns through various communication channels and responds appropriately’ with an open and rigorous attitude to foster a positive interactive relationship. The company collects and reports on stakeholder communication to the Board of Directors annually, which is disclosed in the “Policy and Report Zone” of the website’s annual sustainability report. Please refer to Note 4 for information on stakeholder communication in 2011.</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	
6. Does the Company appoint a professional shareholder service agency to deal with Shareholders’ Meeting affairs?		✓	The Company does not assign any 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 safety.
7. Information Disclosure (1) Does the Company have a corporate website to disclose both financial standings and the status of corporate governance?	✓		<p>1. Financial and Business information: The Company has set up a corporate website (URL: https://csr.evergreen-marine.com/csr/tw/jsp/CSR_FinancialReports.jsp), 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: https://csr.evergreen-marine.com/csr/jsp/CSR_CorporateGovernance.jsp) 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

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(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)?	✓		The Company has set up an English website (URL: http://www.evergreen-marine.com/) 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	None
(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 https://emops.twse.com.tw/server-java/t58query .	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 established measures to prevent and address sexual harassment, including procedures for reporting and disciplinary action. Additionally, the Company created a mailbox and dedicated phone line on the internal website to ensure the protection of	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>employees’ rights and interests.</p> <p>(2) The company has created policies regarding human rights and regularly assesses the risks and impacts related to human rights. This is done to ensure that all employees are treated with respect and dignity, in line with the UN Universal Declaration of Human Rights, the UN Global Compact, the ILO Declaration on Fundamental Principles and Rights at Work, and the ILO Maritime Labour Convention of 2006.</p> <p>(3) The company has implemented a thorough training program that includes personalized mentorship to the Company ensure all business operations run smoothly. Regular performance reviews and appraisals are conducted to provide employees with references for their future career development. Additionally, supervisors can improve communication and enhance employee performance through appraisal interviews.</p> <p>2. Employee care</p> <p>(1) The company offers free lunch to promote employees’ health and ensure food safety.</p> <p>(2) There are 21 clubs in Taipei, Taoyuan, and Kaohsiung that fall into three categories: “ball sports, health and wellness, and outdoor recreation.” These clubs encourage employees to reduce work-related stress, connect with their emotions,</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(2) Investor relations	✓		<p>and improve their physical and mental health.</p> <p>(3) Regularly organize group activities, such as Evergreen Family Day, basketball games, etc., to enhance employee communication and peer friendship.</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. Full-time chefs prepare nutritious and varied meals for everyone. Communication is the top issue for young people today. The majority of Evergreen software that make it easy for crews to stay in contact with their families.</p> <p>“Investor Service Zone” is set up in the Company’s website (URL: https://csr.evergreen-marine.com/csr/jsp/CSR_StakeholderEngagement.jsp) to provide investors with information on operations and finances.</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) Supplier relations and rights of stakeholders	✓		<p>(1) “Supplier management” is set up in the Company’s website (URL: https://csr.evergreen-marine.com/csr/jsp/CSR_SupplierManagement.jsp) to reveals our value chain, major aspects of the Supplier Code of Conduct and our suppliers’ screening and performance evaluation result.</p> <p>(2) “Supplier Code of conduct” is set up in the Company’s website (URL: https://csr.evergreen-marine.com/csr/jsp/CSR_SupplierCodeConduct.jsp) to establish common values and standards which suppliers need to comply when doing business with us.</p> <p>(3) “Stakeholder Zone” is set up in the Company’s website (URL: https://csr.evergreen-marine.com/csr/jsp/CSR_ContactWindow.jsp) to list communication channels for stakeholders.</p>	None
(4) Directors’ and supervisors’ training records	✓		The directors of the Company have completed training courses according to “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies”. 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

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<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 was invited to attend Investor Conferences hosted by SinoPac Securities Co., Ltd. on March 15, 2022 and October 14, 2022. Relevant information has been disclosed on the company's website.</p> <p>(2) The Company's directors completed training in accordance with the “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies” in 2022. The Company will continue to encourage directors to attend training courses.</p> <p>(3) The Company established the Sustainability Committee on Dec. 22, 2022, and it has been raised to the function committee under the Board of Directors. The Sustainability Committee has five members appointed by the Board of Directors, with more than half being Independent Directors.</p> <p>(4) The Company plans to publish uninterrupted live audio and video webcasts recordings of the Annual General Meeting of Shareholders on the Company's website and MOPS.</p>				

Note 1: The Evaluation Results of Board of Directors of 2022

	Self-evaluation of performance of the Board	Self-evaluation of performance of Board members (for themselves)	Self-evaluation of performance of the Audit Committee	Self-evaluation of performance of the Remuneration Committee
Average score (Full score: 5)	4.99	4.95	5.00	5.00
Evaluation Results	Good	Good	Excellent	Excellent

Note 2: 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"> - Serve as a manager, supervisor, or director of the Company or its affiliates. - Positioned as one who has a direct and significant influence on the Company's accounting records or financial statements. 	Conformity	Yes

Item	Evaluation	Independence of CPA
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"> - 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. - Being promoted to the above positions. 	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
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

Note 3: Chief Corporate Governance Officer Training Records In 2022

Date	Professional Organization	Training sessions	Training hours
Feb. 25	Taiwan Corporate Governance Association	Global and Taiwan Economic Outlook 2022	1
Jul. 21	Taiwan Institute for Sustainable Energy	Carbon management trends and responses to net zero emissions	3
Oct. 05	Taiwan Corporate Governance Association	Cybersecurity in Corporate Governance - developing the cybersecurity strategies in list companies	3
Oct. 11	Taiwan Stock Exchange Corporation & Taipei Exchange	Release Conference 2022: Reference guide for Independent Director & Audit Committee	3
Oct. 19	Taiwan Corporate Governance Association	2022 Corporate Governance Summit XVIII - Improve the functions of directors and implement the Company's sustainable management	6
Oct. 25	Securities and Futures Institute	Corporate Governance and Securities Regulations	3
Total Training Hours			19

Note 4: 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"> • Operating performance • Remuneration, benefits & employee care • Corporate governance and ethical corporate management • Information security and Protection of customer privacy • Work environment safety and labor health care 	<ul style="list-style-type: none"> • Contact person: Human Resources Dept. Mr. Huang E-mail : hrd@evergreen-marine.com • EIP e-Bulletin board (any time) • Corporate / departmental meetings (monthly) • Inter-departmental coordination meeting (ad hoc) • Management Year End Talk (annually)/ Employee interview (semiannually) • Labor-management meeting/ Employee Welfare Committee meeting/ Labor Safety and Health Committee meeting/ Labor Retirement Reserve Supervision Committee (quarterly) • Appeal dedicated mail box (any time) • Sexual harassment compliant hotline/ mail box (any time)

Stakeholder	Importance to the Company	Priority Issues	Communication Channels, Response Methods and Communication Frequency
	<p>2022 Communication Performance:</p> <ol style="list-style-type: none"> 1. We posted 13 pieces of club/event information, 58 pieces of welfare/travel/discount information, and 27 pieces of occupational safety/health education information on the EIP. 2. Our senior executives hold monthly business meetings and announce important matters on the EIP. Our unit supervisors hold monthly departmental meetings, and we hold cross-departmental coordination meetings at any time to meet business needs. Additionally, our top management held a year-end talk on Dec. 26. 3. We held labor-management meetings, employee welfare committee meetings, labor safety and health committee meetings, and labor retirement reserve supervisory committee meetings 4 times a year. 4. We conducted 29 sessions of pre-employment seminars for seafarers at all levels. 		
Competent authority	<p>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</p>	<ul style="list-style-type: none"> • Work environment safety and labor health care • Operating performance • Remuneration, benefits & employee care • Labour relations • Human rights and social inclusion • Compliance 	<ul style="list-style-type: none"> • Contact person: Business Coordination Dept. Mr. Yu • E-mail : csr@evergreen-marine.com • E-mail (any time) • Letter (ad hoc) • Personal Visit (ad hoc) • Large Conference Call (ad hoc)
	<p>2022 Communication Performance:</p> <ol style="list-style-type: none"> 1. Shared Evergreen Shipping's anti-corruption experience and shipping practices with the Political Affairs Office of the Taipei City Government and presented the Company's integrity management experience and achievements at the Customs Administration's Honest Management Seminar. 2. Responded to the EU and UK opinion collection questionnaires on the impact of the joint venture block exemption rules during the epidemic and the new round of delays. Expressed the marine industry's practices and the importance of the exemption regulations. 3. Explained the current status of container shipping to the competent authorities of the United States, the European Union, the United Kingdom, and Asian countries through the World Shipping Council. Provided industry opinions on the revision of the US OSRA 2022 Act. 4. Responded to seven inquiries from the competent authority on the merger of the upstream and downstream of the shipping industry. Expressed the Company's operating strategy and industry opinions to the competent authority. 5. Communicated eight times with the Port Bureau of the Ministry of Communications, three times each with the Central Navigation Center and Ocean University, and once with the Environmental Protection Bureau of Keelung City to discuss issues related to navigation safety and marine environmental protection. 		

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"> • Service quality and customer satisfaction • Shipping management • Information security and protection of customer privacy • Risk control • Ship safety • Operating performance 	<ul style="list-style-type: none"> • Contact person: Mr. Dai • E-mail : customer@evergreen-marine.com • Phone (any time) • Personal Visit (ad hoc) • Company’s website/mobile device (any time) • Customer satisfaction survey (Quarterly) • OCEAN Alliance promotional seminar (any time)
<p>2022 Communication Performance:</p> <ol style="list-style-type: none"> 1. The overall score of the customer satisfaction survey was 4.91 points (out of 5 points), exceeding the 4.89 in 2021. 2. The annual usage of i-B/L was 3,942, 4% growth over last year. 			
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"> • Supply chain management • Service quality and customer satisfaction • Shipping management • Corporate governance and ethical corporate management • Operating performance • Work environment safety and labor health care 	<ul style="list-style-type: none"> • Contact person: Mr. Dai • E-mail : supplier@evergreen-marine.com • Meeting (1-2 times a year per company) • Supplier questionnaire survey (annually) • Supplier evaluation (annually) • Equipment efficiency statistical table (monthly) • Company’s website (annually)
<p>2022 Communication Performance:</p> <ol style="list-style-type: none"> 1. We required our suppliers to comply with our the Company’s Supplier Code of Conduct, which includes encouraging them to sign the “Sustainable Corporate Responsibility Commitment,” complete“ the “Supply Chain Sustainability Assessment Questionnaire,” and incorporate ESG clauses into their contracts. 2. Throughout the year, we tracked the ESG implementation of our first-tier key suppliers, whose cost unit accounts for more than 80% of our total procurement amount. Here are the statistics: <ul style="list-style-type: none"> • Sustainable Corporate Responsibility Commitment: 222 first-tier key suppliers signed, accounting for 88.1% of our target number. 100% of new first-tier key suppliers followed suit. • Supply Chain Assessment Questionnaire: 390 first-tier key suppliers responded, with a recovery rate of 91.1%. 100% of new first-tier key suppliers completed the questionnaire. • ESG clauses in contracts: 171 first-tier key suppliers included ESG clauses in their contracts, accounting for 64.3% of our target number. 100% of new first-tier key suppliers followed suit. 			

Stakeholder	Importance to the Company	Priority Issues	Communication Channels, Response Methods and Communication Frequency
Other shipping companies	Provide shippers with better service through alliance or joint services which meet the requirements of the Company	<ul style="list-style-type: none"> • Operating performance • Remuneration, benefits & employee care • Information security and protection of customer privacy • Supply chain management • Corporate governance and ethical corporate management • Energy resource management and green shipping 	<ul style="list-style-type: none"> • Contact person: Business Coordination Dept. Mr. Chen E-mail : bcdjvs@tw.evergreen-line.com • Meeting (ad hoc) • Personal visit (ad hoc)
<p>2022 Communication Performance:</p> <ol style="list-style-type: none"> 1. Communicated with Ocean Alliance (OA) partners via meetings and video conferences for route cooperation, and strictly abided by the content of alliance agreements, anti-trust laws, competition laws and other relevant laws and regulations. 2. OA held four meetings and discussed the 2023 Day 7 Product planning. 			
Institutional investors and creditors	Provide the necessary funds for the operation of the Company and require transparency with the operating situation	<ul style="list-style-type: none"> • Operating performance • Corporate governance and ethical corporate management • Shipping management • Risk control 	<ul style="list-style-type: none"> • Contact person: Finance Dept. Ms. Huang • E-mail (any time): finir@evergreen-marine.com • TEL: 886-2-25001280 • Investor Service Zone in Company's website (any time) • Important financial and business information in MOPS (as specified by the competent authority) • Respond to investor inquiries (ad hoc) • Investor conference (ad hoc)
<p>2022 Communication Performance (Total with shareholders):</p> <ol style="list-style-type: none"> 1. Set up investor Q&A' mailbox and dedicated line to answer investors' questions. 2. Posted 91 major news announcements (as a listed company) in Chinese/English. 3. Held one General Meeting of Shareholders. 4. Attended 2 investor conferences held by SinoPac Securities. 			

Stakeholder	Importance to the Company	Priority Issues	Communication Channels, Response Methods and Communication Frequency
Shareholders	Holder of the Company's shares with the right to attend and vote in shareholders meetings; shareholder's participation will boost corporate governance.	<ul style="list-style-type: none"> • Operating performance • Corporate governance and ethical corporate management • Shipping management • Risk control 	<ul style="list-style-type: none"> • Contact person: Corporate Governance Dept. Ms. Chiu TEL: 886-2-25001668 • Investor Service Zone in Company's website (any time) • Important financial and business information in MOPS (as specified by the competent authority) • Respond to investor inquiries (ad hoc) • Annual reports of Shareholders' Meeting (annually) <p>2022 Communication Performance (Total with shareholders):</p> <ol style="list-style-type: none"> 1. Set up investor Q&A mailbox and dedicated line to answer investors' questions. 2. Posted 91 major news announcements (as a listed company) in Chinese/English. 3. Held one General Meeting of Shareholders. 4. Attended two investor conferences held by SinoPac Securities.
Community and society	Local residents and groups that are closely connected to the Company's location and services	<ul style="list-style-type: none"> • Information security and protection of customer privacy • Remuneration, benefits & employee care • Operating performance • Service quality and customer satisfaction 	<ul style="list-style-type: none"> • Contact person: General Affairs Dept. Mr. Wu E-mail: gadgas@evergreen-marine.com • Meeting (ad hoc) • Personal visit (ad hoc) • Survey (ad hoc) <p>2022 Communication Performance:</p> <ol style="list-style-type: none"> 1. Visited the village chief for location of Taipei office building to discuss neighborhood affairs. 2. Visited the management office chief of the building next to Nankan office building for better traffic control during commuter hours. 3. Visited the village chief for location of Kaohsiung Terminal to discuss neighborhood affairs.
Social group and non-profit organization	Our partners in the engagement of social care and charitable activities	<ul style="list-style-type: none"> • Work environment safety and labor health care • Corporate governance and ethical corporate management • Ship safety • Compliance • Climate change and environment management 	<ul style="list-style-type: none"> • Contact person: Human Resources Dept. Mr. Lai E-mail : hrd@evergreen-marine.com • Meeting (ad hoc) • Personal visit (ad hoc)

Stakeholder	Importance to the Company	Priority Issues	Communication Channels, Response Methods and Communication Frequency
	<p>2022 Communication Performance:</p> <ol style="list-style-type: none"> 1. Evergreen Symphony Orchestra sponsored six classical concerts, offering a total of 3,480 tickets to employees and their families, customers, disadvantaged individuals, social welfare groups, and volunteers. 2. Evergreen Maritime Museum's 10th "Paint a Marvelous Ship" painting competition was sponsored by Evergreen, with the theme of "Marine Environmental Protection" to promote environmental sustainability issues. 3. Evergreen collaborated with "I Love To Plant Trees Company Limited" and "I Plant For Life Corporation Aggregate, Kaohsiung" to hold planting activities at Jiabao Beach in Linkou District, New Taipei City on Apr. 23 and at Qieding Wetland in Qieding District, Kaohsiung City on May. 14. They planted 750 and 200 trees, respectively, at these two events. 4. Evergreen collaborated with "The Society of Wilderness" to hold the "Ocean Guardian" beach cleaning activity on Nov. 12 at the Sanwei Fishing Harbor in Linyuan District, Kaohsiung City. Four hundred meters of beach was cleaned and 46.6 kg of waste was collected. 5. Evergreen collected and donated 624 children's books to Chengfu Elementary School in Sanxia District, New Taipei City on May. 11. 6. Evergreen collected 100 computers and donated them to disadvantaged children at Luzhou Elementary School, Zhongyi Elementary School, and Jimei Elementary School in New Taipei City on Dec. 15. 7. Evergreen sponsored the teachers and students of Oyen Elementary School in Xinwu District, Taoyuan City, and Evergreen Baihe Elementary School in Maxiang Township, Pingtung County, to participate in a public welfare out-of-school teaching and Christmas party on Dec. 21 		
Media	<p>Give the general public a better understanding of the Company through good communications and information dissemination</p>	<ul style="list-style-type: none"> • Operating performance • Compliance • Risk control • Climate change and environment management • Research on ship decarbonization technology 	<ul style="list-style-type: none"> • Contact person: Public Relation Dept. Ms. Yang • E-mail: prd@evergreen-marine.com • Shareholders' meeting / investor conference (ad hoc) <p>2022 Communication Performance:</p> <ol style="list-style-type: none"> 1. The company was invited to participate in the investor conference in March and October, and the number of media participating in the two conferences were approximately 40 media and 30 media. 2. The company held a physical shareholder meeting in May, and there are about 50 media participated in the meeting. In response to the epidemic, the media was also invited to watch it online through live video.

4. Composition, Responsibilities and Operations of the Remuneration Committee

A. Professional Qualifications and Independence Analysis of Remuneration Committee Members

Professional Qualifications and Independence Analysis of All members of the Remuneration Committee are independent directors, and their professional qualification, experience, independence criteria and number of other public companies in which the individual is concurrently serving as a remuneration committee member, please refer to page 35 to page 36.

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 3 meetings(A) were held in 2022. Please refer to page 132 to 141 for resolutions made by the Remuneration Committee and 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	3	0	100%	-
Member	Li, Chang-Chou	3	0	100%	-
Member	Chang, Chia-Chee	3	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 Sustainable Development and Deviations from “the Corporate Sustainable Development 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 establish exclusively (or concurrently) dedicated unit to promote corporate sustainable development, with first-line managers authorized by the Board to be in charge of its management and the Board supervise the management status?	✓		<p>In order to fulfill the Company’s corporate social responsibility and achieve its sustainability management goals, Evergreen has followed the regulations of “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and “Corporate Governance Best Practice Principles” to rename the “Corporate Sustainability Committee” to the “Sustainability Committee” by the resolution of the Board of Directors on Dec. 22, 2022. Also, the Company has formulated the “Organizational Regulations of the Sustainability Committee,” and elevated the committee to a functional committee under the Board of Directors.</p> <p>The Sustainability Committee has 5 members, 3 of whom are independent directors. The president serves as the convener, and the head of the Business Coordination Department (BCD) serves as the deputy convener. The Committee’s main responsibilities include reviewing and formulating sustainability-related policy objectives and annual work plans, as well as supervising the implementation progress, results, and related matters of the work plans.</p> <p>There are several working teams operating under the Sustainability Committee, with the head of the Business and Corporate Development (BCD) department responsible for convening group meetings and assisting in the promotion of various tasks. The working teams are comprised of four issue groups: “environmental protection”,</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>“social inclusion”, “corporate governance”, and “sustainable procurement”. The responsible departments promote sustainable annual goals and related businesses according to the division of work, discuss major issues related to the environment, society, corporate governance, economy, and procurement through conferences, review the progress and effectiveness of the work plan implementation of each topic, and communicate with stakeholders and respond accordingly. The Sustainability Committee and the working teams hold meetings and report sustainable implementation results to the Board of Directors at least twice a year.</p> <p>Please refer to Table 1 for the structure of the Sustainability Committee.</p>	
2. 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>To reduce the risks of financial and economic impact, terrorism, climate change, and pandemics, Evergreen has proactively identified and formulated management policies and countermeasures for various risks. These include strategic and operating risks, market risks, legal risks, financial risks (such as exchange rates, interest rates, credit, and liquidity risks), crew/vessel/cargo safety risks, sanction risks, credit risks, pandemic risks, information security risks, spare parts/fuel procurement risks, and dry-docking risks. These policies and countermeasures have been disclosed on Evergreen’s website.</p> <p>In response to the increasingly severe impact of climate change, Evergreen has introduced the Task Force on Climate-related Financial Disclosure (TCFD) framework. This framework helps identify opportunities</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>and challenges brought by climate change and extreme weather conditions. The impact of climate change on operations has been integrated into Evergreen’s risk assessment system, and corresponding measures have been adopted. Please refer to Table 2 for details on these measures.</p> <p>To help stakeholders better understand our corporate sustainable promotion plan and implementation results, Evergreen regularly publishes relevant information on our website and Sustainability Report.</p>	
<p>3. Environment Issue</p> <p>(1) Does the Company establish proper environmental management systems based on the characteristics of their industries?</p>	✓		<p>A leader in the maritime industry, Evergreen is committed to building an environmentally friendly fleet and actively participating in numerous international environmental protection projects. We take various factors into consideration, such as weather navigation analysis and optimization of route speed, in order to synchronize with global efforts to protect the marine environment. To this end, we have established a “Safety and Environmental Management System” for both our fleet and onshore personnel. We have also obtained the ISO 14001 Environmental Management System certification, which is valid from August 13, 2020 to August 12, 2023. We implement our environmental protection management system with a responsible attitude to prevent environmental accidents and minimize risks. In 2022, there were no major environmental protection incidents.</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 endeavor to improve energy efficiency and use renewable materials which have low impact on the environment?	✓		<p>The company is committed to adhering to international environmental protection conventions and regulations in various regions, while taking a cautious approach. It places a strong emphasis on pollution prevention, energy conservation, greenhouse gas reduction, and planetary protection. To ensure environmental protection and pollution prevention for ships sailing at sea, the Company has established strict standards and operating procedures. It employs various operational management measures, emission reduction strategies, and ship design optimization to reduce ship energy consumption. Additionally, the Company continuously introduces a new generation of eco-friendly ships to reduce pollution and greenhouse gas emissions, thereby contributing to the protection of the earth's environment. To continuously improve energy efficiency, the Company adopts the following methods:</p> <ol style="list-style-type: none"> 1. Optimizing routes and sailing at suitable speeds. 2. Continuous monitoring of ship fuel consumption and host operating status to ensure propulsion performance of main engines. 3. Using weather navigation to provide the fleet with real-time weather information in order to select the best routes for maximum fuel efficiency. 4. Improving cargo handling efficiency to shorten port stays. 5. Properly planning ship cargo loads and reduce ballast water loading to maximize economic benefits. 6. Application of special anti-fouling paint to ship hulls 	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>In addition, the Company’s buildings are all pursuing energy-saving policies. In order to achieve energy-saving goals and eliminate energy waste, the following measures are also implemented:</p> <ol style="list-style-type: none"> 1. The 4 main air conditioners of the Taipei International Building had been replaced by the end of March, 2022, and 3 elevators had been completely replaced in August 2022, which make the overall electricity consumption reduce 190,400 degrees compared with 2021. (Reduced about 95.6 tons of CO₂ emission) 2. Fully replaced office lighting with LED energy-saving lamps to control high energy consumption and long-term use equipment through active management. 3. Purchasing refrigerators with first-class energy efficiency 4. Purchasing low fuel consumption or hybrid vehicles as company cars. 5. The company’s photocopy machines are all rented by Taiwan FUJIFILM Business Innovation Corp. After the company’s photocopiers are replaced, the material recycling rate can reach more than 96%, and the toner recycling rate is 100%, which can reduce the waste of resources. 6. As of 2022, the rack tires of Kaohsiung Container Yard had been all replaced to all-rubber tires. This kind of tires can be recycled and reused after scrapping, which can reduce the impact on the environment after recycling. 	

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?	✓		Due to the escalating severity of climate change, Evergreen has implemented the Task Force on Climate-related Financial Disclosure (TCFD) framework to recognize the potential opportunities and challenges presented by climate change and extreme weather conditions. The impact of climate change on our operations, including the heightened frequency of extreme weather events, alterations in domestic and foreign regulations, increased customer awareness of environmental protection, changes in energy policies, and equipment requirements, has been integrated into our risk assessment systems. Corresponding measures have also been adopted and are outlined in Table 3.	None
(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>The Company follows the relevant laws and regulations of government agencies, In 2022, the “Greenhouse Gas Inventory Group” was established and cooperated with professional accounting firms and BSI British Standards Institute to carry out greenhouse gas inventory and verification. In the same year, it obtained ISO14064-1:2018 and GHG Protocol carbon emissions Double-check certification, through the check and year-by-year emission reduction actions, to implement the commitment of sustainable shipping, please refer to Table 4 of this table for relevant implementation data.</p> <p>Evergreen monitors the fuel consumption and operating status of each ship in the fleet daily to ensure the propulsion performance of the main engine. At the end of each month, each vessel reports the total fuel consumption and total navigation distance to the ship management unit. This information is used to calculate the CO₂</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>emissions, enabling the monitoring of greenhouse gas emissions of the entire fleet and the achievement of the fleet's carbon reduction targets. The company currently implements the following measures to reduce CO₂ emissions:</p> <ol style="list-style-type: none"> 1. Optimizing routes and sailing at suitable speeds. 2. Continuous monitoring of ship fuel consumption and host operating status to ensure propulsion performance of main engines. 3. Using weather navigation to provide the fleet with real-time weather information in order to select the best routes for maximum fuel efficiency. 4. Improving cargo handling efficiency to shorten port stays. 5. Properly planning ship' cargo loads and reduce ballast water loading to maximize economic benefits. 6. Application of special anti-fouling paint to ship hulls Incentive program. <p>Evergreen Marine is responding to global trends by developing green shipping and setting CO₂ reduction targets. The company plans to achieve a mid-term target of a 50% reduction in CO₂ emissions by 2030, using 2008 as the baseline, and a long-term target of Carbon Neutrality by 2050. As of 2021, the Company has achieved a reduction of 33.9% in CO₂ emissions.</p> <p>To comply with international environmental protection conventions, Evergreen Marine the Companyhas established a comprehensive fleet waste management plan to manage hazardous and solid waste generated on board. The plan includes five major</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	
			procedures: collection, classification, processing, storage, and recording. Each ship is equipped with stainless steel trash cans for garbage classification. Colleagues and visitors on board can dispose of their garbage according to the classification, rather than discarding it into the sea and causing marine pollution.	
4. Social Issue				
(1) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		Evergreen Marine has developed Human Rights Policies and regularly conducts Human Rights Risks and Impact Assessments to ensure that all workers are treated with respect and dignity in accordance with the UN Universal Declaration of Human Rights (UDHR), the UN Global Compact (UNGC), the ILO Declaration on Fundamental Principles and Rights at Work, and the ILO Maritime Labour Convention, 2006 (MLC, 2006). As of 2022, all Evergreen Marine shore personnel were over the age of 18, while crew members were over 16. Notably, Evergreen Marine did not have any human rights violations in 2022. For further information on Evergreen Marine’s human rights policies, please refer to the corporate website at https://csr.evergreen-marine.com/csr/jsp/CSR_HumanRights.jsp .	None
(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 enhance our global business team and attract and retain top talent, the Company offers competitive salaries and fringe benefits to both shore and ship personnel. Our remuneration policy is in compliance with labor laws and regulations, and we ensure that our generous remuneration packages are not influenced by gender, religion, race, or political bias.	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 provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		<p>Additionally, annual bonuses are awarded to employees based on the Company’s profitability and individual performance, as a recognition of their exceptional work.</p> <p>It is important to note that the remuneration for both national and foreign crew members must meet the standards set by the Ministry of Transportation and Communications (MOTC) and the collective bargaining agreement with the International Transport Workers’ Federation (ITF).</p> <p>The company has established an Occupational Safety and Health Management Department in compliance with the law. Safety and health management personnel have been deployed to develop, plan, and promote occupational safety and health practices to effectively prevent occupational disasters. The following measures have been implemented:</p> <ol style="list-style-type: none"> 1. Safety and health codes of practice have been established in accordance with the Occupational Safety and Health Act. Employees are required to comply with these instructions. 2. New and existing employees receive safety and health education and training in accordance with the Occupational Safety and Health Act. 3. Fire safety education and training are provided to employees in accordance with the Fire Services Act. 4. Regular health checkups and medical consultations are provided to employees. 5. A 24-hour security alert has been established to ensure the safety of the Company’s property and personnel. 	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>The Company has always believed that “talent is the most valuable asset of an enterprise.” We provide equal employment opportunities to young people and patiently teach them everything from the ground up. Our current employees are offered a variety of professional training courses and a proactive rotation scheme. Through rotation and expatriate assignments, we hone our employees professional abilities and international horizons to enhance our operating performance. In 2022, the training expenses for both shore and ship personnel totaled NTD 11.20 million.</p> <p>The Company has also implemented an innovative “ship-shore rotation” system that allows ship personnel to work on shore. The professional knowledge of exceptional ship personnel helps ensure that ship scheduling, freight space configuration, terminal loading/unloading, and ship maintenance operations meet the needs of operations at sea. This improves the overall efficiency of the service chain. Ship personnel can also take advantage of the ship-shore rotations and expatriate assignment system to further their development at sea and on land, as well as to care for their families.</p> <p>Ship personnel training: Seamen waiting on shore for their next assignment receive 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). The ESTC also administers additional courses on company policy awareness, shipboard system operations, and professional development based on</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 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>mariners’ roles aboard the ship. This keeps them up to date on the latest navigational knowledge and techniques, enhances their navigation and engineering expertise, strengthens their identification with the Company’s management system, and increases their loyalty to the Company.</p> <p>Shore personnel training: Through on-the-job training, departmental professional training, and training courses provided by external organizations, staff members learn the necessary skills for daily operations. The Company also enhances shore personnel’s inter-departmental knowledge and teamwork spirit through rotation schemes between different functions. For overseas talents, The Company provides expatriate assignments to enhance employees international horizons and career development, and provides physical Training courses and online courses cover subjects such as digital transformation, career and learning, communication and marketing, and political and economic trends</p> <p>The Company has established the “Evergreen Line Sustainability Policy” along with its corresponding operating procedures. It is expected that all global subsidiaries and agencies adhere to the anti-bribery, anti-corruption, and anti-discrimination commitments in their business operations, while also making efforts to prevent pollution and enhance the marine environment. Additionally, the Company has developed a competition law compliance manual that aligns with global competition laws. The Company is dedicated to complying with these laws and will not engage in any activities that violate them.</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 a “Supplier Code of Conduct” that outlines the regulations suppliers must comply with when conducting business with us. This code is published on the Company’s website, and suppliers compliance with it will be taken into consideration when making’ procurement decisions. The code consists of five parts: labor standards, health and safety standards, environmental standards, ethics, and management system standards.</p> <p>To ensure the quality of our goods and services, we have created “Supplier Evaluation Procedures” to assess qualified suppliers at least once a year.</p> <p>In line with our sustainable procurement policy, we added Environmental, Social, Governance (ESG) assessment items, and criteria to our existing management system. Suppliers are required to sign a “Corporate Sustainability Responsibility Compliance Commitment,” and we also issue an “Evergreen Supply Chain Sustainability Assessment Questionnaire” to suppliers. We encourage the inclusion of ESG-related clauses in contracts.</p> <p>The Company set up several supplier management KPI, they are “recovery rate of EMC Supplier Social Responsibility Compliance Commitment”, “ESG clauses contract inclusion rate” and “First tier supplier’s Supply Chain Sustainability Assessment Questionnaire return rate”, in order to understand how suppliers perform and fulfill sustainability development responsibilities with suppliers together.</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 Corporate Sustainable 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?	✓		Evergreen’s Sustainability report follows the Global Reporting Initiative Standards (GRI Standards) in terms of its editorial structure. The 2021 edition is compiled in accordance with the Marine Transportation Standards 2018, which were formulated by the Sustainability Accounting Standards Board (SASB), and the Task Force on Climate-Related Financial Disclosures (TCFD) framework, which was developed by the International Financial Stability Board (FSB). The company’s 2021 Sustainability Report has been subjected to assurance by a CPA in accordance with Stat Assurance Engagements Standards No.1 of the Accounting Research and Development Foundation ROC. The same method is used for the 2022 Sustainability Report.	None
6. If the Company has established the corporate sustainable principles based on “the Corporate Sustainable Development 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 Sustainable Development Best Practice Principles” and operated in accordance with this code of practice, thus no discrepancies have occurred.				
7. Other important information to facilitate better understanding of the Company’s corporate social responsibility practices: The company has been committed to promoting social welfare for a long time, participating in sailing career lectures, sponsoring art and cultural activities and charity, and continuing to carry out a number of industry-university cooperation with maritime colleges, actively investing in the education and cultivation of maritime talents, and also attaching importance to local care and social give back. (1) Environmental Protection Following the relevant regulations, the Company established a “Greenhouse gas inventory team” in 2022, and cooperated with professional accounting firms and British Standards Institute (BSI) to carry out greenhouse gas inventory and verification. In the same year, we obtained ISO 14064-1:2018 and GHG Protocol carbon emission inventory certifications, through the inventory and year-by-year emission reduction actions, to implement the commitment of sustainable shipping. The Company has set a carbon dioxide emission reduction target. Based on 2008, we plan to reduce the carbon dioxide emission rate by 50% in 2030, and expect to achieve the goal of carbon neutrality before 2050. This is the core value of Evergreen Marine in response to global climate change. The company incorporates the concept of environmental protection into its fleet planning, utilizing cutting-				

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

edge shipbuilding technology and equipment to construct an environmentally conscious fleet that contributes to the sustainable development of transportation services and the marine environment that international trade relies on. It has always been the principle and goal of the Company to provide high-quality services to deliver the goods to the destination port safely and on time, and to make sure the environmental protection, energy saving, greenhouse gas emission reduction and air pollution reduction at the same time. The new ship types ordered by the Company are all planned by the Shipbuilding Department. We take the lead in relevant international regulations and conventions in ship design, and apply advanced ship technology to develop optimized ship types to achieve the best efficiency of ship loading and energy saving goals.

The company remains committed to utilizing the latest technology to construct new ships that prioritize both performance and environmental protection. All environmental protection designs comply with relevant international regulations, such as preventing marine oil pollution (through the installation of double-shell built-in oil tanks that effectively reduce the risk of oil leakage), air pollution and climate change (in accordance with the Montreal, Kyoto, and Paris Agreements to reduce GWP, ODP, SOx, NOx emissions), biodiversity (through pressure tank water treatment), and other related issues.

The Company has also obtained ISO 14001:2015 environmental protection certification. We implemented the environmental protection management system in a responsible manner to eliminate environmental risks, and established an “Environmental Protection Section” on our official website. The Company has not only introduced environmental protection measures, but published annual environmental protection-related data.

* Historical environmental data

■ CO₂



■ NO_x



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

■ SOx



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

(2) Evergreen Marine contributed to Society in 2022:

1. Earth Day 2022, Evergreen loves the Earth

To increase our colleagues’ awareness of environmental protection and integrate the concept of EP into our daily lives, Evergreen Marine is continuing its April 22 Earth Day activity from 2021, launching Version 2.0 in 2022. The initiative has been expanded to a week-long period dedicated to environmental protection activities with three themes: resource recycling (donation of used children’s books), environmental protection and plastic reduction (energy-saving and carbon reduction actions), and planting activities (greening and carbon sequestration). We invite all our colleagues to participate in these activities.

2. Evergreen planting activities

To demonstrate Evergreen’s commitment to environmental protection, Chairman Chang and Deputy Senior Vice President Mr. Huang led 146 employees and their families in planting activities at Jiabao Beach in Linkou District, New Taipei City on April 23rd and at Qieding Wetland in Qieding District, Kaohsiung City on May 14th. These activities were carried out in collaboration with “I Love To Plant Trees Company Limited” and “I Plant For Life Corporation Aggregate, Kaohsiung. The participants’ passion and enthusiasm were evident as they planted 950 tree saplings, achieving remarkable results on the “Green Earth” initiative. Evergreen is dedicated to engaging in various environmental protection activities through social engagement and will continue to make efforts to protect our planet.

3. Evergreen beach cleaning activities

On November 12, Evergreen Marine Kaohsiung Terminal Division organized a beach cleaning activity at Shanwei Harbor in Linyuan District in collaboration with The Society of Wilderness. Evergreen employees and their families participated in the activity and collected approximately 46.6 kgs of various types of garbage. The Society of Wilderness provided assistance in classifying and recording the cleaning results. This activity helped to raise awareness among colleagues about the urgent need to protect the environment. It emphasized the importance of reducing the use of plastics in daily life to promote effective environmental protection.

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. Health lecture at local high school				
<p>It has been over two years since the outbreak of COVID-19, and the general public is now well-acquainted with this infectious disease. However, questions remain regarding the potential long-term effects on the body after recovery, as well as the necessary follow-up precautions. In an effort to support the community, Evergreen invited Ms. Anita Tsai, a dietitian from National Taiwan University Hospital, to share her expertise on boosting nutrition and the immune system during the ongoing pandemic. On September 2, Ms. Tsai spoke to students at Nankan Senior High School, providing valuable health information. This event not only served to educate participants, but also demonstrated Evergreen’s commitment to giving back to the local community and fostering closer relationships with local students.</p>				
5. Evergreen sponsored the 10th “Paint a Marvelous Ship” Painting Competition				
<p>On October 15, Evergreen sponsored the 10th “Paint a Marvelous Ship—Painting Competition for the Elementary Schools in Taiwan” award ceremony. The theme of the competition was “Marine Environmental Protection,” and it was combined with the “Chang Yung-Fa Foundation Art Season-Magic Class”. All the winners and their relatives were invited to participate and experience the magic of art, turning environmental protection into art and art into magic! The Company also sent Capt. Yang H.M. to present the award. Additionally, young colleagues from the Company volunteered to perform “Campus Epidemic Prevention” which combined the five principles of health promoted by the Ministry of Education with the popular song “Love You”. Their performance was full of joy.</p>				
6. Evergreen donates computers				
<p>Evergreen has collaborated with the Chang Yung-Fa Foundation on various public welfare initiatives and is committed to bridging the gap between urban and rural areas. The company aims to provide diverse learning opportunities for children in remote areas. In recent years, the demand for distance learning has increased due to the outbreak of COVID-19. To enhance the learning environment for students, 100 fully functional computers were carefully selected and provided to Luzhou Elementary School, Jimei Elementary School, and Zhong-Yi Elementary School in Sanchong District on December 15. The objective was to enrich the schools’ computer hardware resources and narrow the gap in digital learning environments.</p>				
7. Evergreen donates computers				
<p>Evergreen has collaborated with the Chang Yung-Fa Foundation on several public welfare initiatives and is dedicated to bridging the gap between urban and rural areas. The company aims to provide children in remote areas with access to diverse learning opportunities. On November 30, Evergreen donated 120 sets of used computers to rural elementary schools in Daxi District and Luzhu District, Taoyuan City. This donation is intended to enhance the teaching effectiveness of primary schools in rural areas through digital online learning platforms.</p>				
8. Evergreen sponsors Christmas dinner				
<p>On December 21, 2022, Evergreen collaborated with the Chang Yung-Fa Foundation to sponsor school trips and a Christmas party for rural schools. The children enjoyed a magic show performed by Jing’s Studio and a delicious Christmas meal provided by Evergreen Sky Catering Corporation. Additionally, they were given a tour of the Evergreen Maritime Museum, which provided them with an opportunity to learn about the culture and history of the ocean.</p>				

Table1 The structure of corporate sustainability committee

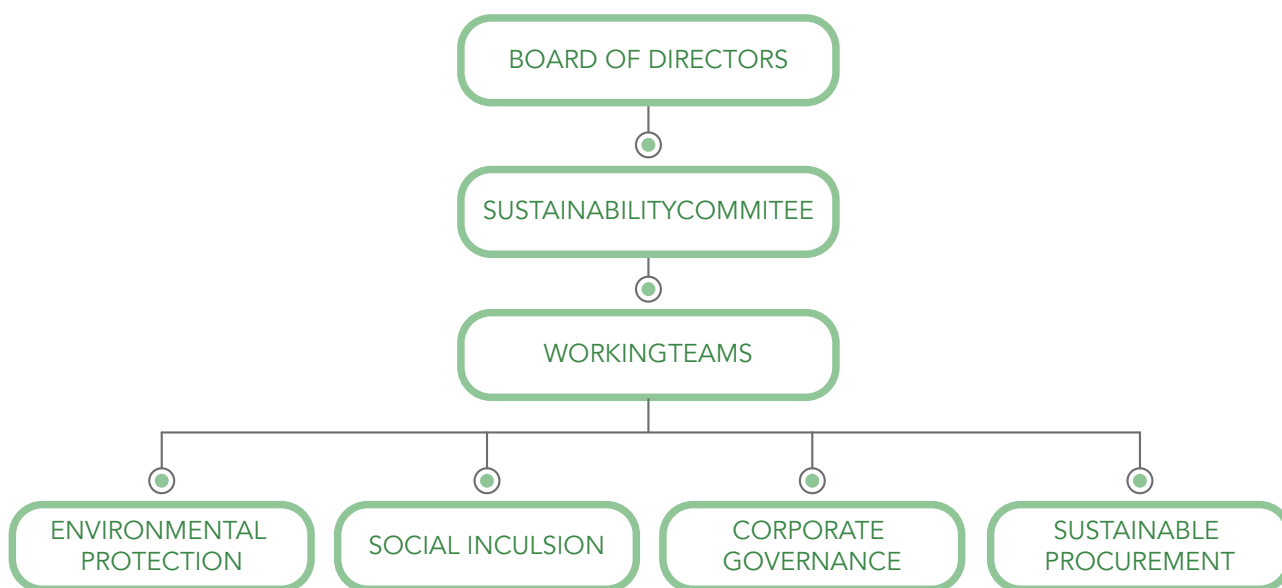


Table2 Risk assessment and management policy

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

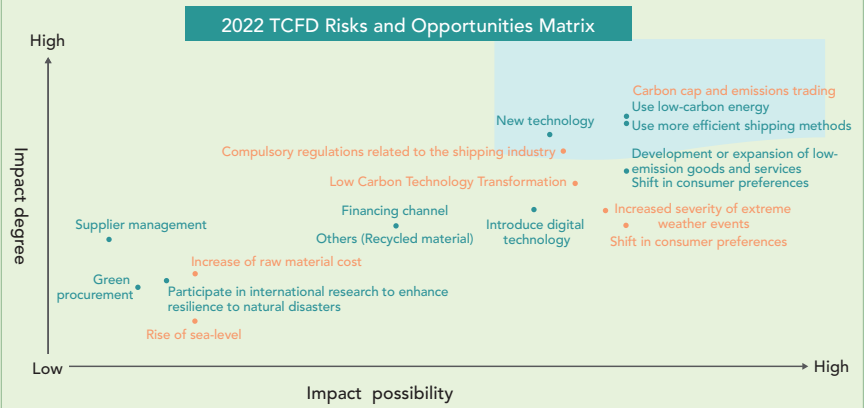
Important issues	Risk assessment	Risk management policies and strategies
Environmental	Environmental protection and ecological conservation	Evergreen endeavors to enforce all possible protective measures that contribute to the improvement of terrestrial and marine environment, in order to provide sustainable marine transportation service and related services. All Evergreen employees and management, both onshore and offshore, 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 scrubbers to help safeguard the marine ecology, port safety, and happiness of mankind. To effectively reduce environmental impact, the Company has developed an execution plan and targets, which are regularly tracked and reviewed.

Important issues	Risk assessment	Risk management policies and strategies
Social	Occupational safety	<p>The company is certified under ISO 45001 for its Occupational Safety and Health Management System. Additionally, Evergreen Marine has developed an “Occupational Safety and Health Management Plan” to ensure the implementation of safety and health management and self-inspection. This plan is also utilized for managing working areas and personnel. The Company has appointed dedicated personnel to oversee safety and health management and supervision affairs. In compliance with occupational safety and health regulations and operational requirements, the Company has organized occupational safety training, including dangerous goods training, fire prevention manager training, fire drill training (evacuation of personnel), briefings on relevant regulations on operational safety and health, operational management, self-inspection before, during, and after operations, and emergency response.</p>
	Cargo Safety	<p>The transportation of goods by sea is an integral part of international trade. In accordance with the regulations set forth by the International Maritime Dangerous Goods Code (IMDG Code), it is mandatory for dangerous goods to be properly labeled with a label that conforms to the specifications for transport. This serves as a warning and makes it easy to identify such goods. Evergreen Marine has taken the initiative to offer dangerous goods placards that are fully compliant with the size and quality requirements 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 talented professionals who ensure that all goods are checked at every level, thereby preventing the occurrence of concealing and misreporting of dangerous goods.</p>
Corporate Governance	Social economic and regulatory compliance	<ol style="list-style-type: none"> 1. The company has established a corporate governance team and internal control mechanism for relevant departments to manage various risks, including but not limited to exchange rate, interest rate, credit, liquidity, excessive market concentration, international political and economic factors, epidemics, sanctions, cyber attacks, viruses, abnormal climate, sharp fluctuations in fuel prices, terminal strikes, delays in ships and docking, and poor quality for delivery. Through risk identification, appropriate corresponding countermeasures have been set up to minimize the impact of these risks. 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.

Table3 Implementation of climate-related information

Category	TCFD recommends disclosure items	Company's management strategy and actions
Governance	Board's oversight of climate-related risks and opportunities	In order to fulfill corporate social responsibility and establish a sound risk management system so as to achieve the goal of sustainable operation, Evergreen Marine has established a sustainability committee under the board of directors, with an executive team under it, and various topic groups under the executive team, responsible for relevant work planning and implementation. The TCFD working team is a member of the governance issues group of the company's sustainability committee. It is a cross-departmental team of the company and is responsible for the assessment and management of the company's climate change-related risks and opportunities.
	The role of management in assessing and managing climate-related risks and opportunities	The chairperson of the TCFD working team is the President, who is responsible for high-level management commitment and supervision. The team leader is the head of the Project Division responsible for supervising the establishment and implementation of climate change risk and opportunity management, members of the executive team adopt the four core elements of TCFD: Governance, strategy, risk management, indicators and targets to disclose climate-related financial information.
Risk Management	In the process of identifying and assessing climate-related risks	Evergreen Marine's risk management process includes risk identification, risk measurement, risk response, risk monitoring, information and communication. Identify the climate risks that may be faced during the operation process, categorize the faced and potential risks, and classify the nature of the risks, so as to serve as a reference for further measurement, monitoring, and management of risks. The risk matrix derived from the impact degree as well as the probability of risk occurrence used as the basis for risk management.
	Processes in the management of climate-related risks	After corresponding department measures (analyzes and evaluates) and summarizes the risks, Evergreen Marine adopts appropriate response plans and measures to the risks it faces in order to reduce the risks to an acceptable level. Each risk responsibility department is responsible for monitoring the operation of the risk management process and implementing the risk management policy, monitoring the risk management process, transmitting risk management information and handling risk management-related measures, regularly reporting to senior executives and the board of directors.
	How to integrate the identification, assessment and management process of climate-related risks into the company's overall risk management system	Evergreen Marine carries out risk and opportunity assessment based on the type, probability of occurrence and impact degree of risks and opportunities, and outputs a climate risk opportunity matrix to identify major climate risks and opportunities, and propose relevant response measures. The relevant identification, assessment and management process and risk opportunity matrix are shown below: <ul style="list-style-type: none"> • Identification, assessment and management process: Climate issue collection→Risk/Opportunity identification→Risk/Opportunity assessment→Identification of major climate issues→Response measures:

• Risks and Opportunities Matrix



Strategy

Short-, medium- and long-term climate-related risks and opportunities identified

The duration of impacts is divided into short-term (0-2 years), medium-term (2-10 years), and long-term (more than 10 years). Evergreen marine conducts various operational risk and opportunity assessments on the scope of influence. The list of climate-related risks, opportunities are as follows:

Short-term	Medium-term	Long-term
<ul style="list-style-type: none"> • Transition risk-policies and regulations: The International Maritime Organization (IMO) formulates ship energy efficiency indicators, and ships that do not meet the requirements should formulate improvement plans. • Physical risk-immediacy: Extreme weather events such as floods, typhoons lead to increased operating costs • Opportunity - resource efficiency: Improve ship energy efficiency, obtain relevant certification, reduce carbon tax and related operating costs. 	<ul style="list-style-type: none"> • Transition risk-market: Customers shift to low-carbon products and change supplier selection criteria. • Transition risk-technology: Investment and R&D costs of new energy ships • Opportunity - market: Develop green routes using low-carbon or zero-carbon fuels (including biofuels), enter new and emerging markets to increase revenue. 	<ul style="list-style-type: none"> • Physical risk - long-term: Sea level rise will cause damage to operating bases and equipment, resulting in reduced revenue or additional maintenance costs • Opportunity-resilience: Participate in international research, invest in R&D and innovative development, and strengthen the ability to adapt to climate change.

<p>Impact of climate-related risks and opportunities on business, strategy and financial planning</p>	<p>Transition risk</p> <p>The International Maritime Organization (IMO) has formulated medium-term and long-term greenhouse gas emission reduction strategies for the entire shipping industry, in addition, in the Marine Environmental Protection Committee (MEPC), two new regulations such as the Energy Efficiency Ship Index (EEXI) and the Carbon Intensity Indicator (CII) have been added. For ships that do not meet the requirements, an improvement plan should be formulated. The company uses various operational management measures, emission reduction strategies, optimized ship design to reduce ship energy consumption, and continuously introduces a new generation of environmentally friendly ships to meet regulatory requirements and reduce pollution and greenhouse gas emissions.</p>	<p>Physical risk</p> <p>Climate change leads to abnormal weather such as typhoons, floods, and bad winters, which poses a huge threat to the safety of ships sailing at sea, and may increase sailing time and fuel costs. In response to possible damage caused by extreme weather, implement safety management measures such as securing containers, standardizing wharf supplier equipment to meet earthquake and typhoon prevention standards, and setting standards for self-owned wharf shutdown. When extreme weather events occur during the voyage of the ship, the corresponding strategies such as changing ships, diverting to other ports, and transporting goods by other means of transportation may be adopted so as to ensure the supply of route services remains stable.</p>	<p>Climate opportunity</p> <p>To fulfill the company's commitment to environmental protection, the company actively renews its fleet of environmentally friendly ships, taking into account economies of scale and reduction of carbon dioxide emissions. To maximize fuel efficiency, and strictly control the total fuel consumption to effectively reduce operating costs, each ship is equipped with weather navigation system to provide the fleet with real-time weather information to choose the optimized route, also we plan to use renewable energy to provide low-carbon products certified by a third-party impartial unit to meet customer needs, enhance the company's brand competitiveness, develop new markets, and increase operating income.</p>
<p>Strategic resilience and consideration of different climate-related scenarios (including a 2OC or lower scenario.)</p>	<ul style="list-style-type: none"> • Transition risk: Evergreen Marine considers the commitment goal of carbon neutrality in 2050, and sets the goal with reference to the 2015 Paris Agreement, that is, to limit global temperature rise within 1.5 degrees Celsius, Evergreen Marine simulates and analyzes the impact of future climate change, and based on this, formulate countermeasures as a reference for their operating strategy adjustments. 		

		<ul style="list-style-type: none"> Physical Risk: Evergreen Marine refers to the Sixth Assessment Report on Climate Change AR6 issued by IPCC, chooses the most severe climate model RCP 8.5 as the basis for discussion, and evaluates the relevant physical risk. 			
Indicators & goals	Describe the metrics used by the company to assess climate-related risks and opportunities, following its strategy and risk management process	<p>The International Maritime Organization (IMO) aims to reduce the carbon emissions of existing and new ships by 40% & 70% by 2030 & 2050 compared with 2008. Accordingly</p> <p>Evergreen Marine set up short, medium & long-term reduction goals, based on 2008, plan to reduce fleet carbon emission rate by 50% in 2030, and expect to reach the goal of carbon neutrality before 2050, Evergreen Marine formulates fleet carbon emission rate (g / TEU-KM) emission reduction target, and the statistical emission data has been verified by a third party (ClassNK, Japan Maritime Association) and the Clean Cargo organization.</p>			
	Scope 1, Scope 2 and Scope 3 Greenhouse Gas Emissions and Related Risks	<p>Evergreen Marine conducts greenhouse gas scope 1, 2, and 3 inventories every year and has obtained ISO 14064 and GHG Protocol dual certifications. The following is the greenhouse gas emissions (metric tons of CO₂e) in 2022. The inventory data has not yet been verified by a third party yet. The 2022 certificate is expected to be obtained in June. The final statistics will be based on the sustainability report.</p> <table border="1"> <tr> <td>Scope 1: 8,149,624.1969</td> <td>Scope 2: 35,874.1248</td> <td>Scope 3: 995,535.8328</td> </tr> </table>	Scope 1: 8,149,624.1969	Scope 2: 35,874.1248	Scope 3: 995,535.8328
	Scope 1: 8,149,624.1969	Scope 2: 35,874.1248	Scope 3: 995,535.8328		
Targets used to manage climate-related risks and opportunities, and performance against the targets	<ul style="list-style-type: none"> Fleet energy efficiency improvement management objectives: Evergreen Marine's latest A-type ships and F-type ships have effectively improved energy efficiency, reduced emissions of greenhouse gases, nitrogen oxides, sulfur oxides, etc., and also helped improve the accuracy of shipping schedules as well lift market competitiveness. The construction and design of new ships combines the concept of environmental protection, continuously optimizes ship design and reduces ship energy consumption so as to comply with the 2023 IMO Carbon Intensity Index (CII) regulations. Carbon emission and energy management goals: The CO₂ emission rate of the fleet operated by the company and its subsidiaries has dropped from 42.68 g/TEU-KM in 2021 to 38.20 g/TEU-KM in 2022. 				

Table4 Statistics of greenhouse gas emissions, water consumption and waste disposal in recent years
(The 2022 greenhouse gas inventory data has not yet been verified by a third party. It is expected to obtain the certificate in June. The final statistics will be based on the sustainability report.)

• Statistics of greenhouse gas emissions from vessels operated by Evergreen Marine in the past 3 years

	2020	2021	2022
Fleet CO ₂ emissions (ton CO ₂ e)	7,885,075	8,193,076	8,144,399
Fleet CO ₂ emission rate (g/TEU-KM)	41.12	42.68	38.20

Note 1: GHG emission total was calculated using the operational control method. 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.308(73) and the GHG emission factor management table 6.04 edition issued by the MOEA Industrial Development Bureau (IPCC 5th Evaluation Report).

Note 2: Scope 1 (direct) GHG emissions only cover CO₂ emissions.

Note 3: Before 2020 (inclusive), only the self-owned fleet was counted. The Company has obtained ISO14064-1:2018 GHG emission certification since 2021 (inclusive), the verification boundary includes vessels operated by the Company and our subsidiaries.

Note 4: Due to port congestion gradually alleviated, and sailing schedule and speed of the Evergreen fleet optimized, there was a significant decline in the fleet CO₂ emission rate in 2022.

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

	2020	2021	2022
Direct GHG emissions (ton CO ₂ e)	3,501.13	7,970.16	4,828.08
Indirect GHG emissions (ton CO ₂ e)	24,203.89	22,812.55	23,737.60
GHG emission intensity (kg CO ₂ e/move)	3.82	4.48	4.17

Note 1: GHG emission total was calculated using the operational control method. GHG inventory is based on GHG emissions = Energy consumption and GHG emission factor; The GHG emission factor management table 6.04 edition issued by the MOEA Industrial Development Bureau.

Note 2: GHG emission intensity = Direct and indirect GHG emissions / Number of moves (Containers handling capacity using diesel and electric vehicles)

Note 3: GHG self-inventory in 2020 only refers to the number of containers loaded and unloaded by vehicles and machines consuming diesel and electricity. The Company obtained ISO14064-1:2018 GHG emission certification in 2021. In addition to vehicles and machines, the scope of the inspection extends to the energy consumption of direct and indirect GHG emission sources in the

entire site, and the amount of greenhouse gas emissions also increases accordingly.

Note 4: Since Sep. 2022, the congestion and high storage of containers in the field caused by the epidemic has eased, and the number of containers handling by gantry crane has decreased by 22.4% compared with 2021, resulting in a reduction in direct GHG emissions compared to the previous year.

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

	2020	2021	2022
Direct GHG emissions (ton CO ₂ e)	14.58	138.03	397.08
Indirect GHG emissions (ton CO ₂ e)	3,057.36	1,679.44	4,293.13
GHG emission intensity (ton CO ₂ e/M ²)	0.11	0.07	0.11

Note 1: GHG emission total was calculated using the operational control method. GHG inventory is based on GHG emissions = Energy consumption and GHG emission factor; The GHG emission factor management table 6.04 edition issued by the MOEA Industrial Development Bureau.

Note 2: GHG emission intensity = Direct and indirect GHG emissions / Total area of office buildings (42,173.87 M²).

Note 3: GHG data in 2020 covered Nankan building only. The Company has obtained ISO14064-1:2018 GHG emission certification since 2021, and the verification boundary includes 7 office bases in Taiwan. Since the expansion of the organization and the increase of staff on duty due to the ease of the epidemic, the fuel consumption of official vehicles and the electricity consumption of office buildings increase significantly.

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

Operation		Item	Unit	2020	2021	2022
Ships at sea		Fresh water supply to the ship	Ton	81,679	73,625	81,774
Shore operations	Kaohsiung Terminal	Annual tap water consumption	M ³	25,824	22,845	26,748
		Sewage treatment volume	CMD	7,328	6,823	6,884
	Evergreen Marine Office building	Annual tap water consumption	M ³	25,528	25,622	45,463

Note 1: The fresh water replenishment of the vessels is counted by the number of applications on board, and water consumption increases as new ships join.

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

Note 3: Office building water consumption in 2020 covered Nankan building only. However, the verification boundary has been expanded 7 office bases in Taiwan since 2021. Since the expansion of the organization and the increase of staff on duty due to the ease of the epidemic, the water consumption increases significantly.

• Statistics of waste disposal from Evergreen in the past 3 years

Operation	Item	Disposal method	Unit	2020	2021	2022
Ships at sea	Incinerator ashes	Recycling	Ton	29.24	42.64	46.30
	Waste oil	Recycling	Ton	38,603	40,048	41,675
	Medical waste	Discharging for disposal	Ton	0.68	0.53	0.41
Kaohsiung Terminal	Domestic waste	Incineration	Ton	200.11	186.65	189.82
	Waste hardware	Recycling	Ton	204.64	218.64	243.74
Office building	Domestic waste	Incineration	Ton	70.66	44.52	123.22
	Recycling	Recycling	Ton	5.60	4.15	10.82
	Medical waste	Incineration	Ton	-	-	0.05

Note 1: Incinerator ash conversion referring to <https://www.aqua-calc.com/calculate/volume-to-weight/substance/ashes-coma-and-blank-dry>.

Note 2: The water content of waste oil has a high proportion, so it's calculated as 1.

Note 3: Medical waste in average weighted 15 kgs per voyage and discharged 27 times in 2022.

Note 4: Statistics of waste in 2020 covered Nankan building only. The Company has obtained ISO14064-1:2018 GHG emission certification since 2021, and the verification boundary includes 7 office bases in Taiwan. Since the expansion of the organization and the increase of staff on duty due to the ease of the epidemic, the waste increases significantly.

6. Ethical Corporate Management

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Establishment of ethical corporate management policies and adopted measures				
(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?	✓		The Company’s Ethical Corporate Management Best-Practice Principles (https://csr.evergreen-marine.com/csr/tw/jsp/CSR_EthicalManagementRule.jsp) were 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 implementing the policies are specified in the Principles. In addition, the principles are publicly disclosed in the “Ethical Management Zone” (https://csr.evergreen-marine.com/csr/tw/jsp/CSR_EthicalManagement.jsp) of the Company’s website and on the internal bulletin board.	None
(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”?	✓		The Company has implemented a risk assessment mechanism and standardized preventive measures in accordance with Article 7, paragraph 2 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” as stipulated by the Taiwan Stock Exchange. These measures are specifically designed to address business activities that carry a high risk of unethical behavior, and all departments of the Company are required to implement them. The Legal Division, including the Competition Compliance	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>Team, is responsible for promoting the Company’s regulatory compliance policies, providing education and training on fair trade law, and continuously promoting risk control measures to prevent unethical behavior. This ensures that the Company’s business activities are conducted with proper procedures and adhere to ethical standards.</p> <p>The Company’s Procedures for Ethical Management and Conduct Guideline (https://csr.evergreen-marine.com/csr/tw/jsp/CSR_EthicalManagement-Guideline.jsp) were 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 guideline also covers the punishment for violation and rules for appeal. The responsible department of the Company shall promote and supervise 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 established standardized requirements for ethical record assessments and the signing of the ethical behavior clause, as outlined in the “Ethical Corporate Management Best-Practice Principles.” The company is committed to avoiding any</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>commercial activities with suppliers who engage in unethical behavior or violate the company’s CSR policies. When entering into a contract, both parties must comply with CSR policies and ethical principles, which should be included in the contract’s terms. The company reserves the right to terminate or revoke the contract if the supplier violates these policies and principles, resulting in a significant impact on the environment and society of the supply source community.</p> <p>The Human Resources Department (HRD) has been designated by the Company to oversee the establishment of ethical corporate management policies and preventive measures against unethical behavior, as well as supervise their implementation. Furthermore, the HRD assists the Board of Directors and management in verifying and assessing the effectiveness of the preventive measures taken to implement ethical management. The HRD regularly reports to the Board in December each year. The report presented at the Board of Directors’ meeting held on December 22, 2022 is summarized as follows:</p> <p>1. Policies on Ethical Management:</p> <p>To prevent any unethical behavior by employees, the Company’s top management emphasized in monthly managerial meetings and announced to all employees that all business activities must comply with competition laws, prevent insider trading, adhere to information</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>security policies, and protect confidential information, among other policies.</p> <p>2. Ethical Management Risk Assessment: In accordance with the Ethical Corporate Management Best Practice Principles and Guidelines for Conduct, the Company has established an effective risk assessment mechanism and conducts an annual review. The results appraised by all departments in 2022 revealed that all business activities were at a “low” risk level, and current control systems could remain unchanged.</p> <p>3. Training on Ethical Management Related Issues: (1) In 2022, the Company organized orientation courses on ethical management and morality, anti-bribery and anti-corruption policies, competition compliance, and general data protection regulation (GDPR). A total of 122 new employees completed the courses. (2) In 2022, the Company organized an e-learning course on the prevention of insider trading management. A total of 2,456 employees completed the courses and test, with a completion rate of 100%.</p> <p>4. Complaint Mailbox: No cases against the code of conduct were received via the complaint mailbox in 2022.</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?	✓		In order to prevent conflicts of interest and establish effective communication channels, the Company has implemented the “Ethical Corporate Management Best-Practice Principles” and “Procedures for Ethical Management and Conduct Guidelines” in 2014 and 2015, respectively. These policies are enforced through the use of the corporate internal control system, audit system, and various internal management regulations.	None
(4) Has the Company established effective systems for both accounting and internal control to facilitate ethical corporate management, and are internal auditors or CPAs check the risk assessment results on high-risk unethical behavior and conduct an audit plan for prevention programs?	✓		The company has established an effective accounting system, internal control system, and internal audit implementation rules. The internal audit unit conducts an annual internal audit to examine the implementation status of the internal control system, continuously reviews the company’s operating procedures, and develops an audit plan based on the assessment results of the risks associated with unethical behavior. This plan is designed to examine the implementation status of preventive measures against unethical behavior.	None
(5) Does the Company regularly hold internal and external educational trainings on operational integrity?	✓		The Company disseminates its integrity policies through a variety of channels, including monthly departmental meetings, the e-Bulletin Board, and management’s remarks. As part of the orientation process for 122 new employees in shipping-related roles in 2022, training was provided on ethical management and morality, anti-bribery and anti-corruption policies, competition compliance,	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	
			and the General Data Protection Regulation (GDPR). Furthermore, an online course on the prevention of insider trading was conducted in 2022, with a total of 2,456 employees completing the courses and tests.	
<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>	✓		<p>The Company encourages both internal and external personnel to report any acts of unethical behavior or misconduct. In addition to the integrity system outlined in the “Ethical Corporate Management Best-Practice Principles,” the Company has established the “Employee Complaint Regulations.” Once a whistleblower reports or appeals to their supervisors at all levels and the Human Resources Department, the case will be filed and investigated or reported to the independent director. The Company has also established a relevant reward/punishment system in its management rules. Additionally, an independent whistleblowing mailbox (comment@evergreen-marine.com) has been made available and Disclosed on the “Stakeholder Zone” of the Company’s website and on the internal e-bulletin board. This mailbox serves as a convenient integrity channel and is under the responsibility of the Human Resources Department supervisor.</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 standard operating procedures for confidential reporting on investigating accusation cases?	✓		According to the “Ethical Corporate Management Best-Practice Principles” and “Employee Complaint Regulations,” whistleblowers are permitted to report cases verbally, in writing, or anonymously. The company is then responsible for recording the report, gathering relevant information, conducting an investigation, and providing a response to the whistleblower within 10 working days. If necessary, the response time may be extended for an additional 10 days, but this extension is limited to two times. Additionally, the “Ethical Corporate Management Best-Practice Principles” require that the contents of the report be handled confidentially and that whistleblowers be protected from any inappropriate treatment resulting from their complaint.	None
(3) Does the Company provide proper whistleblower protection?	✓		The designated Human Resources Managers will be responsible for handling the cases. The relevant regulations outline the procedures and methods for investigating and handling cases, as well as provisions for protecting whistleblowers from any inappropriate treatment resulting from their complaints. These measures are in place to ensure the protection of whistleblowers.	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	
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?	✓		The “Ethical Corporate Management Best-Practice Principles” and the outcomes of our implementation have been published on the “Ethical Management Section” of the company’s website (https://csr.evergreen-marine.com/csr/tw/jsp/CSR_EthicalManagement.jsp) and MOPS. This information is now readily available to the public.	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				
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 or <http://mops.twse.com.tw>.

8. Other Important Information Regarding Corporate Governance

(1) The Company was ranked in the range of 6% to 20% of all selected listed companies at 2022 Corporate Governance Evaluation conducted by TWSE.

(2) The status of management level attending corporate governance related continuing education/ training in 2022

Name and Title	Date	Professional Organization	Training Sessions and Hours
Hsieh, Huey-Chuan President	Jul. 21	Taiwan Institute for Sustainable Energy	Carbon management trends and responses to net zero emissions / 3 hours
Wu, Kuang-Hui Chief Executive Vice President	Oct. 05	Taiwan Corporate Governance Association	Cybersecurity in Corporate Governance - developing the cybersecurity strategies in list companies / 3 hours

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

A. Auditing personnel

Name	Date	Professional Organization	Training Sessions and Hours
WU, YU-CHI	1. Jul. 21, 2022 2. Nov. 07, 2022	1. Accounting Reach & Development Foundation 2. Accounting Reach & Development Foundation	1. Common deficiencies in financial report reviewing and important internal control regulations and practices / 6 hrs 2. Common deficiencies in internal control management in enterprises and practical cases analysis /6 hrs

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	Sep. 15, 2022~ Sep. 16, 2022	Accounting Research and Development Foundation	Accounting Supervisor Continuing Education Course (Accounting, Corporate Governance, Ethics and Legal Responsibility)/12 hours
	Oct. 05, 2022	Taiwan Corporate Governance Association	Information Security Corporate Governance - Constructing information security protection strategies / 3 hours
	Jul. 21, 2022	Taiwan Institute for Sustainable Energy	Carbon management trends and responses to net zero emissions / 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 14, 2023

The Company states the following with regard to its internal control system during the period from Jan. 01, 2022 to Dec. 31, 2022, 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 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 14, 2023, 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: 

(2) If the Company designated CPA to audit internal control system, CPA audit report should be disclosed:

None.

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
May. 30, 2022	1. To approve 2021 earnings distribution.	Cash dividends to common shareholders is NT\$18 per share, with total NT\$95,238,884,466, the dividend record date was on Jul. 5, 2022. the cash dividend was distributed on Jul. 28, 2022.
	2. To approve Capital Reduction by returning share capital in cash.	1. The Capital Reduction by returning share capital was approved by Commerce Department, Ministry of Economic Affairs (No.11101143170) 2. Record date of replacement of shares was on Sep. 16, 2022; The date of the listing for trading of new shares, and the date of delisting of the old shares was on Sep. 19, 2022; The Cash refund payment by Capital Reduction was distributed on Sep. 29, 2022.
	3. To amend "Articles of Incorporation".	The amended "Articles of Incorporation" was approved by Commerce Department, Ministry of Economic Affairs (No.11101138700) and the related actions on behalf of the Company have been conducted in accordance with revised "Articles of Incorporation". The amended "Articles of Incorporation" is announced on the corporate website.
	4. To amend "Procedures for Acquiring and Disposing of Assets".	The related actions on behalf of the Company were conducted in accordance with revised "Procedures for Acquiring and Disposing of Assets". The amended "Procedures for Acquiring and Disposing of Assets" is announced on the corporate website

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

Board Meeting Date & Session	Major Proposals	The Resolution of Audit Committee, Remuneration Committee, Sustainability Committee	The Company's Response to the Opinions of Audit Committee, Remuneration Committee, Sustainability Committee
Jan. 25, 2022 (1 st Board Meeting)	1. To approve the acquisition of new build container of EMC. 2. To approve the acquisition and right-of-use asset of container of Evergreen Marine (Asia) Pte. Ltd., the subsidiary of EMC from Greencompass Marine S.A. <u>Recusal of Directors and voting situation of Board of Directors</u> <ul style="list-style-type: none"> • Chairman Chang, Yen-I, Director Hsieh, Huey-Chuan, and Ko, Lee-Ching are also directors of Greencompass Marine S.A. • Except for directors who recused themselves from the discussion and resolution, all 6 attendance agreed and approved the proposal. 3. To approve making endorsements and guarantees for subsidiaries.	Jan. 25, 2022 1 st Audit Committee Meeting 1. Deliberation result: Approved unanimously by Audit Committee members. 2. Objection, expression of reservation or qualified opinion by independent directors: None	None
	4. To amend the attachment "Salary and Compensation Structure for Managers' Ranks" of the "Payment Regulations of Managers Compensation". 5. To approve 2022 compensation for management. <u>Recusal of Directors and voting situation of Board of Directors</u> <ul style="list-style-type: none"> • Director Hsieh, Huey-Chuan and Wu, Kuang-Hui have direct personal interest conflicts to the proposal. • Except for directors who recused themselves from the discussion and resolution, all 7 attendance agreed and approved the proposal. 6. To approve 2022 remuneration for the Chairman. <u>Recusal of Directors and voting situation of Board of Directors</u> <ul style="list-style-type: none"> • Chairman Chang, Yen-I has direct personal interest conflicts to the proposal. • Except for director who recused himself from the discussion and resolution, all 8 attendances agreed and approved the proposal. 	Jan. 25, 2022 1 st Remuneration Committee Meeting 1. Deliberation result: Approved unanimously by Remuneration Committee members. 2. Ojection, expression of reservation or qualified opinion by independent directors: None	None
	7. To convene 2022 Annual General Shareholders' Meeting.	-	-

Board Meeting Date & Session	Major Proposals	The Resolution of Audit Committee, Remuneration Committee, Sustainability Committee	The Company's Response to the Opinions of Audit Committee, Remuneration Committee, Sustainability Committee
	<p>1. To approve 2021 employees' compensation.</p> <p><u>Recusal of Directors and voting situation of Board of Directors</u></p> <ul style="list-style-type: none"> • Director Hsieh, Huey-Chuan and Wu, Kuang-Hui have direct personal interest conflicts to the proposal. • Except for directors who recused themselves from the discussion and resolution, all 7 attendance agreed and approved the proposal. <p>2. To approve 2021 directors' compensation.</p>	<p>Mar. 15, 2022 2nd Remuneration Committee Meeting</p> <p>1. Deliberation Result: Approved unanimously by Remuneration Committee members.</p> <p>2. Objection, expression of reservation or qualified opinion by independent directors: None</p>	<p>None</p>
<p>Mar. 15, 2022 (2nd Board Meeting)</p>	<p>3. To ratify the acquisition of container vessel of Greencompass Marine S.A., the subsidiary of EMC.</p> <p><u>Recusal of Directors and voting situation of Board of Directors</u></p> <ul style="list-style-type: none"> • Chairman Chang, Yen-I, Director Hsieh, Huey-Chuan and Ko, Lee-Ching are also directors of Greencompass Marine S.A. • Except for directors who recused themselves from the discussion and resolution, all 6 attendance agreed and approved the proposal. <p>4. To approve the acquisition and right-of-use asset of container vessels of Evergreen Marine (Asia) Pte. Ltd., the subsidiary of EMC from Evergreen Marine (Hong Kong) Ltd. and Evergreen Marine (UK) Ltd.</p> <p><u>Recusal of Directors and voting situation of Board of Directors</u></p> <ul style="list-style-type: none"> • Chairman Chang, Yen-I, Director Hsieh, Huey-Chuan and Wu, Kuang-Hui are also directors of Evergreen Marine (Hong Kong) Ltd. • Except for directors who recused themselves from the discussion and resolution, all 6 attendance agreed and approved the proposal. <p>5. To approve the contract novation of building container vessels between Evergreen Marine (Asia) Pte. Ltd. and Evergreen Marine (Singapore) Pte. Ltd.</p> <p><u>Recusal of Directors and voting situation of Board of Directors</u></p> <ul style="list-style-type: none"> • Director Ko, Lee-Ching is also director of Evergreen Marine (Singapore) Pte. Ltd. 	<p>Mar. 15, 2022 2nd Audit Committee Meeting</p> <p>1. Deliberation Result: Approved unanimously by Audit Committee members.</p> <p>2. Objection, expression of reservation or qualified opinion by independent directors: None</p>	<p>None</p>

Board Meeting Date & Session	Major Proposals	The Resolution of Audit Committee, Remuneration Committee, Sustainability Committee	The Company's Response to the Opinions of Audit Committee, Remuneration Committee, Sustainability Committee
Mar. 15, 2022 (2 nd Board Meeting)	<ul style="list-style-type: none"> Except for director who recused herself from the discussion and resolution, all 8 attendance agreed and approved the proposal. <ol style="list-style-type: none"> To approve 2021 Business Report. To approve 2021 Annual Financial Report . To approve the earnings distributions of 2021. To approve capital reduction by returning share capital in cash. To approve the acquisition of container vessels of Evergreen Marine (Asia) Pte. Ltd., the subsidiary of EMC. To approve making endorsements and guarantees for subsidiaries. To amend the "Procedures for Acquiring and Disposing of Assets" and "Table of Authority Limit of Acquiring and Disposing of Assets & other Financial Matters". To approve the 2021 Internal Control Statement. To amend "Internal Control System". 	<p>Mar. 15, 2022 2nd Audit Committee Meeting</p> <ol style="list-style-type: none"> Deliberation Result: Approved unanimously by Audit Committee members. Objection, expression of reservation or qualified opinion by independent directors: None 	None
	<ol style="list-style-type: none"> To set the capital increase record date of common stocks transferred from the 4th Domestic Unsecured Convertible Bond. To designate a dedicated person in charge of keeping the exclusive seal endorsement guarantee. To amend "Articles of Incorporation". To amend the agenda of 2022 Annual General Shareholders' Meeting. 	-	-
Apr. 21, 2022 (3 rd Board Meeting)	To amend "Articles of Incorporation".	-	-
May 6, 2022 (4 th Board Meeting)	<ol style="list-style-type: none"> To approve the acquisition of right-of-use asset of real estate of Evergreen Marine (Asia) Pte. Ltd., the subsidiary of EMC from Evergreen Marine (Singapore) Pte. Ltd <u>Recusal of Directors and voting situation of Board of Directors</u> <ul style="list-style-type: none"> Director Ko, Lee-Ching is also director of Evergreen Marine (Singapore) Pte. Ltd. Except for director who recused herself from the discussion and resolution, all 8 attendance agreed and approved the proposal. To approve consolidated financial report for the three months ended Mar. 31, 2022 To approve making endorsements and guarantees for subsidiaries. 	<p>May 6, 2022 3rd Audit Committee Meeting</p> <ol style="list-style-type: none"> Deliberation Result: Approved unanimously by Audit Committee members. Objection, expression of reservation or qualified opinion by independent directors: None 	None

Board Meeting Date & Session	Major Proposals	The Resolution of Audit Committee, Remuneration Committee, Sustainability Committee	The Company's Response to the Opinions of Audit Committee, Remuneration Committee, Sustainability Committee
Jun.16, 2022 (5 th Board Meeting)	To approve the acquisition of ship to shore container gantry cranes, intelligent monitoring system and automation rail mounted gantry cranes for port of Kaohsiung 7th Container Terminal.	Jun.16, 2022 4 th Audit Committee Meeting 1. Deliberation Result: Approved unanimously by Audit Committee members. 2. Objection, expression of reservation or qualified opinion by independent directors: None	None
Jul.15, 2022 (6 th Board Meeting)	<p>1. To approve the acquisition of new build container.</p> <p><u>Recusal of Directors and voting situation of Board of Directors</u></p> <ul style="list-style-type: none"> Chairman Chang, Yen-I, and Director Wu, Kuang-Hui are also directors of Evergreen Heavy Industrial Corp. (Malaysia) Berhad. Except for directors who recused themselves from the discussion and resolution, all 7 attendance agreed and approved the proposal. <p>2. To approve making endorsements and guarantees for subsidiaries.</p> <p>3. To amend "Internal Control System".</p>	Jul. 15, 2022 5 th Audit Committee Meeting 1. Deliberation Result: Approved unanimously by Audit Committee members. 2. Objection, expression of reservation or qualified opinion by independent directors: None	None
	4. To set the capital increase record date of common stocks transferred from the 4 th Domestic Unsecured Convertible Bond.	-	-

Board Meeting Date & Session	Major Proposals	The Resolution of Audit Committee, Remuneration Committee, Sustainability Committee	The Company's Response to the Opinions of Audit Committee, Remuneration Committee, Sustainability Committee
Aug. 5, 2022 (7 th Board Meeting)	<ol style="list-style-type: none"> To approve the acquisition of new build reefer container. To approve consolidated financial report for the six months ended Jun. 30, 2022. To approve making endorsements and guarantees for subsidiaries. 	Aug. 5, 2022 6 th Audit Committee Meeting <ol style="list-style-type: none"> Deliberation Result: Approved unanimously by Audit Committee members. Objection, expression of reservation or qualified opinion by independent directors: None 	None
Nov. 4, 2022 (8 th Board Meeting)	<ol style="list-style-type: none"> To approve Evergreen Marine (Asia) Pte. Ltd., the subsidiary of EMC, acquires 20% shares of Abu Qir Container Terminal Company S.A.E. <u>Recusal of Directors and voting situation of Board of Directors</u> <ul style="list-style-type: none"> Chairman Chang, Yen-I is also director of Evergreen Marine (Asia) Pte. Ltd. Except for director who recused himself from the discussion and resolution, all 8 attendance agreed and approved the proposal. To approve the acquisition of right-of-use asset of container of Evergreen Marine (Asia) Pte. Ltd., the subsidiary of EMC from Evergreen Marine (Hong Kong) Ltd. <u>Recusal of Directors and voting situation of Board of Directors</u> <ul style="list-style-type: none"> Chairman Chang, Yen-I is also director of Evergreen Marine (Asia) Pte. Ltd., Chairman Chang, Yen-I, Director Hsieh, Huey-Chuan and Wu, Kuang-Hui are also directors of Evergreen Marine (Hong Kong) Ltd. Except for directors who recused themselves from the discussion and resolution, all 6 attendance agreed and approved the proposal. To approve Evergreen Marine (Asia) Pte. Ltd., the subsidiary of EMC, acquires 100% shares of Colon Container Terminal S.A. <u>Recusal of Directors and voting situation of Board of Directors</u> <ul style="list-style-type: none"> Chairman Chang, Yen-I is also director of Evergreen Marine (Asia) Pte. Ltd., Chairman Chang, Yen-I, Director Hsieh, 	Nov. 4, 2022 7 th Audit Committee Meeting <ol style="list-style-type: none"> Deliberation Result: Approved unanimously by Audit Committee members. Objection, expression of reservation or qualified opinion by independent directors: None 	None

Board Meeting Date & Session	Major Proposals	The Resolution of Audit Committee, Remuneration Committee, Sustainability Committee	The Company's Response to the Opinions of Audit Committee, Remuneration Committee, Sustainability Committee
Nov. 4, 2022 (8 th Board Meeting)	<p>Huey-Chuan and Wu, Kuang-Hui are also directors of Evergreen Marine (Hong Kong) Ltd., Chairman Chang, Yen-I and Director Ko, Lee-Ching are also directors of Clove Holding Ltd.,</p> <p>Director Chang, Kuo-Hua is also director of Ally Holding Ltd., Director Chang, Kuo-Hua and Ko, Lee-Ching are also directors of Evergreen international S.A.</p> <p>Note: CCT's original shareholders are Evergreen Marine (Asia) Pte. Ltd., Clove Holding Ltd. and Ally Holding Ltd.</p> <ul style="list-style-type: none"> • Except for directors who recused themselves from the discussion and resolution, all 4 attendance agreed and approved the proposal. <p>4. To approve making endorsements and guarantees for subsidiaries.</p> <p>5. To approve consolidated financial report for the nine months ended Sep. 30, 2022.</p> <p>6. To amend "Rules of Procedure for Board of Directors Meetings".</p>	<p>Nov. 4, 2022 7th Audit Committee Meeting</p> <p>1. Deliberation Result: Approved unanimously by Audit Committee members.</p> <p>2. Objection, expression of reservation or qualified opinion by independent directors: None</p>	None
Dec. 22, 2022 (9 th Board Meeting)	<p>1. To revise the attachment "Salary and Compensation Structure for Managers' Ranks" of the "Payment Regulations of Managers Compensation".</p> <p>2. To approve the 2022 bonus for management. <u>Recusal of Directors and voting situation of Board of Directors</u></p> <ul style="list-style-type: none"> • Director Hsieh, Huey-Chuan and Wu, Kuang-Hui have direct personal interest conflicts to the proposal. • Except for directors who recused themselves from the discussion and resolution, all 7 attendance agreed and approved the proposal <p>3. To approve 2023 compensation for management. <u>Recusal of Directors and voting situation of Board of Directors</u></p> <ul style="list-style-type: none"> • Director Hsieh, Huey-Chuan and Wu, Kuang-Hui have direct personal interest conflicts to the proposal. • Except for directors who recused themselves from the discussion and resolution, all 7 attendance agreed and approved the proposal. 	<p>Dec. 22, 2022 3rd Remuneration Committee Meeting</p> <p>1. Deliberation Result: Approved unanimously by Remuneration Committee members.</p> <p>2. Objection, expression of reservation or qualified opinion by independent directors: None</p>	None

Board Meeting Date & Session	Major Proposals	The Resolution of Audit Committee, Remuneration Committee, Sustainability Committee	The Company's Response to the Opinions of Audit Committee, Remuneration Committee, Sustainability Committee
Dec. 22, 2022 (9 th Board Meeting)	<p>4. To approve the 2022 Chairman's bonus.</p> <p><u>Recusal of Director and voting situation of Board of Directors</u></p> <ul style="list-style-type: none"> Chairman Chang, Yen-I has direct personal interest conflicts to the proposal. Except for director who recused himself from the discussion and resolution, all 8 attendance agreed and approved the proposal. <p>5. To approve 2023 Chairman's compensation.</p> <p><u>Recusal of Director and voting situation of Board of Directors</u></p> <ul style="list-style-type: none"> Chairman Chang, Yen-I has direct personal interest conflicts to the proposal. Except for director who recused himself from the discussion and resolution, all 8 attendance agreed and approved the proposal. 	<p>Dec. 22, 2022 3rd Remuneration Committee meeting</p> <p>1. Deliberation Result: Approved unanimously by Remuneration Committee members.</p> <p>2. Objection, expression of reservation or qualified opinion by independent directors: None</p>	None
	<p>6. To approve 2023 Operation and Budget Plan.</p> <p>7. To approve the acquisition of real estate of Evergreen Marine (Asia) Pte. Ltd., the subsidiary of EMC from Evergreen Marine (Singapore) Pte. Ltd.</p> <p><u>Recusal of Directors and voting situation of Board of Directors</u></p> <ul style="list-style-type: none"> Chairman Chang, Yen-I is also director of Evergreen Marine (Asia) Pte. Ltd., Director Ko, Lee-Ching is also director of Evergreen Marine (Singapore) Pte. Ltd. Except for directors who recused themselves from the discussion and resolution, all 7 attendance agreed and approved the proposal. <p>8. To approve the acquisition of container of Evergreen Marine (Asia) Pte. Ltd., the subsidiary of EMC from Evergreen Marine (Singapore) Pte. Ltd.</p> <p><u>Recusal of Directors and voting situation of Board of Directors</u></p> <ul style="list-style-type: none"> Chairman Chang, Yen-I is also director of Evergreen Marine (Asia) Pte. Ltd., Director Ko, Lee-Ching is also director of Evergreen Marine (Singapore) Pte. Ltd. Except for directors who recused themselves from the discussion and resolution, all 7 attendance agreed and approved the proposal. <p>9. To approve the acquisition of container of Evergreen Marine (Asia) Pte. Ltd., the subsidiary of EMC from Evergreen Heavy Industrial Corp. (Malaysia) Berhad.</p>	<p>Dec. 22, 2022 8th Audit Committee Meeting</p> <p>1. Deliberation Result: Approved unanimously by Audit Committee members.</p> <p>2. Objection, expression of reservation or qualified opinion by independent directors: None</p>	None

Board Meeting Date & Session	Major Proposals	The Resolution of Audit Committee, Remuneration Committee, Sustainability Committee	The Company's Response to the Opinions of Audit Committee, Remuneration Committee, Sustainability Committee
Dec. 22, 2022 (9 th Board Meeting)	<p><u>Recusal of Directors and voting situation of Board of Directors</u></p> <ul style="list-style-type: none"> Chairman Chang, Yen-I is also director of Evergreen Marine (Asia) Pte. Ltd., Chairman Chang, Yen-I and Director Wu, Kuang-Hui are also directors of Evergreen Heavy Industrial Corp. (Malaysia) Berhad. Except for directors who recused themselves from the discussion and resolution, all 7 attendance agreed and approved the proposal. <p>10. To approve the acquisition of newly-built build reefer containers.</p> <p>11. To approve the acquisition of newly-built refrigeration units from Carrier Transicold Pte. Ltd. and Maersk Container Industry.</p> <p>12. To approve the acquisition shares of Charng Yang Development Co., Ltd. from Evergreen International Corp.</p> <p><u>Recusal of Directors and voting situation of Board of Directors</u></p> <ul style="list-style-type: none"> Director Chang, Kuo-Hua is also director of Evergreen International Corp. Except for director who recused himself from the discussion and resolution, all 8 attendance agreed and approved the proposal. <p>13. To approve the acquisition of real estate from Evergreen International Corp.</p> <p><u>Recusal of Directors and voting situation of Board of Directors</u></p> <ul style="list-style-type: none"> Director Chang, Kuo-Hua is also director of Evergreen International Corp. Except for director who recused himself from the discussion and resolution, all 8 attendance agreed and approved the proposal. <p>14. To approve the appointment, compensation of attesting certified public accountants and to formulate the "Pre-approval Policy for Non-Assurance Services by Certified Public Accountants Firms".</p> <p>15. To approve making endorsements and guarantees for subsidiaries.</p> <p>16. To amend "Internal Control System: Management of the Prevention of Insider Trading".</p> <p>17. To formulate "2023 Internal Audit Plan".</p>	<p>Dec. 22, 2022 8th Audit Committee Meeting</p> <p>1. Deliberation Result: Approved unanimously by Audit Committee members.</p> <p>2. Objection, expression of reservation or qualified opinion by independent directors: None</p>	<p>None</p>

Board Meeting Date & Session	Major Proposals	The Resolution of Audit Committee, Remuneration Committee, Sustainability Committee	The Company's Response to the Opinions of Audit Committee, Remuneration Committee, Sustainability Committee
	18. To establish the Sustainability Committee and formulated the "Sustainability Committee Charter". 19. To appoint the committee members for the first session of the Sustainability Committee. 20. To amend "Procedures for Handling Material Inside Information". 21. To amend "Corporate Governance Best Practice Principles".	-	-
Feb. 13, 2023 (1 st Board Meeting)	1. To approve making endorsements and guarantees for subsidiaries.	Feb. 13, 2023 1 st Audit Committee Meeting 1. Deliberation Result: Approved unanimously by Audit Committee members. 2. Objection, expression of reservation or qualified opinion by independent directors: None	None
	2. To make proposal on 2023 Annual General Shareholders' Meeting to elect new directors. 3. To make proposal on 2023 Annual General Shareholders' Meeting to release the restriction of competitive activities of the Directors to be elected. 4. To convene 2023 Annual General Shareholders' Meeting.	-	-
Mar. 14, 2023 (2 nd Board Meeting)	1. To Amend "Payment Guidelines for Director Remuneration". 2. To approve the attendance fees for Independent Directors to attend Board Meetings and directors who concurrently serve as members of functional committees to attend meetings of various committees. 3. To approve 2022 directors' compensation. 4. To approve 2022 employees' compensation. <u>Recusal of Directors and voting situation of Board of Directors</u> <ul style="list-style-type: none"> • Director Wu, Kuang-Hui has direct personal interest conflicts to the proposal. • Except for director who recused himself from the discussion and resolution, all 7 attendance agreed and approved the proposal. 	Mar. 13, 2023 1 st Remuneration Committee Meeting 1. Deliberation Result: Approved unanimously by Remuneration Committee members. 2. Objection, expression of reservation or qualified opinion by independent directors: None	None

Board Meeting Date & Session	Major Proposals	The Resolution of Audit Committee, Remuneration Committee, Sustainability Committee	The Company's Response to the Opinions of Audit Committee, Remuneration Committee, Sustainability Committee
Mar. 14, 2023 (2 nd Board Meeting)	<p>5. To ratify the acquisition of new build container of Evergreen Marine (Asia) Pte. Ltd., the subsidiary of EMC. <u>Recusal of Directors and voting situation of Board of Directors</u></p> <ul style="list-style-type: none"> Chairman Chang, Yen-I is also director of Evergreen Marine (Asia) Pte. Ltd. Except for director who recused himself from the discussion and resolution, all 7 attendance agreed and approved the proposal. <p>6. To approve the contract novation of building container vessels between Evergreen Marine (Asia) Pte. Ltd. and Evergreen Marine (Singapore) Pte. Ltd. <u>Recusal of Directors and voting situation of Board of Directors</u></p> <ul style="list-style-type: none"> Chairman Chang, Yen-I is also director of Evergreen Marine (Asia) Pte. Ltd.; Director Ko, Lee-Ching is also director of Evergreen Marine (Singapore) Pte. Ltd. Except for directors who recused themselves from the discussion and resolution, all 6 attendance agreed and approved the proposal. <p>7. To approve 2022 Business Report. 8. To approve 2022 Annual Financial Report. 9. To approve 2022 earnings distribution. 10. To approve making endorsements and guarantees for subsidiaries. 11. To approve the 2022 Internal Control Statement. 12. To amend "Internal Control System".</p>	<p>Mar. 14, 2023 2nd Audit Committee Meeting</p> <p>1. Deliberation Result: Approved unanimously by Audit Committee members. 2. Objection, expression of reservation or qualified opinion by independent directors: None</p>	<p>None</p>
	<p>13. To amend "Sustainable Development Policy" and "Sustainable Development Principles" and repeal "Corporate Sustainability Committee Charter".</p>	<p>Mar. 13, 2023 1st Sustainability Committee members Meeting</p> <p>1. Deliberation Result: Approved unanimously by Sustainability Committee members. 2. Objection, expression of reservation or qualified opinion by independent directors: None</p>	<p>None</p>
	<p>14. To nominate 9 directors (including 3 Independent Directors) candidates.</p>	<p>-</p>	<p>-</p>

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: None

IV. 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	Period Covered by CPA's Audit	Audit Fee	Non-audit Fee	Total	Remarks
PwC	Lai, Chung-His Chou, Hsiao-Tzu, etc	2022/01/01- 2022/12/31	16,535	4,753	21,288	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. Audit of Profit-seeking enterprise income tax and undistributed surplus tax 5. Capital Reduction Project 6. 4th Domestic Unsecured Convertible Bonds

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

V. Replacement of CPA : The Company didn’t change any CPA in 2022, so there is no such information.

VI. 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 2022.

VII. Changes in Shareholding of Directors, Managers and Major Shareholders

Unit: Shares

Title	Name	2022		As of April 1, 2023	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	HUI Corporation	0 (600,000)	0	0	0
	Representative : Chang, Yen-I	0	0	0	0
Director	Chang, Kuo-Hua	0 (255,707,695)	0	0	0
Director	Evergreen International S.A.	0 (235,072,090)	0	0	0
	Representative: Ko, Lee-Ching	0 (55,538)	0	0	0
	Representative: Hsieh, Huey-Chuan	0 (62,252)	0	0	0
Director	HUI Corporation	0 (600,000)	0	0	0
	Representative: Tai, Jiin-Chyuan	0 (62,662)	0	0	0
Director	Evergreen Steel Corp.	0 (22,957,022)	0	0	0
	Representative: Wu, Kuang-Hui	0 (61,332)	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 (62,252)	0	0	0
Chief executive vice president (finance supervisor)	Wu, Kuang-Hui	0 (61,332)	0	0	0

Title	Name	2022		As of April 1, 2023	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Project div. Div. Chief	WANG, PEI-CHUN	0	0	0	0
Ship div. Div. Chief	HUANG, TSUNG-YUNG	0 (52,200)	0	0	0
Logistics div. Div. Chief	LIN, WEN-KUEI	0 (138)	0	0	0
Customer relationship management div. Div. Chief	FANG, YU-YEN	0 (2,698)	0	0	0
Business div. Div. Chief	LIAN, CHUNG-TE	0 (4,584)	0	0	0
Computer div. Div. Chief	HUANG, CHAO-KUO	0	0	0	0
Finance div. Div. Chief	TSAI, I-JUNG	0	0	0	0
Ksg terminal div. Div. Chief	KUO, FENG-YI	0	0	0	0
Project div. Deputy div. Chief	CHEN, WEI-HSUN	0	0	0	0
Operation coordination dept. Dept. Head	SU, TENG-HUAN	0	0	0	0
Project div. Business coordination dept. Dept. Head	WEI, WEI-DER	0 (78,175)	0	0	0
Project div. North america dept. Dept. Head	HSU, CHING-CHE	0	0	0	0
Project div. Latin america dept. Dept. Head	SU, MING-SUNG	0 (32,086)	0	0	0
Project div. Europe dept. Dept. Head	HUANG, SHENG-PENG	0 (259)	0	0	0

Title	Name	2022		As of April 1, 2023	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Project div. Intra asia dept. Dept. Head	WU, YI-MIN	0	0	0	0
Project div. Near east dept. Dept. Head	HUANG, MING-JER	0	0	0	0
Ship div. Seaman dept. Dept. Head	YANG, HONG-MING	0	0	0	0
Ship div. Ksg maintenance dept. Dept. Head	KUNG, CHIR-CHIEH	0 (5,000)	0	0	0
Ship div. Shipbuilding dept. Dept. Head	CHIANG, SHOU- HSING	0	0	0	0
Logistics div. Equipment control dept. Dept. Head	KUO, YUAN-PING	0 (14)	0	0	0
Customer relationship management div. Customer relationship management dept. Dept. Head	CHIU, PING-CHUAN	0	0	0	0
Customer relationship management div. Customer data process- ing dept.ii Dept. Head	CHOU, SO-HUI	0 (124,614)	0	0	0
Traffic dept. Dept. Head	LEE, KUEI-CHU	0 (16,160)	0	0	0
Computer div. Software designing dept.iii Dept. Head	CHEN, SHENG-PAO	0	0	0	0
Finance div. Finance dept. Dept. Head	MO, CHENG-PING	0 (12,000)	0	0	0

Title	Name	2022		As of April 1, 2023	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Supervisory dept. Dept. Head	CHAO, HUI-LING	0	0	0	0
Corporate governance dept. Dept. Head	HSIEH, SHU-HUI	0	0	0	0
Human resources dept. Dept. Head	YANG, PI-SAO	2,000 (10,800)	0	0	0
Public relations dept. Dept. Head	LI, YING-TI	0 (6,000)	0	0	0
Ship div. Maritech dept. Dept. Head	LI, HUA-LUNG	0 (43,114)	0	0	0
Ship div. Maintenance dept.ii Dept. Head	CHEN, JENN-HWANG	0 (10,000)	0	0	0
Ship div. Supply dept. Dept. Head	YEH, CHING-RONG	0 (13,800)	0	0	0
Customer relationship management div. Customer data processing dept.i Dept. Head	CHIEN, CHIN-FANG	0	0	0	0
Operation dept. Dept. Head	HWANG, YI-SYOU	0	0	0	0
Business div. America dept. Dept. Head	JEN, YI-KANG	0 (555)	0	0	0
Business div. Europe dept. Dept. Head	CHENG, CHI-YI	0	0	0	0
Business div. Intra asia dept. Dept. Head	CHIANG, KUO-WEI	14 (258)	0	0	0

Title	Name	2022		As of April 1, 2023	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Business div. Import dept. Dept. Head	LU, PAO-LUNG	0	0	0	0
Documentation dept. Dept. Head	LIN, CHI-DAY	0	0	0	0
Computer div. System management dept. Dept. Head	LIN, YU-HUAN	0	0	0	0
Auditing dept. Dept. Head	WU, YU-CHI	0 (1,930)	0	0	0
Taipei port office Office head	CHANG, SHING-HUA	0	0	0	0
Kaohsiung office Office head	WANG, CHIEN-KUO	0	0	0	0
Ksg terminal div. Terminal operation dept.i Dept. Head	HWANG, MING-LING	0	0	0	0
Ksg terminal div. Terminal operation dept.ii Dept. Head	WU, YUEH-FENG	0	0	0	0
Ksg terminal div. Maintenance dept.i Dept. Head	PAN, CHIN-TUNG	0	0	0	0
Project div. Business coordination dept. Deputy dept. Head	CHANG, DA-CHIH	0	0	0	0
Operation coordination dept. Deputy dept. Head	HUANG, YI-EN	0 (150)	0	0	0
Ship div. Shipbuilding dept. Deputy dept. Head	WENG, CHAO-YUEH	0	0	0	0

Title	Name	2022		As of April 1, 2023	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Customer relationship management div. Customer relationship management dept. Deputy dept. Head	CHEN, MEI-CHI	0	0	0	0
Supervisory dept. Deputy dept. Head	CHENG, HUI-CHEN	0	0	0	0
Human resources dept. Deputy dept. Head	LIN, AN-YI	0	0	0	0
Finance div. Finance dept. Deputy dept. Head (accounting supervisor)	CHANG, CHUAN-FU	0 (1,200)	0	0	0
Finance div. Assessment dept.ii Vice president	LEE, SHU-FENG	0 (22,800)	0	0	0
Project div. Business coordination dept. Vice president	TSENG, NENG-FANG	0	0	0	0
Project div. Business coordination dept. Vice president	SHIH, WANG-YIF	0	0	0	0
Project div. Business coordination dept. Vice president	CHEN, CHUN-YEN	0	0	0	0
Project div. Business coordination dept. Vice president	CHENG, MIN-CHOU	0	0	0	0
Project div. Business coordination dept. Vice president	SHEU, DONG-HAN	0	0	0	0

Title	Name	2022		As of April 1, 2023	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Operation coordination dept. Vice president	CHANG, CHIH-CHAO	0 (39,600)	0	0	0
Operation coordination dept. Vice president	YEH, CHENG-HUNG	0 (1,800)	0	0	0
Operation coordination dept. Vice president	TSAI, YU-TA	0	0	0	0
Operation coordination dept. Vice president	FAN, CHENG-FU	0	0	0	0
Supervisory dept. Vice president	JOU, KUEN-CHENG	0	0	0	0

Note 1: Any shareholder holding more than 10 percent of the Company's total share capital shall be noted as a major shareholder, and such shareholders shall be listed individually.

Note2: The holding decrease shares held in 2022 (includes 60% of the capital reduction ratio), and the record date of replacement of shares was 09/16/2022.

Note3: Evergreen International S.A. terminated the appointment of Mr. Hsieh, Huey-Chuan as the representative from 02/14/2023.

Information of Stock Transfer: None

Information of Stock Pledged: None

VIII. Relationship Among the Top Ten Shareholders

As of April 1, 2023 (Closure date of Shareholders Meeting of 2023)

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.	156,714,726	7.40	-		0	0	Chang, Kuo-Hua	Director and major shareholder
							Chang, Yung-Fa	Major shareholder
Representative: Chang, Kuo-Hua	63,938,462	3.02	0	0	0	0	Evergreen International S.A.	Director and major shareholder
							Chang, Yung-Fa	Within two degrees kinship
Chang, Yung-Fa (Deceased)	69,345,462	3.28	1,041,062	0.05	0	0	Evergreen International S.A.	Major shareholder
							Chang, Kuo-Hua	Within two degrees kinship
Chang, Kuo-Hua	63,938,462	3.02	0	0	0	0	Evergreen International S.A.	Director and major shareholder
							Chang, Yung-Fa	Within two degrees kinship
Cathay United Bank. Trust Account – Chang, Kuo-Hua	63,920,000	3.02	-		0	0	-	-
Yuanta/P-shares Taiwan Dividend Plus ETF Account	50,507,038	2.39	-		0	0	-	-
Fubon Life Insurance Co., Ltd	25,925,000	1.22	-		0	0	-	-
Chang, Chun-An	22,966,000	1.09	0	0	0	0		
Bank SinoPac as Custodian ALLY HOLDING LTD. Investment Account	20,491,642	0.97	-		0	0	-	-
Cathay United Bank. Trust Account – Yang, Mei-Chen	18,870,530	0.89	-		0	0	-	-
Citibank Taiwan as Custodian Singapore Government Investment Account	16,359,604	0.77	-		0	0	-	-

IX. Ownership of Shares in Affiliated Enterprises

As of December 31, 2022

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	20,165	1.89	450,857	42.25
EVA Airways Corp.	776,541	14.53	209,047	3.91	985,588	18.44
Evergreen Steel Corp.	79,248	19.00	28,956	6.94	108,204	25.94
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.	12,622	62.25	10	0.05	12,632	62.30
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
Evergreen Marine (Asia) Pte. Ltd.	50,000	100	0	0	50,000	100.00
Everport Terminal Service Inc.	1	94.43	0	5.57	1	100.00
Evergreen Shipping Agency (Israel) Ltd.	1,062	59.00	18	1.00	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 &Transport Corp. and EVA Airways Corp. are based on the dividend record date of 2022.

I. Capital and Shares

1. Source of Capital

Unit: TWD

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
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

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
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
05/2021	10	7,000,000,000	70,000,000,000	5,270,935,971	52,709,359,710	Oversea Corporate Bond Conversion 49,380,267	-	Jing-Shou-Shang Zi No.11001091550
07/2021	10	7,000,000,000	70,000,000,000	5,290,847,369	52,908,473,690	Oversea Corporate Bond Conversion 19,911,398	-	Jing-Shou-Shang Zi No.11001124150
12/2021	10	7,000,000,000	70,000,000,000	5,290,848,436	52,908,484,360	Corporate Bond Conversion 1,067	-	Jing-Shou-Shang Zi No.11001216480
04/2022	10	7,000,000,000	70,000,000,000	5,291,049,137	52,910,491,370	Corporate Bond Conversion 200,701	-	Jing-Shou-Shang Zi No.11101054610
08/2022	10	7,000,000,000	70,000,000,000	2,116,420,082	21,164,200,820	Corporate Bond Conversion 1,067 and Capital Reduction 3,174,630,122	-	Jing-Shou-Shang Zi No.11101143170

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Common Stock	2,116,420,082	4,883,579,918	7,000,000,000	Shares outstanding as of April 1, 2023.

Information for Shelf Registration: None.

2. Status of Shareholders

As of April 1, 2023

Item	Government Agencies	Financial Institutions	Other Juridical Persons	Foreign Institutions & Natural Persons	Domestic Natural Persons	Total
Number of Shareholders	8	33	1,259	1,516	397,934	400,750
Shareholding (shares)	18,414,568	50,113,401	236,756,324	621,213,033	1,189,922,756	2,116,420,082
Percentage	0.87%	2.37%	11.19%	29.35%	56.22%	100.00%

3. Shareholding Distribution Status

As of April 1, 2023

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding (Shares)	Percentage
1 ~ 999	238,514	79,133,807	3.74%
1,000 ~ 5,000	133,443	266,599,558	12.60%
5,001 ~ 10,000	15,519	114,940,733	5.43%
10,001 ~ 15,000	4,616	57,787,916	2.73%
15,001 ~ 20,000	2,671	47,690,562	2.25%
20,001 ~ 30,000	2,079	52,059,724	2.46%
30,001 ~ 40,000	1,061	37,812,653	1.79%
40,001 ~ 50,000	611	27,907,233	1.32%
50,001 ~ 100,000	1,045	73,978,512	3.50%

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding (Shares)	Percentage
100,001 ~ 200,000	540	76,941,863	3.64%
200,001 ~ 400,000	258	72,851,536	3.44%
400,001 ~ 600,000	99	48,454,555	2.29%
600,001 ~ 800,000	68	47,583,664	2.25%
800,001 ~ 1,000,000	42	37,685,865	1.78%
1,000,001 or over	184	1,074,991,901	50.78%
Total	400,750	2,116,420,082	100.00%

Preferred Shares: None

4. List of Major Shareholders

As of April 1, 2023

Shareholder's Name	Shareholding	
	Shares	Percentage
Evergreen International S.A.	156,714,726	7.40%
Chang, Yung-Fa (Deceased)	69,345,462	3.28%
Chang, Kuo-Hua	63,938,462	3.02%
Cathay United Bank. Trust Account – Chang, Kuo-Hua	63,920,000	3.02%
Yuanta Taiwan Dividend Plus ETF	50,507,038	2.39%
Fubon Life Insurance Co., Ltd.	25,925,000	1.22%
Chang, Chun-An	22,966,000	1.09%
Bank SinoPac as Custodian ALLY HOLDING LTD. Investment Account	20,491,642	0.97%
Cathay United Bank. Trust Account – Yang, Mei-Chen	18,870,530	0.89%
Citibank Taiwan Ltd. as Custodian Government of Singapore Invest- ment Account	16,359,604	0.77%

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

Unit: TWD

Items	Year			
		2021	2022	As of April 1, 2023 (Note 2)
Market Price per Share (Note 1)				
Highest Market Price		233.00	186.00	179.50
Adjusted Highest Market Price		-	-	-
Lowest Market Price		30.00	78.50	142.50
Adjusted Lowest Market Price		-	-	-
Average Market Price		94.99	130.52	159.95
Net Worth per Share				
Before Distribution		61.76	260.92	-
After Distribution		43.76	-	-
Earnings per Share				
Weighted Average Shares (thousand shares)		5,244,562	3,838,511	-
Earnings Per Share		45.57	87.07	-
Adjusted Earnings Per Share		-	-	-
Dividends per Share				
Cash Dividends		17.99999637	70.00 (Note 6)	-
Stock Dividends				
• Dividends from Retained Earnings		-	-	-
• Dividends from Capital Surplus		-	-	-
Accumulated Undistributed Dividends		-	-	-
Return on Investment				

Items	Year			
		2021	2022	As of April 1, 2023 (Note 2)
Price / Earnings Ratio (Note 3)		2.23	1.52	-
Price / Dividend Ratio (Note 4)		5.65	1.89	-
Cash Dividend Yield Rate (Note 5)		17.69%	52.91%	-

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 2022 was disclosed based on the distribution proposed by the board of directors on March 14, 2023, 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 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.

Where the special surplus reserve set aside in the preceding paragraph belongs to a part not fully set aside accrued from prior years, the same amount thereof shall be set aside for the special surplus reserve from the retained earnings accrued from prior years. If the special surplus reserve is still insufficient, the amount from the net income after taxes for the current period plus the items other than the net income after taxes for the current period shall be included in the amount of the retained earnings for the current period to be set aside for such a purpose.

The dividends may be distributed either in full in cash, or in the combination of cash and stocks, however the 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 2022 profits was passed at the meeting of the Board of Directors on March 14, 2023. The proposal to distribute cash dividends TWD 70 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 2023 financial forecast.)

8. Employees' Compensation and Remuneration of Directors

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

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:

- 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:

- a. The proposal to distribute employees' compensation TWD 1,918,478,964 and remuneration of Directors TWD 9,500,000 of 2022 was passed at the meeting of the Board of Directors on March 14, 2023.

- 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 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:

The Company distributed remuneration of employees' compensation and directors and supervisors of year 2022. The amounts distributed did not vary from the amount recognized.

9. Buyback of Treasury Stock: None

II. Bonds

1. Corporate Bonds

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

Corporate Bond Type		4 th Domestic Unsecured Convertible Bonds
Issue date		May 18, 2021
Denomination		TWD 100,000
Issuing and transaction location		Taiwan Stock Exchange
Issue price		Issued at 101% of the Face Value
Par value		TWD 5,000,000,000
Coupon rate		0.00%
Tenor		5 years Maturity: May 18, 2026
Guarantee agency		None
Consignee		Bank SinoPac Co., Ltd.
Underwriting institution		SinoPac Securities Corporation acts as the lead manager
Certified lawyer		Peng, Yi-Cheng
CPA		Lee, Hsiu-Ling
Repayment method		Unless previously redeemed, repurchased and cancelled or converted, the Bonds will be redeemed on the Maturity Date at their principal amount with a yield of 0% per annum.
Outstanding principal		TWD 4,981,000,000
Terms of redemption or advance repayment		Refer to Rules for Issuance of Conversion of EMC's 4th Domestic Unsecured Convertible Bonds
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	TWD 19,000,000, equal to 202,835 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 convertible bonds are converted into common shares, the share dilution will be around 1.22%, which would not cause a material adverse effect on the shareholders' equity.
Transfer agent		N/A

2. Convertible Bonds

Convertible bond type		4 th Domestic Unsecured Convertible Bonds	
Year		2022	As of April 1, 2023
Item			
Market price of the convertible bond	Highest	TWD 177.0	TWD 111.8
	Lowest	TWD 103.4	TWD 104.3
	Average	TWD 132.65	TWD 107.85
Convertible Price		TWD 189.9	
Issue date and convertible price at issuance		Issue Date: May 18, 2021 Convertible price: TWD 95	
Convertible methods		Issuing of new stocks	

3. Corporate Bond Under Processing: None

4. Corporate Bonds with Warrants: None

III. Preferred Stock

1. Preferred Stock: None

2. Preferred Stock with Warrants: None

IV. Global Depository Receipts: None

V. Employee Stock Options: None

VI. Status of New Shares Issuance in Connection with Mergers and Acquisitions:

None

VII. Financing Plans and Implementation

The Implementation of 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	2021Q2	2021Q3	2021Q4
	Funds using schedule	Planning	375,040	362,148	187,520	0	143,570	0	0
		Actual	99,309	42,155	159,302	110,906	4,860	46,761	90,143
	Execution progress	Planning	17.18%	16.59%	8.59%	0.00%	6.58%	0.00%	0.00%
		Actual	4.55%	1.93%	7.30%	5.08%	0.21%	2.14%	4.13%
	Execution status		2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	Total	
	Funds using schedule	Planning	0	0	0	0	0	2,183,149	
		Actual	4,763	25,725	90,439	170,238	205,920	2,183,149	
	Execution progress	Planning	0.01%	0.00%	0.00%	0.00%	0.00%	100.00%	
		Actual	0.22%	1.18%	4.14%	7.80%	9.44%	100.00%	

2. Convertible Bonds

Unit: TWD thousand

Issuance	4 th Domestic Unsecured Convertible Bonds					
Issue amount	TWD 5.05 billions; Principal Amount: TWD 100,000					
Tenor	5 years; Maturity: May 18, 2025					
Purpose	Repayment of the Bank Loans					
Funds using schedule & Execution progress	Repayment of the Bank Loans					
	Execution status		2021Q2	2021Q3	2021Q4	Total
	Funds using schedule	Planning	383,000	1,950,930	2,716,070	5,050,000
		Actual	4,405,000	645,000	0	5,050,000
	Execution progress	Planning	7.58%	38.63%	53.79%	100.00%
		Actual	87.23%	12.77%	0.00%	100.00%



I. Business Highlights

1. Business Scope

(1) The company's main business areas

Evergreen's core business is International Container Sea-Freight Liners. Our fleet capacity was ranked as seventh in the world at the end of 2022. All our service routes are running under a regular liner basis, also involving port stevedoring, inland transports, and comprehensive logistics services. Our clients cover various areas such as manufacturing, trading companies, and retailers located all over the world. Our business is fully 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 2022

Transpacific routes

Evergreen Line, COSCO, CMA CGM and OOCL established the "OCEAN Alliance" on Apr. 1, 2017. The Trans Pacific trade service was continuously enhanced to a total of 23 services in 2022, including 15 loops for US West Coast (PSW 11 loops, PNW 4 loops) and 8 loops for the US East Coast.

Far East-Europe/Mediterranean routes

1. Far East-Europe services: Effective from 2022, Evergreen offers 7 European services weekly under OCEAN Alliance.
2. Far East-Mediterranean services: Effective from 2022, Evergreen offers 4 Asia-Mediterranean services weekly under OCEAN Alliance.

Europe-North America routes

Effective from 2022, Evergreen offers 2 Europe-North America services weekly under OCEAN Alliance.

Far East-Latin American routes

1. Far East-Panama/Caribbean services: There are 3 services, namely AUE, NUE and SAX for Far East-Panama/Caribbean trade.
2. Far East-Mexico/South American West Coast services: There are 11 vessels in WSA joint service and WSA2 joint service, Evergreen deployed 8 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 /Africa routes

1. Far East-Middle East services: Maintain 5 services, of which 4 services are under Ocean Alliance.
2. Far East-Red Sea services: Maintain 2 joint services covering major ports of Red Sea.
3. Far East-India Subcontinent services: Maintain 4 joint services to North-West India subcontinent with 5 vessels deployed. East India services maintain slot purchase pattern with 2 services.
4. Far East-Australia services: Maintain 2 joint services covering 3 major ports of East Australia.
5. Far East-Africa services: Maintain 2 joint services for East Africa and South Africa routes respectively covering major ports of both routes.

Intra-Asia routes

1. Resuming CPH weekly and provide a direct route from South China to South Philippines since November, 2022.
2. Combining NSA/TMS routes and provide a direct route from Kansai, Japan to Philippines.
3. Berthing GTC for TPH route and provide a direct route from Kaohsiung, Taiwan to the Port of General Santos, Philippines biweekly.

2. Container Shipping Industry Profile

(1) Macroeconomic Environment

According to Alphaliner statistics, affected by the ongoing epidemic, Zero-covid policy in China, global inflation, and the Russian-Ukrainian war, the growth rate of global cargo volume in 2022 was 0.1% and the capacity growth rate was 4.1%. The shipping industry encountered the shortage of labor force and container, the port congestion, and the delay in the shipping schedule due to the pandemic, the effective fleet capacity of the market was reduced. On the other hand, due to the uncertainty caused by the epidemic, the market consumption momentum has generally shifted from travel expenditure to online commodity consumption, in the case of shippers eager to replenish inventory, the market cargo volume has generally risen, and the market freight rate level has continued to rise steadily under the imbalance between supply and demand of the fleet space.

Looking forward to the year of 2023, Alphaliner estimates that the market fleet capacity will grow by 8.2% and the volume growth rate will be 1.4%; As it is expected that the variant-virus epidemic will continue to develop, the Russia-Ukraine war and inflationary pressures will slow the global economic recovery, however,

IMO's (International Maritime Organization) regulations on the Energy Efficiency Index (EEXI) and Carbon Intensity Index (CII) of existing ships will be officially implemented from January 1st, 2023, which will not only affect the operating mode of existing ships, but also accelerate the elimination of old ships in the market, and reduce the existing capacity of the market.

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

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
- (4) Container equipment manufacturers
- (5) Fuel suppliers

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

A. Increase in market concentration

At the end of 2022, the world's top 10 major carriers represented 84.1% of global capacity (84.2% in 2021), 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, in order to cope with ULCV docking, the wharf and port operations must be upgraded to improve the efficiency and enhance the 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

As the impacts of the greenhouse effect and global warming become more and more significant, climate change has been an inevitable issue for the sustainable management of enterprises. The International Maritime Organization (IMO) has also followed the Paris Agreement to formulate mid-term and long-term strategies of reducing greenhouse gas emissions for the entire shipping industry. We expect the newly effective environmental protection regulations such as the Energy Efficiency Existing Ship Index (EEXI) and the Carbon Intensity Indicator (CII) will not only cause impacts on the carbon emission performance and the speed of ships, but also control the carbon emissions of ships and reduce the greenhouse gases of ships.

The design concept of Evergreen’s newly-built vessels complies with Energy Efficiency Design Ship Index (EEDI) of the International Maritime Organization. The hull design is optimized to increase propulsion efficiency, achieve equivalent ship speed without reducing engine performance, and reduce fuel consumption to achieve emission reductions. By adjusting the vessels’ main engine output, speed, shipping schedule and other factors to monitor the carbon emission in time.

(4) Status of Market Competition

A. Top 10 Carriers capacity share

Carrier	Capacity	Capacity Share
1. MSC	4,696,956	17.7%
2. APM - Maersk	4,191,520	15.8%
3. CMA CGM Group	3,395,315	12.8%
4. COSCO Group	2,868,305	10.8%
5. Hapag-Lloyd	1,795,177	6.8%
6. ONE	1,663,046	6.3%
7. Evergreen	1,531,151	5.8%
8. HMM	816,365	3.1%
9. Yang Ming	705,614	2.7%
10. ZIM	549,034	2.1%

Data Source: Alphaliner (202303)

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 31%, 38%, and 27% for Asia-Europe trade and 22%, 38%, and 28% for Asia-North America trade on major marine alliance 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

In order to make the use of fuel meet the regulations of IMO 2030 and the carbon reduction requirements in 2050, Evergreen keeps seeking for the possibilities of alternative energy, and continues to discuss with the suppliers about cooperation plans and sign Memorandum of Understanding (MOU) to ensure the supply of new energy for the fleet. We focus on fundamentally reducing the generation of nitrogen oxides and sulfur oxides, coupled with back-end treatment, to minimize the overall pollutant discharge and achieve the balance between economy and environmental protection. On the basis of new technologies, shipyards can also use data and hydrodynamic analysis before designing to optimize ship lines and further reduce fuel consumption. Research and development of new equipment, such as air lubrication systems, can further reduce energy consumption during navigation. All newly-built ships apply advanced ship technology, to optimize the best ship types and to achieve the goals of best loading efficiency and energy-saving. To respond to and support international issues such as the prevention of marine oil pollution, air pollution, climate change and ballast water treatment with the environmental protection design of various leading international regulations and conventions.

Evergreen Marine new building vessel have improved energy efficiency and reduced emissions of greenhouse gases, carbon, nitrogen sulfide, and sulfur oxides, which will help the company improve the accuracy of shipping schedules and market competitiveness. In the latest new ship construction plan, the new ship adopts the best ship shape design, improves the propulsion efficiency of the main engine, reduces fuel

consumption, optimizes the ship shape and sword bow, and configures a hybrid type SOx scrubber. The introduction will result in a significant reduction in carbon emissions per unit shipped. In terms of ship safety and route planning, Evergreen Marine and the shipyard have cooperated to develop an intelligent system to avoid marine pollution caused by navigation safety. The ship intelligent system provides suggestions on optimal route, improves fuel efficiency, and further achieves the goal of reducing emissions and carbon emissions.

We have also obtained ISO 14001:2015 environmental certification to implement environmental protection management systems to prevent against accident.

Maritime Training

Evergreen upholds the spirit and vision of sustainable development and maintains a firm commitment to professional maritime training. The Evergreen Seafarer Training Center has a comprehensive range of training equipment, and we run training courses to continuously improve the ability and skills of our crews so as to prevent maritime accidents and environmental pollution.

- (a) In order to ensure the continuation of training throughout the COVID-19 preventative lockdown of 2022, some training courses moved to a Webex remote video format, and used the Evergreen E-learning platform for post-course evaluations. The Evergreen Seafarer Training Center organized 133 training courses in 21 categories throughout the year, including 29 STCW international convention trainings and 104 company-organized trainings, with 1,390 total trainees.
- (b) In October 2022, the Evergreen Training Center successfully completed an ISO 9001:2015 Quality Management System annual audit by Class NK, and passed “The 2021 era crew training professional institution evaluation” of Maritime Port Bureau in December 2021.
- (c) To expand the development of maritime professionals, Evergreen has been extending our partnership with National Kaohsiung University of Science and Technology. This starts with a post-bachelor program of engineering. In addition, we encourage non-maritime undergraduates to engage in maritime work. Evergreen also subsidizes full tuition and part of the accommodation cost for qualified students who are offered the opportunity to intern onboard the Evergreen fleet. Employment offers are extended to cadets with excellent performance.
- (d) Alongside the construction of new ship types, new types of main engine training equipment have been added. At the end of 2021, a new Win GD-X92B simulator equipment was added to the lineup, in addition to the original X92 and X62 main engine training courses. Now, training for all types of main engines in the WinGD fleet are covered.
- (e) To assist the deck crew to use the calculation software correctly and to solve the

loading mistake, Evergreen added MACS3 calculation software project in 2022 to ensure the safety of cargos and vessels.

E-commerce

- (a) Evergreen participate in the Digital Container Shipping Association (DCSA) from 2019, working with international carriers to promote the digitization and standardization of container transportation of the shipping industry. Evergreen has successfully implemented Track and Trace Application Programming Interface (API) in 2022 and will continuously exchange data with related industry stakeholders more efficiently.
- (b) Evergreen has provided an alternative & efficient way to make online payment by ACH/Wire through ShipmentLink platform. US customers can ensure payment credit is posted to their account without delay and enabling customer to monitor their payment status.
- (c) Evergreen continuously provide 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.
- (d) To provide a friendly function for e-booking, ShipmentLink is enhanced to have 'Cancel booking request' function in e-Booking service. Customer can request booking cancellation online instead of current e-mail/telephone communication channel.
- (e) During COVID-19 pandemic period, Evergreen has provide high efficiency website services and also provide Electronic Data Interchange(EDI) connections with global customers. EDI messages include sailing schedule, booking, submitting Verified Gross Mass (VGM), B/L instruction, BL amendment and Cargo Tracking. It benefits customers to have needed information without limitation of time and location which also helping to reduce carbon emissions.

(2) Future R&D Plans

(1) The company is expected to invest about NT\$ 31.86 million in related services expenditure on the following projects:

Projects	Summary	Schedules	Description of Progress up to 2023/4/1
Administrator Account Management System Implement Project	In order to strengthen the management mechanism for the use of administrator accounts of each host (server) and system, and keep a complete use audit trail.	2023/09	In progress
Digital File Protection System Improvement Project	Provide encryption function for confidential files to avoid data leakage	2023/09	In progress
Information Security Forensics Service and Penetration Testing Tool Implement Project	<p>Use information security forensic tools in the process of information security incident handling to collect, inspect and analyze, so as to speed up the collection and analysis of incident evidence and improve the overall processing efficiency.</p> <p>Implement penetration testing tools, and use specific tool software to assist in the execution of core system penetration testing every year. Through in-depth information security health checks, we can find out blind spots in information security protection and strengthen information security defense measures.</p>	2023/11	In progress

Projects	Summary	Schedules	Description of Progress up to 2023/4/1
Information Security Protection Vulnerability Scanning System Procurement Project	The Company planned to purchase new vulnerability scanning detection tools to detect information systems such as the company's servers, network equipment, and databases from internal and external, and continue to improve the company's vulnerability scanning management operations. To avoid being hacked due to operating system or software vulnerabilities that are not updated or patched in time.	2023/09	In progress
Red Team Assessment	In response to the external threats and malicious attacks on the internet, an external information security firm is commissioned to provide Red Team Assessment security testing services. The purpose is to conduct security testing on the enterprise information architecture using hacker techniques, without affecting the company's operations. During the security testing process, in addition to conducting a comprehensive evaluation and analysis of the company's information architecture security level, active system defense and alarm system mechanisms within the company will also be tested in order to enhance the information defense architecture.	2023/12	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) Adjust the fleet capacity under OCEAN Alliance to meet the market demand timely.
- (2) Review operation performance via updated digital technology.
- (3) Establish key performance indicators to respond to the market change quickly.

Long-Term:

- (1) Strengthen training programs and establish cultural heritage.
- (2) Continue to upgrade fleet to increase business core competitiveness.
- (3) Establish shipping eco-system to enhance the operation quality.

II. Market and Industry Analysis

1. Market Analysis

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

Unit: TWD thousands

Service routes \ Year	Freight revenue of the Group for 2021	Freight revenue of the Group for 2022
America	171,154,835	258,596,015
Europe	175,780,641	192,443,546
Asia	60,135,482	78,180,190
Others	55,509,676	72,166,330

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

Carrier \ Year/Item	March, 2022		March, 2023	
	Capacity (TEU)	Market Share (%)	Capacity (TEU)	Market Share (%)
Evergreen(Group)	1,473,972	5.8	1,663,046	6.3
Yang Ming Lines	663,862	2.6	705,614	2.7
Wan Hai Lines	414,693	1.6	434,886	1.6
TS Lines	113,496	0.4	98,769	0.4

Data Source: Alphaliner (202203), Alphaliner(202303)

(3) Market Outlook for Supply-Demand and Growth

Far East to North America routes

It is estimated that the US economy is growing positively and the market demand is strong in 2022. However, it is still necessary to pay close attention to factors such as the development of the epidemic, inflationary pressures, the adjustment of relevant economic policies and port congestion.

Far East to North America routes

The volume of main commodities of North America to Far East trade such as cotton, grain, lumber, waste paper/wood pulp continued to increase to Vietnam, Malaysia, Thailand and other Southeast Asian countries. Looking forward of 2023, expect that market volume will gradually recover, service will resume stable and space supply will increase, which is also helpful for steady US export.

Far East to Europe and the Mediterranean routes & Europe to North America routes

It's estimated that 2023 will be full of challenges under high inflation in Europe and the uncertainty of the Russia-Ukraine War.

Far East to Mexico/South America routes

Cargo volume is expected to same with year 2022 due to COVID-19 epidemic slow-down.

Far East to Middle East/Red Sea/India-Pakistan/Australia/Africa routes

IMF estimates that the Economic Growth of the Middle East, India, Australia, South Africa and East Africa remain positive and the market volume growth steadily.

Intra - Asia routes

With continuous relaxation of the pandemic restriction policies globally, specifically in China and ASEAN countries, It is expected that the trade volume among the ASEAN countries to and from China will be back to normal in 2023.

Reefer business

With our vessel capacity enlargement, and Regional Comprehensive Economic Partnership (RCEP) enters into force, we expect a higher reefer volume growth in 2023.

Special Equipment Business

More project cargo are forecasted in 2023, the space is more available that could lead to better performance in comparison with 2022.

(4) A competitive niche

Innovative Thinking

To cope with the market change, it is a must to collect both internal and external

data of daily operation for analyzing and deriving cost-effective solutions based on the company's strategy.

Recognized Quality

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

- (1) MSCI ESG – 2022 MSCI ESG rating 「 A 」
- (2) CDP response - 2022 「 B 」 score on climate change
- (3) Constituent of the FTSE4Good TIP Taiwan ESG Index
- (4) Ecovadis - Sustainability Achievement Bronze Medal
- (5) Ibound Logistics -2022 G75 Green Supply Chain Partners
- (6) Port of Vancouver - 2021 Blue Circle Award
- (7) 2022 AFLAS Awards - Best Shipping Line - Trans Pacific
- (8) 2021 ISO 14064-1:2018 & GHG Protocol Certification
- (9) U.S. Coast Guard - 2021 AMVER Certificate of Merit

E-Commerce

- (1) Evergreen participate in the Digital Container Shipping Association (DCSA) from 2019, working with international carriers to promote the digitization and standardization of container transportation of the shipping industry. Evergreen has successfully implemented Track and Trace Application Programming Interface (API) in 2022 and will continuously exchange data with related industry stakeholders more efficiently.
- (2) Evergreen has provided an alternative & efficient way to make online payment by ACH/Wire through ShipmentLink platform. US customers can ensure payment credit is posted to their account without delay and enabling customer to monitor their payment status.
- (3) Evergreen continuously provide 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.
- (4) To provide a friendly function for e-booking, ShipmentLink is enhanced to have 'Cancel booking request' function in e-Booking service. Customer can request booking cancellation online instead of current e-mail/telephone communication channel.
- (5) During COVID-19 pandemic period, Evergreen has provide high efficiency website services and also provide Electronic Data Interchange(EDI) connections with global customers. EDI messages include sailing schedule, booking, submitting Verified Gross Mass (VGM), B/L instruction, BL amendment and Cargo Tracking. It benefits

customers to have needed information without limitation of time and location which also helping to reduce carbon emissions.

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 sticks to. The Shipbuilding Dept. is responsible for the design of new ships. 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 energy conservation results.

Evergreen website also has a sustainability page which includes the fleet of emission control measures, certification results, and instantly responses to customers' inquiries on the company's environmental projects.

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

Advantages

- (1) With relaxation of the pandemic restriction policies globally, 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) Port operation resume normally.

Disadvantages

- (1) The uncertainty of COVID-19 and unevenness of the economic recovery.
- (2) The volatile fuel prices affect the cost deeply due to ongoing Russian-Ukrainian war.
- (3) New ultra large ships enter an intensive delivery period. .
- (4) The global inflation threat.
- (5) Cyber-attacks persist.

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 the fleet deployment.
- (3) Continue to offer best service, and improve business digitalization.

- (4) Set up an Information Security Committee to regularly update policy with periodic review of the status of policy implementation.

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.

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

	Year	2021	2022
Revenue			
Revenue from contracts with customers- Ship-owners		475,713,688	613,067,618
Revenue from contracts with customers- Terminal		6,074,884	5,583,876
Revenue from contracts with customers- Agent		5,574,161	7,064,497
Other - ship rental income		386,509	540,723
Revenue from contracts with customers- Other		1,657,590	1,027,047
Total		489,406,832	627,283,761

III.Human Resources

Year		2021	2022	The year ended April 1, 2023
Number of Employees	Staff	6,070	8,593	9,318
	Seaman	2,033	2,251	2,257
	Total	8,103	10,844	11,575
Average Age		38.44	38.39	39.39
Average Years of Service		10.89	10.59	11.11
Education	Ph.D.	0.02%	0.02%	0.02%
	Masters	5.41%	5.26%	5.03%
	Bachelor's Degree	74.24%	70.57%	67.31%
	Senior High School	17.73%	19.71%	22.86%
	Below Senior High School	2.60%	4.44%	4.78%

IV.Expenses for environmental protection

1. Company's total expenses for environmental protection in 2022

In 2022, 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 30,042,160.
- (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 233,747,272.
- (3) In order to comply with the provisions of EU law (SECA), when the fleet sails in the sea area and port of the control area, the cost incurred by the owner and auxiliary engine of the ship to use environmentally friendly diesel to USD 57,758,121.

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 own fleets 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 environmental risks are reduced to a minimum.
- (2) In terms of carbon inventory and carbon footprint platform, we comply with relevant regulations and cooperated with professional accounting firms as well as BSI to form GHG Inventory Promotion Group. The GHG inventory is carried out in different phase. In 2022, we obtained ISO14064-1:2018 and GHG Protocol certificates. By following the plan, we will finish the GHG inventory and disclosure earlier than regulated, fulfilling our commitment to green shipping with inventory and yearly carbon reduction actions.
- (3) By adjusting the ship's speed, shipping schedule, main engine output and monitoring the carbon emission of the ship in real time, it is used to comply with the energy efficiency existing ship index (Energy Efficiency Existing Ship Index, EEXI) and carbon intensity index (Carbon Intensity Indicator, CII) and other new environmental regulations.
- (4) We continue to replace old vessels with new ones, and new vessels continue delivered for operation. The new fleet design combines the concept of environmental protection, conforms to the latest international environmental protection norms, and is also moving towards the goal of sustainable green shipping.
- (5) 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, in response to severe weather that affect 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. To set up disaster prevention plans, monitor the performances of preventive measures, and eventually reduce the risk of climate change, and seize potential opportunities.
- (6) 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_x scrubbers as an alternative.
- (7) 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.
- (8) 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.
- (9) 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.
 - (10) 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.
 - (11) Conduct strict audits and corrective action for fleet and make preparation beforehand in order to prevent deficiency and pollution from occurring.
 - (12) Keep all environmental equipment on board in good condition for crew to operate smoothly.
 - (13) 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.
 - (14) Maintain the validity of the statutory certificates such as IOPP, IAPP and ISPP for all vessels.
 - (15) Continuously join the GARD Protection and Indemnity (GARD P&I) insurance.
 - (16) 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.
 - (17) 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.
 - (18) North Atlantic Right Whale Seasonal Speed Restrictions are in effect. Restrictions imposed by the National Oceanic and Atmospheric Administration (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.
 - (19) Commission AMP system and use shore power for all F -Type, L -Type, S-Type and E-Type vessels berthing in port of USLAX, USOKL. And joined the Cold Ironing running berthing in port of CNXGA, CNSHG, CNNBO, CNXSM and CNYYT & CNXHK.
 - (20) 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 the greenhouse effect and global warming becoming more and more significant. The increasingly serious impact of climate change is undoubtedly an inevitable subject of considerable for the sustainable operation of each company. The International Maritime Organization (IMO) has followed in the footsteps of the 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) and other drafts, which are expected to take effect in 2023. Hope as a result, the greenhouse gases of ships can be reduced.

Since its inception, Evergreen will continue to sustainable business philosophy deeply rooted in the enterprise, so the Group to green enterprises as a cause, the earth to do a heart of the concept, the pursuit of a friendly environment sustainable operation. Evergreen Fleet reduces the energy consumption of ships through various operational management measures, emission reduction strategies, optimized ship design, and continuously introduces a new generation of environmentally friendly vessels to reduce pollution and greenhouse gas emissions. Evergreen's fleet fuel consumption, greenhouse gas emissions, energy saving and carbon reduction efforts over the years have been continue decline. The annual emission data are also verified by a third party (ClassNK).

The international maritime environmental regulations that have been implemented in recent years include:

- (1) The IMO Ballast Water Management Convention, which came into force on September 8, 2017, requires all international ships to manage and control their ballast water before entering different water areas.
- (2) The EU MRV, which came into effect on January 1, 2018, requires ships with a total tonnage of over 5000 tonnes to report their carbon emissions data for management and control.
- (3) The IMO Fuel Oil Consumption Data Collection System, which came into effect on January 1, 2019, requires ships to report their annual fuel consumption data for monitoring and managing carbon emissions and energy efficiency.
- (4) The IMO Sulfur cap regulation, which came into effect on January 1, 2020, requires global ships to use low-sulfur fuel (with sulfur content below 0.5%) or other emission control technologies such as scrubbers to reduce sulfur emissions.

(5) The IMO EEXI and CII requirements, which will take effect on January 1, 2022, aim to promote ship energy efficiency and reduce carbon emissions and have mandatory requirements for existing ships.

The implementation of these regulations will help reduce the impact of ships on the environment, improve the economic and environmental benefits of ships, and promote the sustainable development of the global shipping industry.

V. Labor Relations

1. Benefits for employees

Holiday	Two days off a week. (Holidays are not fix on Saturday and Sunday depending on business needs.)
Paid annual leave	As specified in the Labor Standards Act.
Pension system	As specified in the Labor Pension Statute.
Insurance	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.
Meals	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.
Health care	The medical department provides medical consultations with professional physicians, general medical treatment, workplace health promotion and management, and free regular physical examinations.
Recreational activities	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.
Education training	Orientations and on-the-job training courses, professional seminars, workshops, and subsidies for foreign language training every year.
Operating Performance Bonus	Annual bonus, employee compensation (Listed company)

Other subsidies	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.
Clubs	21 clubs: basketball, softball, badminton, swimming, Taiji, yoga, golf, Latin aerobic exercises, road running, etc.
Transportation	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 work instruction, professional knowledge, quality improvement, AEO certification, information security, occupational safety & health, corporate social responsibility, prevention of insider trading, etc.

Total hours of training courses in year 2022: 918.7 hours.

(2) Professional Training:

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

B. In order to enhance awareness of risk management, executives and managers from various departments participated in the Danger Prevention Seminars.

(3) Management-level Learning Programs:

For enhancing the competencies of leadership and management, newly-promoted managers participated in an administrative training program. Meanwhile, managers from various departments participated in the Cross Generational Communication, Employee Support, Performance Management and Strategy Workshop Training co-organized with management consulting.

(4) E-Learning Platform:

In order to encourage self-learning, employees could join various e-learning services provided by external training institutions. Meanwhile, the company invited professionals to record e-learning courses and published these on the internal platform for managers' interdisciplinary learning as well as all employees' compliance.

(5) 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.

(6) Newcomer's Orientation:

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

(7) Stress Relieving, Gender Equality and Sexual Harassment Prevention Lectures

(8) Subsidies for learning foreign languages and TOEIC fee

(9) The statistics of the above (2)~(8) trainings are as follows

Total number of participants	Total training hours	Total amount of cost
5,570	38,717	TWD 6,456,155

Training for Sea Personnel

In order to enhance the core competencies, seafarers participated in the training courses of international convention and navigation/marine engineer organized by the Seafarer Training Center. The subjects included but not limited to medical care, marine environment awareness, ECDIS, engine control system, the ship handling and safety management proficiency check and various pre-boarding training courses for sea officers and crews.

In order to make seafarers familiar with various emergency response, seafarers on board are arranged to regularly participate in 19 drills / exercise such as abandon ship, fire and first aid. Meanwhile, supervisors and seniors pass on experience and professional skills to juniors through on-the-job coaching.

Sum of Total Training for Shore Personnel:

Total number of participants	Total training hours	Total amount of cost
1,390	20,152	TWD 4,884,723

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 continuing 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 regulation covers all full-time permanent employee. According to the pension regulation, the criteria for payment is that two bases are given for each full year of

service rendered. But for the rest of the years over 15 years, one base is given for each full year of service rendered. The total number of bases 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 year 2022.

6. Code of Conduct/Courtesy

As a leading container carrier, the Company consistently upholds attitudes 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 their 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) According to the regulations on occupational safety and health, conduct safety and health education and on job training for newcomers and in-service employees.
- (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 set up 24-hour security and has equipped entrance control card access to ensure 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.

VI. Information security management

In order to strengthen information security management and ensure the security of important files, data, computer application systems, operating equipment and network, the Company's information security management team maintains guidelines for training, computer hardware and software, network and physical security environment management.

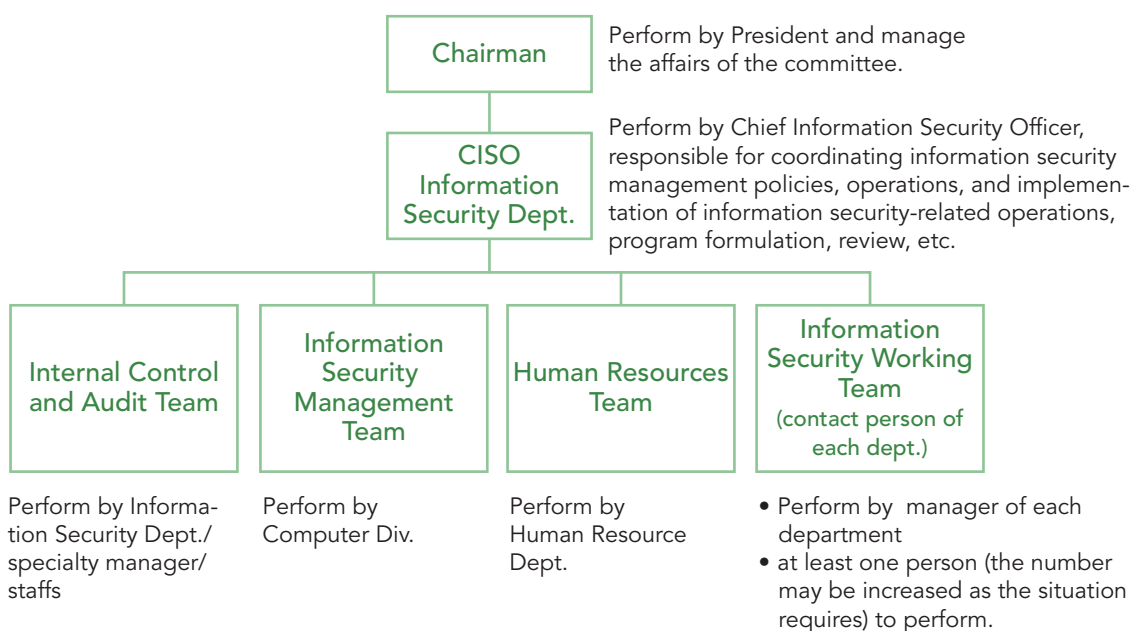
The company's information security management objectives are as follows:

1. To maintain the continuous operation of the information system.
2. To ensure the confidentiality, integrity and availability of information.
3. To prevent the inappropriate and/or illegal use of information.
4. To avoid incidents caused by human error.
5. To prevent hackers and viruses etc. from infiltrating, infecting and causing damage.
6. To maintain the security of the physical environment.

1. The Risk Management Framework of Information and Communication Security

(1) Information Security Management Committee

In order to effectively promote and implement the information security management system, the company has set up an information security management organization to formulate information security governance development strategies and directions, and to implement the confidentiality, integrity and availability of information assets, which ensure business operations and uninterrupted information services, so that the company's information security management system can continue to operate and develop steadily.



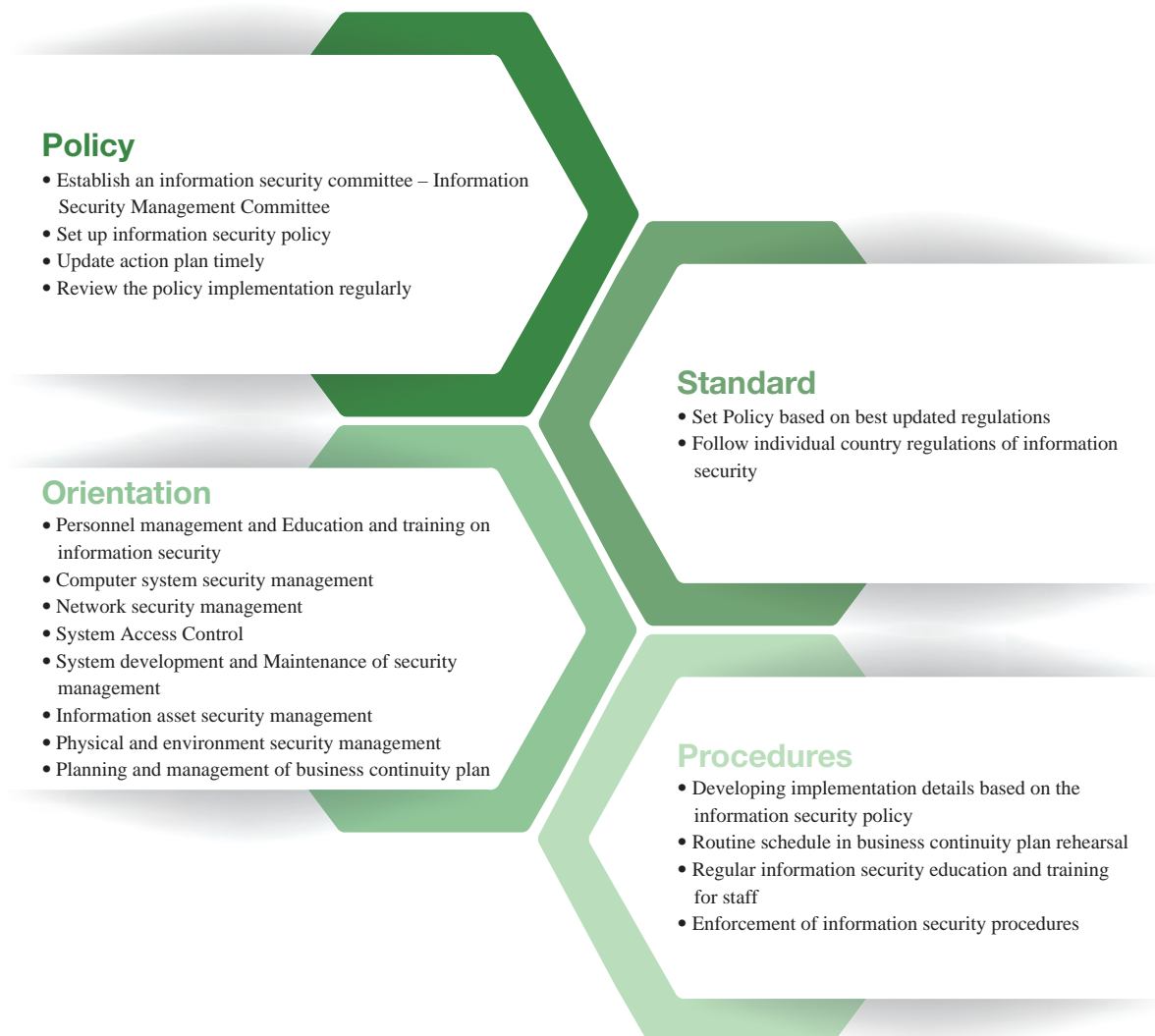
(2) Organizational Structure of Information Security Management Committee

- A. Information Security Management Committee: The company's information security management policy organization.
- B. Internal Control and Audit Team: To review the implementation of information security in line with the organization's policies and procedures, to supervise audits and to implement corrective, preventive and improvement measures.
- C. Information Security Management Team: To be responsible for the planning, establishment, implementation, maintenance, review and continuous improvement of the information security management system, and reporting information security related issues to the information security management committee.
- D. Human Resources Team: To assist the information security management committee to implement the planning and management of the company's human resources security system.
- E. Information Security Working Team (contact person of each dept.): To assist the information security management team to coordinate matters of information security management.

(3) The scope of the company's information security management includes:

- A. Information security organization and responsibilities.
- B. Information security documents and records management.
- C. Information security index management.
- D. Project information security management.
- E. Personnel safety management.
- F. Information asset and risk assessment management.
- G. Information equipment authorization and protection management.
- H. Security area management.
- I. Network and communication management.
- J. System development and maintenance management.
- K. Third party service management.
- L. Information security incident management.
- M. Business continuity management.
- N. Information security internal audit.
- O. ISMS Statement of Applicability.
- P. Implementation of information security management system.
- Q. Office information operation management.
- R. IoT devices security management and control.
- S. Application system authority management.

The strategy and framework of Information Security Management is shown below:



(4) The Information Security Management System

The company establishes, records, implements and maintains an information security management system in accordance with the requirements of the ISO/IEC 27001:2013 standard, continuously improving the effectiveness of the system. The company adopts a “Plan-Do-Check-Act” (PDCA) cycle:

- A. Planning and establishment (Plan): According to the company’s overall strategy and goals, establishing an information security management organization to control potential threats and vulnerabilities, to plan risk assessment, to design a control mechanism to establish the information security management system.
- B. Implementation and operation (Do): Based on the results of the Plan, establish or revise the proper control mechanism.
- C. Supervision and audit (Check): Supervise the implementation of various operations of the information security management system, and evaluate and audit its effectiveness.

- D. Maintenance and improvement (Act): According to the results and suggestions of supervision and audit, implement corrective measures, improve and implement the proper control mechanism to maintain the operation of the information security management system.

2. The Policy of Information and Communication Security

The company's information security control measures are listed below:

- A. The information security management committee is set up to implement the company's information security management system, to formulate information security governance development strategies and directions, to protect the confidentiality, integrity, and availability of information assets, to ensure smooth business operations and uninterrupted information services.
- B. Through the implementation of the information security management system, to declare the determination of top management to support information security, reduce the impact of information security incidents, and continue to operate and improve the information security management system while protecting the rights and interests of the company and customers.
- C. Establish procedures for creating, amending, abolishing, announcing, storing and destroying information security documents to ensure that they are updated in a timely manner.
- D. Security control mechanisms should be considered at the initial stage of system development.
- E. Business continuity plan based on business needs, and conduct regular test drills to maintain its applicability.
- F. Employees to be granted only necessary authority and relevant information to complete their work duties.
- G. Employees who observe or suspect a security breach, weakness or violation of security policies or procedures must report them in a timely manner.
- H. Information security procedures should be planned in advance of any project which includes issues relating to information security.
- I. Implement information security-related training and awareness every year.
- J. Regularly conduct information asset classification and risk assessment.
- K. Regularly perform information security self-inspection to maintain the effective operation of the information security management system and the implementation of control procedures.
- L. Implement network and communication security management.

3. Information Security Risks and Specific Management Plans

A. Software and hardware equipment

The company has invested in high-standard software and hardware equipment, has a system automatic information security monitoring and notification, can fully grasp the internal/external network traffic, and immediately intervene by special personnel to prevent emergency blocking and preventive treatment.

B. Education and training

Every year, the company conducts an online (E-learning) course of “Information Security Protection Education and Training” for all employees and related companies, which advises the precautions to take when using information equipment, receiving and sending e-mails and public materials. Colleagues must pass the online information security test to demonstrate that they have a complete concept of information security protection. A total of 2,462 colleagues will complete the training in 2022.

In addition, a special course on “Global Information System Integration Planning” was launched for expatriates, including information security and computer room management, issues related to system authority authorization, and an introduction to the local computer network connection structure.

C. Social engineering drill

In 2022, through conducting drills by sending simulated malicious emails to test colleagues, this improved colleagues’ awareness of risky emails, and strengthened the concept of information security for those who had not passed the test.

4. Major information security incidents

The company had no information security incidents that resulted in losses in 2022.

5. Obtained ISO27001 certificate

The company introduced the ISO 27001 information security management system in 2022, and has obtained ISO 27001 certification. The current certificate is valid from December 9, 2022 to October 31, 2025.

VII.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 Charter Agreement	SMART POINT SHIPPING LTD.	From: Jun.12,2011 Till: Jun.11,2012 Can be extended. It is subject to 60 days pre-notice prior to termination.	EMC slot charter from Smart Point Shipping Ltd. (Fuzhou- Taipei - 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 Services (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)	—

AGREEMENT	THE PARTY	DURATION	CONTENT	RESTRICTIONS
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)	—
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))	—

AGREEMENT	THE PARTY	DURATION	CONTENT	RESTRICTIONS
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- Thailand Services (CNC))	—
Vessel Sharing Agreement	1. UNIFEEDER FZCO, DUBAI 2. ONE 3. T.S.LINES	From: Aug.9,2019 Till: Mar.31,2021 Can be extended. It is subject to 90 days pre-notice prior to termination.	Operated by EMC, Feedertech, ONE, TSL (North China-India Service)	—
Vessel Sharing Agreement	1. YANG MING LINES 2. SINOTRANS CONTAINER LINES CO LTD. 3. T.S.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 (Jakarta-Port Klang, Hong Kong/Kaohsiung-Philippines (EMC) v.s. Port Klang-Sekou (X-Press), Kaohsiung-Cebu 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))	—

AGREEMENT	THE PARTY	DURATION	CONTENT	RESTRICTIONS
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))	—
Slot Exchange Agreement	SEALAND MAERSK ASIA	From: Dec.20,2017 Till: Sep.30,2021	EMC slot exchanges with SEALAND (Indonesia-Japan (EMC); Japan-Thailand Service (SAS))	—
Slot Charter Agreement	ADVANCE CONTAINER LINES (PTE) LTD	From: Apr.05,2021 Till: Jul.04,2021 Can be extended. It is subject to 30 days pre-notice prior to termination.	EMC charter slots to ACL (Singapore-Malaysia Service)	—
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)	—

AGREEMENT	THE PARTY	DURATION	CONTENT	RESTRICTIONS
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))	—
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 Charter Agreement	UNIFEEDER FZCO, DUBAI	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 90 days pre-notice prior to termination.	Operated by EMC, WHL, BTL (South East Asia - East India Service)	—

AGREEMENT	THE PARTY	DURATION	CONTENT	RESTRICTIONS
Slot Exchange Agreement	BENGAL TIGER LINE PTE LTD	From: Mar.06,2019 Till: Mar.05,2020 Can be extended. It is subject to 90 days pre-notice prior to termination.	EMC slot Exchanges with BTL (South East Asia-East India Service)	—
Vessel Sharing Agreement	1. Gold Star Line Ltd. 2. Xpress Feeders 3. KMTC Line Co Ltd 4. Emirates Shipping Lines	From: Jun 22,2021 Till: Jun 21.2022 Can be extended. It is subject to 90 days pre-notice prior to termination.	Operated by EMC, GSL, Xpress, KMTC&ESL (North China- Northwest India)	—
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)	—

AGREEMENT	THE PARTY	DURATION	CONTENT	RESTRICTIONS
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, COS, OOCL, ONE, PIL, GSL (F.E. - South Africa Services)	—
Vessel Sharing Agreement	1. CMA CGM 2. OOCL 3. X-PRESS	From: Jul.05,2018 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 LINE 2. YANG MING LINE	From: Dec.26,2015 Until: 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 LINE 3. WAN HAI LINES	From: Dec.25,2015 Until: Subsequently extended 90 days pre-notice prior to termination	Jointly operated by EMC, COS, PIL, WHL, YML (F.E. -West Coast of Souther America Service)	—
Slot Exchange Agreement	1. COSCO CONTAINER LINE 2. CMA CGM	From: Apr.15,2018 Until: Subsequently extended 90 days pre-notice prior to termination	Slot Exchange between EMC, COS, CMA (F.E. -West Coast of Souther America Service)	—

AGREEMENT	THE PARTY	DURATION	CONTENT	RESTRICTIONS
Vessel Sharing Agreement	1. ONE NETWORK EXPRESS PTE LTD. 2. HAPAG LLOYD CONTAINER LINE 3. HYUNDAI MERCHANT MARINE CO., LTD. 4. YANG MING LINE	From: Apr.05,2021 Until: Apr.04.2022, continuation shall be discussed 4 months before the expiry. Subsequently extended 90 days pre-notice prior to termination	Jointly operated by EMC, ONE, HPL, YML (Asia-U.S. GULF Service (AUG))	—



06 Financial Information

Chapter

I. Five-Year Financial Summary

1. Consolidated Condensed Balance Sheet

Unit: TWD thousand

Item	Year	Financial Summary for The Last Five Years				
		2018	2019	2020	2021	2022
Current assets		67,898,508	66,050,355	85,837,891	283,114,993	483,935,294
Property, plant and equipment		117,219,185	108,393,511	118,642,644	153,902,875	211,064,739
Intangible assets		2,266,526	1,929,667	1,552,438	1,271,120	1,340,558
Other assets		41,627,736	130,222,105	128,187,867	172,737,132	191,171,466
Total assets		229,011,955	306,595,638	334,220,840	611,026,120	887,512,057
Current liabilities	Before distribution	50,061,985	63,449,644	72,490,805	109,092,860	164,879,242
	After distribution	-	-	85,647,039	204,331,744	-
Non-current liabilities		107,982,134	169,551,148	160,235,742	144,611,670	140,082,780
Total liabilities	Before distribution	158,044,119	233,000,792	232,726,547	253,704,530	304,962,022
	After distribution	-	-	245,882,781	348,943,414	-
Equity attributable to owners of the parent		66,844,230	70,045,779	94,281,711	326,784,536	552,214,029
Common stock		45,129,738	48,129,738	48,980,353	52,908,484	21,164,201
Capital Surplus		11,059,145	11,407,437	12,433,364	15,762,185	15,968,043
Retained earnings	Before distribution	9,462,191	9,373,982	33,449,400	259,259,637	498,726,941
	After distribution	-	-	20,293,166	164,020,753	-
Other equity interest		1,193,156	1,134,622	(581,406)	(1,145,770)	16,354,844
Treasury shares		-	-	-	-	-
Non-controlling interest		4,123,606	3,549,067	7,212,582	30,537,054	30,336,006
Total equity	Before distribution	70,967,836	73,594,846	101,494,293	357,321,590	582,550,035
	After distribution	-	-	88,338,059	262,082,706	-

2. Consolidated Condensed Statement of Comprehensive Income

Unit: TWD thousand

Item	Year	Financial Summary for The Last Five Years				
		2018	2019	2020	2021	2022
Operating revenue		169,236,653	190,589,281	207,077,912	489,406,832	627,283,761
Gross Profit		7,470,868	14,555,021	45,489,093	301,934,437	398,450,140
Operating income (loss)		926,217	4,658,270	34,667,864	284,862,197	374,808,311
Non-operating income and expenses		269,187	(3,879,370)	(2,828,035)	3,372,379	24,616,167
Profit (loss) before income tax		1,195,404	778,900	31,839,829	288,234,576	399,424,478
Profit (loss) from continuing operations		78,501	(223,013)	28,767,310	263,110,059	346,172,965
Profit (loss) from discontinued operation		-	-	-	-	-
Profit (loss) for the period		78,501	(223,013)	28,767,310	263,110,059	346,172,965
Other comprehensive income (loss), net of income tax		575,603	(427,792)	(2,359,806)	(991,351)	20,583,926
Total comprehensive income (loss)		654,104	(650,805)	26,407,504	262,118,708	366,756,891
Profit (loss), attributable to owners of the parent		293,919	112,519	24,364,926	239,014,860	334,200,661
Profit (loss), attributable to non-controlling interest		(215,418)	(335,532)	4,402,384	24,095,199	11,972,304
Comprehensive income (loss), attributable to owners of the parent		1,031,164	(143,740)	22,359,390	238,402,107	352,206,802
Comprehensive income (loss), attributable to non-controlling interests		(377,060)	(507,065)	4,048,114	23,716,601	14,550,089
Earnings per share (in dollar)		0.07	0.02	5.06	45.57	87.07

3. Condensed Balance Sheet

Unit: TWD thousand

Item	Year	Financial Summary for The Last Five Years				
		2018	2019	2020	2021	2022
Current assets		30,035,812	27,259,252	32,779,259	73,651,528	153,037,425
Property, plant and equipment		35,045,526	36,934,484	37,425,681	43,790,376	65,146,023
Intangible assets		28,730	19,599	16,247	8,810	19,701
Other assets		62,818,147	85,478,188	102,954,658	292,469,032	436,273,581
Total assets		127,928,215	149,878,463	173,175,845	409,919,746	654,476,730
Current liabilities	Before distribution	15,248,630	18,261,998	21,681,686	34,230,119	74,884,305
	After distribution	-	-	34,837,920	129,469,003	-
Non-current liabilities		45,835,355	61,570,686	57,212,448	48,905,091	27,378,396
Total liabilities	Before distribution	61,083,985	79,832,684	78,894,134	83,135,210	102,262,701
	After distribution	-	-	92,050,368	178,374,094	-
Common stock		45,129,738	48,129,738	48,980,353	52,908,484	21,164,201
Capital surplus		11,059,145	11,407,437	12,433,364	15,762,185	15,968,043
Retained earnings	Before distribution	9,462,191	9,373,982	33,449,400	259,259,637	498,726,941
	After distribution	-	-	20,293,166	164,020,753	-
Other equity interest		1,193,156	1,134,622	(581,406)	(1,145,770)	16,354,844
Treasury shares		-	-	-	-	-
Total equity	Before distribution	66,844,230	70,045,779	94,281,711	326,784,536	552,214,029
	After distribution	-	-	81,125,477	231,545,652	-

4. Condensed Statement of Comprehensive Income

Unit: TWD thousand

Item	Year	Financial Summary for The Last Five Years				
		2018	2019	2020	2021	2022
Operating revenue		33,994,571	44,687,138	51,623,123	93,885,535	123,069,839
Gross Profit		1,481,708	2,606,665	8,652,211	50,748,412	70,081,557
Operating income (loss)		(418,690)	176,562	5,162,573	41,531,654	55,765,309
Non-operating income and expenses		928,194	(225,762)	20,947,405	217,848,517	326,002,505
Profit (loss) before income tax		509,504	(49,200)	26,109,978	259,380,171	381,767,814
Profit (loss) from continuing operations		293,919	112,519	24,364,926	239,014,860	334,200,661
Profit (loss) from discontinued operation		-	-	-	-	-
Profit (loss) for the year		293,919	112,519	24,364,926	239,014,860	334,200,661
Other comprehensive income, net of income tax		732,511	(256,259)	(2,005,536)	(612,753)	18,006,141
Total comprehensive income		1,026,430	(143,740)	22,359,390	238,402,107	352,206,802
Earnings per share (in dollar)		0.07	0.02	5.06	45.57	87.07

5. Auditors' Opinions from 2018 to 2022

Year	Accounting Firm	CPA	Audit Opinion
2022	PricewaterhouseCoopers, Taiwan	Lai, Chung-Hsi Chou, Hsiao-Tzu	An unqualified opinion
2021	PricewaterhouseCoopers, Taiwan	Lee, Hsiu-Ling Chou, Hsiao-Tzu	An unqualified 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

II. Five- Year Financial Analysis

1. Consolidated Financial Analysis

Item \ Year	2018	2019	2020	2021	2022
Financial structure (%)					
Debt ratio	69.01	76.00	69.63	41.52	34.36
Long-term funds to property, plant and equipment	152.66	224.32	220.60	326.14	342.37
Solvency (%)					
Current ratio	135.63	104.10	118.41	259.52	293.51
Quick ratio	121.80	94.57	112.21	252.79	287.78
Times interest earned (times)	1.64	1.14	8.02	90.04	123.70
Operating performance					
Receivable turnover (times)	10.66	11.05	9.97	13.78	17.04
Average collection days	34	33	37	26	21
Inventory turnover (times)	-	-	-	-	-
Accounts payable turnover (times)	9.08	9.61	8.70	7.36	5.97
Average Inventory turnover days	-	-	-	-	-
Property, plant and equipment turnover (times)	1.57	1.69	1.82	3.59	3.44
Total assets turnover (times)	0.79	0.71	0.65	1.04	0.84
Profitability					
Return on total assets (%)	0.74	1.61	10.11	56.22	46.55
Return on total equity (%)	0.11	(0.31)	32.86	114.69	73.66
Pre-tax income to paid-in capital (%)	2.65	1.62	65.01	544.78	1,887.26
Profit ratio (%)	0.05	(0.12)	13.89	53.76	55.19
Earnings per share (TWD)	0.07	0.02	5.06	45.57	87.07

Item	Year				
	2018	2019	2020	2021	2022
Cash flow (%)					
Cash flow ratio	6.08	31.20	71.54	275.97	256.21
Cash flow adequacy ratio	127.32	147.34	296.31	670.99	470.02
Cash flow reinvestment ratio	0.88	6.08	15.80	47.26	37.85
Leverage					
Operating leverage	17.19	7.34	2.11	1.14	1.14
Financial leverage	(0.97)	(4.58)	1.15	1.01	1.01

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. The company continued to strengthen the management of accounts receivable, resulting in an increase in the turnover rate of accounts receivable (times) compared with last year.
3. Arise from the profit for the period and the increase of profit before income tax of 2022, the profitability related ratios are all higher than last year.
4. Compared with last year, the cash flow related ratios rise since the net cash flows from operating activities and the amount of dividends distributed increased in 2022.

2. Non-Consolidated Financial Analysis

Item	Year	2018	2019	2020	2021	2022
	Financial structure (%)					
Debt ratio		47.74	53.26	45.55	20.28	15.62
Long-term funds to property, plant and equipment		321.52	356.35	404.78	857.92	889.68
Solvency (%)						
Current ratio		196.97	150.29	151.18	215.16	204.36
Quick ratio		189.35	143.61	147.61	211.72	201.93
Times interest earned (times)		174.31	96.22	2,300.83	32,959.80	63,300.41
Operating performance						
Receivable turnover (times)		9.55	12.07	13.74	16.58	19.77
Average collection days		38	30	27	22	18
Inventory turnover (times)		-	-	-	-	-
Accounts payable turnover (times)		7.96	10.22	9.66	7.82	6.88
Average Inventory turnover days		-	-	-	-	-
Property, plant and equipment turnover (times)		1.09	1.24	1.38	2.31	2.25
Total assets turnover (times)		0.27	0.32	0.31	0.32	0.23
Profitability						
Return on total assets (%)		0.67	0.83	15.67	82.19	62.88
Return on total equity (%)		0.45	0.16	29.65	113.52	76.04
Pre-tax income to paid-in capital (%)		1.12	(0.10)	53.30	490.24	1,803.83
Profit ratio (%)		0.86	0.25	47.19	254.58	271.55
Earnings per share (TWD)		0.07	0.02	5.06	45.57	87.07

Item	Year				
	2018	2019	2020	2021	2022
Cash flow (%)					
Cash flow ratio	5.58	18.81	50.70	128.88	90.85
Cash flow adequacy ratio	100.05	113.20	247.20	254.89	94.56
Cash flow reinvestment ratio	0.03	2.81	7.44	8.25	(4.64)
Leverage					
Operating leverage	(12.88)	38.80	2.61	1.34	1.37
Financial leverage	0.37	(0.15)	1.29	1.01	1.01

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

1. The ratio of long-term funds to real estate, plant and equipment increased compared with the same period of last year, which was due to the increase of Unappropriated retained earnings compared with last year.
2. The interest coverage ratio increased compared with the same period of last year, which was due to the increase in net profit before tax compared with last year.
3. The ratio of return on equity decreased compared with the same period of last year, which was due to arise from the exchange difference in the translation of financial statement from foreign operating institutions and resulting in an increase in shareholders' equity.
4. Arise from the profit for the period of 2022, the profit ratio and earnings per share are higher than last year.
5. Compared with last year, the cash flow ratio decline since the current liabilities of 2022 increase.
6. Cash flow adequacy ratio and reinvestment ratio decline, which was due to the increase in capital expenditure dividend distribution.

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 / Average inventory turnover

(6) Property, plant and equipment turnover = Net Sales / Average property, plant and equipment

(7) Total assets turnover = Net sales / Average total assets

4. Profitability

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

(2) Return on total equity = Net income / Average shareholders' equity

(3) Profit ratio = Net income / Net sales

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

5. Cash flow

(1) Cash flow ratio = Net cash provided by operating activities / Current liabilities

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

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

6. Leverage

(1) Operating leverage = (Net sales - Variable cost) / Income from operations

(2) Financial leverage = Income from operations / (Income from operations - Interest expenses)

III. 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 2022 and as of the date of this Annual Report: None.

IV. Audit Committee's Review Report

Audit Committee's Review Report

To: 2023 Annual General Shareholders' Meeting
EVERGREEN MARINE CORPORATION (TAIWAN) LTD.

The Board of Directors has prepared the Company's 2022 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 14, 2023

V. 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, 2022 and 2021, 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, 2022 and 2021, 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 that came into effect 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 Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2022 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 2022 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(23) 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 2022, freight revenue from contracts with customers was NT\$ 601,386,081 thousand, representing 95.87% 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 timetable, considering the number of days delayed in the shipping routes due to port congestion 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\$ 64,803,127 thousand and NT\$ 53,617,263 thousand, constituting 7.30% and 8.77% of the total consolidated assets as of December 31, 2022, and 2021, respectively. Net operating revenues in the subsidiaries amounted to NT\$ 2,901,350 thousand and NT\$ 37,865,608 thousand, constituting 0.46% and 7.74% of the total consolidated net operating revenues of 2022 and 2021 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\$ 29,272,471 thousand and NT\$ 22,983,239 thousand, constituting 3.30% and 3.76% of the total consolidated assets as of December 31, 2022 and 2021, 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\$ 6,819,519 thousand and NT\$ 4,955,989 thousand, constituting 1.86% and 1.89% 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, 2022 and 2021 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 that came into effect 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.

Auditors’ responsibilities for the audit of the consolidated financial statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group.
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.

Lai, Chung-Hsi

Chou, Hsiao-Tzu

For and on behalf of PricewaterhouseCoopers, Taiwan

March 14, 2023

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
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 391,860,706	44	\$ 107,792,396	18
1110	Financial assets at fair value through profit or loss - current		-	-	44,999	-
1136	Current financial assets at amortised cost, net	6(3) and 8	42,965,536	5	93,229,679	15
1139	Current financial assets for hedging	6(4)	6,543,287	1	23,026,075	4
1140	Current contract assets	6(23)	1,748,928	-	4,525,961	1
1150	Notes receivable, net	6(5)	91,436	-	357,461	-
1170	Accounts receivable, net	6(5)	23,861,541	3	39,179,692	6
1180	Accounts receivable, net - related parties	6(5) and 7	1,847,950	-	2,000,706	-
1200	Other receivables		1,349,961	-	414,772	-
1210	Other receivables - related parties	7	863,305	-	716,166	-
1220	Current income tax assets		230,283	-	231,233	-
130X	Inventories	6(6)	7,705,265	1	5,837,528	1
1410	Prepayments		1,736,895	-	1,503,356	-
1470	Other current assets	6(7) and 7	3,130,201	1	4,254,969	1
11XX	Current assets		<u>483,935,294</u>	<u>55</u>	<u>283,114,993</u>	<u>46</u>
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(2)	1,581,495	-	2,123,381	1
1535	Non-current financial assets at amortised cost, net	6(3) and 8	509,667	-	387,519	-
1538	Non-current financial assets for hedging	6(4)	1,918,021	-	1,488,664	-
1550	Investments accounted for using equity method	6(8) and 7	43,648,146	5	36,418,613	6
1600	Property, plant and equipment, net	6(9), 7, 8 and 9	211,064,739	24	153,902,875	25
1755	Right-of-use assets	6(10) and 7	105,236,115	12	101,109,020	17
1760	Investment property, net	6(12) and 8	6,353,694	1	5,771,084	1
1780	Intangible assets		1,340,558	-	1,271,120	-
1840	Deferred income tax assets	6(31)	849,457	-	857,248	-
1900	Other non-current assets	6(13)	31,074,871	3	24,581,603	4
15XX	Non-current assets		<u>403,576,763</u>	<u>45</u>	<u>327,911,127</u>	<u>54</u>
1XXX	Total assets		<u>\$ 887,512,057</u>	<u>100</u>	<u>\$ 611,026,120</u>	<u>100</u>

(Continued)

EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2022		December 31, 2021	
		AMOUNT	%	AMOUNT	%
Current liabilities					
2120	Current financial liabilities at fair value through profit or loss	\$ 10,460	-	\$ -	-
2126	Current financial liabilities for hedging	6(10) and 7	1,821,342	-	1,031,678
2130	Current contract liabilities	6(23)	7,444,311	1	13,530,256
2150	Notes payable		-	-	392
2170	Accounts payable		45,557,890	5	30,078,959
2180	Accounts payable - related parties	7	669,815	-	295,869
2200	Other payables		11,926,520	1	11,471,217
2220	Other payables - related parties	7	14,933,859	2	124,159
2230	Current income tax liabilities		60,213,263	7	12,362,320
2280	Current lease liabilities	6(10) and 7	11,152,946	1	16,238,751
2300	Other current liabilities	6(14) and 7	11,148,836	1	23,959,259
21XX	Current liabilities		<u>164,879,242</u>	<u>18</u>	<u>109,092,860</u>
Non-current liabilities					
2511	Non-current financial liabilities for hedging	6(10) and 7	15,054,334	2	10,477,195
2530	Corporate bonds payable	6(15)	4,806,154	-	6,772,950
2540	Long-term loans	6(16)	33,373,936	4	39,638,454
2570	Deferred income tax liabilities	6(31)	2,844,110	-	11,676,126
2580	Non-current lease liabilities	6(10) and 7	78,762,711	9	71,200,494
2600	Other non-current liabilities	6(17)(18)	5,241,535	1	4,846,451
25XX	Non-current liabilities		<u>140,082,780</u>	<u>16</u>	<u>144,611,670</u>
2XXX	Total liabilities		<u>304,962,022</u>	<u>34</u>	<u>253,704,530</u>
Equity attributable to owners of the parent					
Capital					
3110	Common stock	6(19)	21,164,201	2	52,908,484
Capital surplus					
3200	Capital surplus	6(20)	15,968,043	2	15,762,185
Retained earnings					
3310	Legal reserve	6(21)	32,019,129	4	8,122,482
3320	Special reserve		1,145,770	-	581,406
3350	Unappropriated retained earnings		465,562,042	52	250,555,749
Other equity interest					
3400	Other equity interest	6(22)	16,354,844	2	(1,145,770)
31XX	Equity attributable to owners of the parent		<u>552,214,029</u>	<u>62</u>	<u>326,784,536</u>
36XX	Non-controlling interest		<u>30,336,006</u>	<u>4</u>	<u>30,537,054</u>
3XXX	Total equity		<u>582,550,035</u>	<u>66</u>	<u>357,321,590</u>
Significant Contingent Liabilities And Unrecognized Contract Commitments Significant Events After The Balance Sheet Date					
3X2X	Total liabilities and equity		<u>\$ 887,512,057</u>	<u>100</u>	<u>\$ 611,026,120</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
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items	Notes	Year ended December 31				
		2022		2021		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(23) and 7	\$ 627,283,761	100	\$ 489,406,832	100
5000	Operating costs	6(29)(30) and 7	(228,841,382)	(36)	(187,412,073)	(38)
5900	Gross profit		398,442,379	64	301,994,759	62
5910	Unrealized profit from sales		(13,192)	-	(76,729)	-
5920	Realized profit on from sales		20,953	-	16,407	-
5950	Gross profit		398,450,140	64	301,934,437	62
	Operating expenses	6(29)(30) and 7				
6100	Selling expenses		(5,291,979)	(1)	(3,708,107)	(1)
6200	General and administrative expenses		(19,470,612)	(3)	(13,604,495)	(3)
6450	Expected credit (losses) gains	12(2)	(1,955)	-	2,073	-
6000	Operating expenses		(24,764,546)	(4)	(17,310,529)	(4)
6500	Other gains - net	6(24) and 7	1,122,717	-	238,289	-
6900	Operating profit		374,808,311	60	284,862,197	58
	Other non-operating income and expenses					
7100	Interest income	6(25)	6,379,814	1	386,629	-
7010	Other income	6(26)	611,706	-	492,085	-
7020	Other gains and losses	6(27)	11,845,235	2	3,619	-
7050	Finance costs	6(28) and 7	(3,255,348)	-	(3,237,000)	-
7060	Share of profits of associates and joint ventures accounted for using equity method		9,034,760	1	5,727,046	1
7000	Total non-operating income and expenses		24,616,167	4	3,372,379	1
7900	Profit before income tax		399,424,478	64	288,234,576	59
7950	Income tax expense	6(31)	(53,251,513)	(9)	(25,124,517)	(5)
8200	Profit for the year		\$ 346,172,965	55	\$ 263,110,059	54

(Continued)

EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items	Notes	Year ended December 31				
		2022		2021		
		AMOUNT	%	AMOUNT	%	
Other comprehensive income (loss)						
Components of other comprehensive income that will not be reclassified to profit or loss						
8311	Gains (losses) on remeasurements of defined benefit plans	6(18)	\$ 276,749	-	(\$ 128,164)	-
8316	Unrealised gains (losses) on valuation of investments in equity instruments measured at fair value through other comprehensive income	6(2)(22)	(594,757)	-	472,414	-
8320	Share of other comprehensive (loss) 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		(574,024)	-	1,670,196	1
8349	Income tax related to components of other comprehensive (loss) income that will not be reclassified to profit or loss	6(31)	(112,254)	-	28,237	-
8310	Components of other comprehensive (loss) income that will not be reclassified to profit or loss		(1,004,286)	-	2,042,683	1
Components of other comprehensive income that will be reclassified to profit or loss						
8361	Exchange differences on translating the financial statements of foreign operations		22,305,385	3	(2,715,044)	(1)
8368	Losses on hedging instruments	6(4)(10)(22)	(359,174)	-	(42,909)	-
8370	Share of other comprehensive loss of associates and joint ventures accounted for using equity method		(416,713)	-	(302,135)	-
8399	Income tax relating to the components of other comprehensive income	6(31)	58,714	-	26,054	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss		21,588,212	3	(3,034,034)	(1)
8300	Other comprehensive income (loss) for the year, net of income tax		<u>\$ 20,583,926</u>	<u>3</u>	<u>(\$ 991,351)</u>	<u>-</u>
8500	Total comprehensive income for the year		<u>\$ 366,756,891</u>	<u>58</u>	<u>\$ 262,118,708</u>	<u>54</u>
Profit attributable to:						
8610	Owners of the parent		<u>\$ 334,200,661</u>	<u>53</u>	<u>\$ 239,014,860</u>	<u>49</u>
8620	Non-controlling interest		<u>\$ 11,972,304</u>	<u>2</u>	<u>\$ 24,095,199</u>	<u>5</u>
Comprehensive income attributable to:						
8710	Owners of the parent		<u>\$ 352,206,802</u>	<u>56</u>	<u>\$ 238,402,107</u>	<u>49</u>
8720	Non-controlling interest		<u>\$ 14,550,089</u>	<u>2</u>	<u>\$ 23,716,601</u>	<u>5</u>
Basic earnings per share (in dollars) 6(32)						
9750	Basic earnings per share		<u>\$ 87.07</u>		<u>\$ 45.57</u>	
9850	Diluted earnings per share		<u>\$ 86.22</u>		<u>\$ 45.22</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, 2022 AND 2021

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

Notes	Equity attributable to owners of the parent											Total equity			
	Retained Earnings					Other equity interest					Total				
	Common stock	Capital surplus additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Gains (losses) on effective portion of cash flow hedges	Non-controlling interest	Total					
Year 2022															
6(22)	\$ 48,980,353	\$ 12,433,364	\$ 5,714,940	\$ -	\$ 27,734,460	\$ 4,328,344	\$ 1,884,774	\$ 1,862,164	\$ 7,212,582	\$ 94,281,711	\$ 101,494,293				
6(21)	-	-	-	-	239,014,860	-	-	-	24,095,199	239,014,860	263,110,059				
6(21)(22)	-	-	-	-	(90,912)	(2,404,662)	2,143,778	(260,957)	(378,598)	(612,753)	(991,351)				
	-	-	-	-	238,923,948	(2,404,662)	2,143,778	(260,957)	23,716,601	238,402,107	262,118,708				
6(20)(21)	-	153,764	-	-	42,523	-	(42,523)	-	-	153,764	153,764				
6(21)	-	-	2,407,542	-	(2,407,542)	-	-	-	-	-	-				
	-	-	-	581,406	(581,406)	-	-	-	-	-	-				
	-	(62)	-	-	(13,156,234)	-	-	-	-	(13,156,234)	(13,156,234)				
6(20)	-	-	-	-	-	-	-	-	-	62	62				
6(15)(20)	-	289,166	-	-	-	-	-	-	-	289,166	289,166				
6(19)(20)	3,928,131	2,885,953	-	-	-	-	-	-	-	6,814,084	6,814,084				
6(35)	\$ 52,908,484	\$ 15,762,185	\$ 8,122,482	\$ 581,406	\$ 250,555,749	\$ 6,733,006	\$ 3,986,029	\$ 1,601,207	\$ 392,129	\$ 326,784,536	\$ 337,321,590				
Year 2022															
6(22)	\$ 52,908,484	\$ 15,762,185	\$ 8,122,482	\$ 581,406	\$ 250,555,749	\$ 6,733,006	\$ 3,986,029	\$ 1,601,207	\$ 392,129	\$ 326,784,536	\$ 337,321,590				
6(21)	-	-	-	-	334,200,661	-	-	-	11,972,304	334,200,661	346,172,965				
6(21)(22)	-	-	-	-	347,354	20,223,384	(1,349,593)	(1,215,004)	2,577,785	18,006,141	20,583,926				
	-	-	-	-	334,548,015	20,223,384	(1,349,593)	(1,215,004)	14,550,089	352,206,802	366,756,891				
6(19)	(31,746,301)	-	-	-	-	-	-	-	-	(31,746,301)	(31,746,301)				
6(20)(21)	-	189,766	-	-	158,173	-	(158,173)	-	-	189,766	189,766				
6(21)	-	-	23,896,647	-	(23,896,647)	-	-	-	-	-	-				
	-	-	-	564,364	(564,364)	-	-	-	-	-	-				
	-	-	-	-	(95,238,884)	-	-	-	-	(95,238,884)	(95,238,884)				
6(20)	-	(20)	-	-	-	-	-	-	-	(20)	(20)				
6(19)(20)	2,018	16,112	-	-	-	-	-	-	-	18,130	18,130				
6(35)	\$ 21,164,201	\$ 15,968,043	\$ 32,019,129	\$ 1,145,770	\$ 465,562,042	\$ 13,490,378	\$ 2,478,263	\$ 386,203	\$ 14,751,137	\$ 552,214,029	\$ 582,550,035				

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

EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 399,424,478	\$ 288,234,576
Adjustments			
Income and expenses having no effect on cash flows			
Financial assets and liabilities at fair value through profit or loss	6(27)	55,509	(28,472)
Depreciation	6(9)(10)(12)(27)(29)	27,437,485	22,323,687
Amortization	6(29)	321,305	287,477
Expected credit loss (gain)	12(2)	1,955	(2,073)
Rental expense	6(10)	(951)	(1,115)
Other income	6(10)	-	(404)
Interest income	6(25)	(6,379,814)	(386,629)
Interest expense	6(28)	3,255,348	3,237,000
Dividend income	6(26)	(153,560)	(106,229)
Share of profit of associates and joint ventures accounted for using equity method		(9,034,760)	(5,727,046)
Gain from bargain purchase	6(26)(34)	(6,379)	(8,605)
Gains arising from lease modification	6(27)	(147)	(7,266)
Net gain on disposal of property, plant and equipment	6(24)	(1,122,717)	(238,289)
Net loss on disposal investment property	6(27)	86	-
Net loss on disposal of right-of-use assets	6(27)	714	735
Net gain on disposal of investments	6(27)	(33,605)	(11,191)
Realized income with affiliated companies		(20,953)	(16,407)
Unrealized gain with affiliated companies		13,192	76,729
Changes in assets/liabilities relating to operating activities			
Changes in operating assets			
Current contract assets		3,152,811	(1,519,374)
Notes receivable, net		306,212	(234,827)
Accounts receivable, net		23,947,722	(18,560,765)
Accounts receivable, net - related parties		416,159	(1,151,883)
Other receivables		(101,517)	(178,309)
Other receivables - related parties		12,771	(19,149)
Inventories		(1,344,524)	(2,943,662)
Prepayments		(41,607)	42,438
Other current assets		1,534,848	34,158
Other non-current assets		7,165	(398,140)
Changes in operating liabilities			
Current contract liabilities		(7,173,198)	9,903,162
Notes payable		(433)	(3,519)
Accounts payable		12,239,187	9,962,679
Accounts payable - related parties		339,573	(62,924)
Other payables		700,049	4,004,329
Other payables - related parties		37,066	(100,254)
Other current liabilities		(12,560,375)	2,362,357
Other non-current liabilities		(277,884)	753,686
Cash inflow generated from operations		434,951,211	309,516,481
Interest received		5,588,003	386,629
Interest paid		(3,153,221)	(3,311,992)
Income tax paid		(14,956,416)	(5,532,794)
Net cash flows from operating activities		422,429,577	301,058,324

(Continued)

EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from disposal of financial assets at fair value through profit or loss		\$ 14	\$ -
Decrease (increase) in financial assets at amortised cost-current		58,162,179	(86,499,863)
Increase in financial assets for hedging		-	(28,524,567)
Decrease in financial assets for hedging		17,081,743	3,691,280
(Increase) decrease in other receivables - related parties		(84,678)	38,391
Increase in financial assets at amortised cost - non current		(108,942)	(38,910)
Acquisition of investments accounted for using equity method	6(8)	(3,819,754)	-
Proceeds from capital reduction of investments accounted for using equity method	6(8)	4,272,064	-
Acquisition of property, plant and equipment	6(35)	(17,835,119)	(14,944,080)
Proceeds from disposal of property, plant and equipment		3,612,856	270,764
Acquisition of investment property	6(12)	(3,317)	-
Acquisition of intangible assets	6(35)	(44,845)	(24,209)
Increase in guarantee deposits paid		(76,441)	(51,118)
Decrease in guarantee deposits paid		49,299	8,099
Increase in other non-current assets	6(35)	(36,338,894)	(41,055,298)
Effect of initial consolidation of subsidiaries	6(35)	(103,817)	320,435
Cash dividend received		1,513,216	653,270
Net cash flows from (used in) investing activities		<u>26,275,564</u>	<u>(166,155,806)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term loans		355,950	1,338,273
Decrease in short-term loans		(1,074,049)	(1,338,273)
Increase (decrease) in other payables - related parties		832	(239)
Increase in long-term loans	6(36)	19,479,766	32,951,536
Decrease in long-term loans	6(36)	(39,558,477)	(78,397,311)
Decrease in corporate bonds payable	6(36)	(4,000,000)	(4,000,000)
Increase in corporate bonds payable	6(36)	-	5,043,721
Payments of lease liabilities	6(10)(36)	(16,720,320)	(11,608,880)
Increase in guarantee deposits received	6(36)	1,252,008	654,446
Decrease in guarantee deposits received	6(36)	(983,712)	(499,185)
Cash dividends paid	6(21)	(95,238,884)	(13,156,234)
Other financing activities	6(20)	(20)	62
Capital reduction	6(19)	(31,746,301)	-
Net change in non-controlling interest	6(35)	(161,999)	(395,750)
Net cash flows used in financing activities		<u>(168,395,206)</u>	<u>(69,407,958)</u>
Effect of exchange rate changes		<u>3,758,375</u>	<u>(1,798,649)</u>
Net increase in cash and cash equivalents		284,068,310	63,695,911
Cash and cash equivalents at beginning of year		107,792,396	44,096,485
Cash and cash equivalents at end of year		<u>\$ 391,860,706</u>	<u>\$ 107,792,396</u>

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, commercial port area ship repair 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 14, 2023.

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”) that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2022 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 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

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

(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 2023 are as

follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

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 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.

B. Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'

The amendments require an entity to recognise deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

(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 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
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024

The above standards and interpretations have no significant impact to the Group's financial condition

and financial performance based on the Group's assessment.

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 that came into effect 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, 2022	December 31, 2021	
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	
The Company	EMA	Container shipping	100.00	100.00	(a)
The Company	ESRC	Security industry	62.25	31.25	(h)
Peony	GMS	Container shipping	100.00	100.00	

Name of Investor	Name of Subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2022	December 31, 2021	
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	KTIL	Loading, discharging, storage, repairs and cleaning of containers	20.00	20.00	(k)
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	(k)
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	EAU	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	

Name of Investor	Name of Subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2022	December 31, 2021	
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	(k)
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	
EGH	Ever shine (Shenzhen)	Management consultancy and self-owned property leasing	100.00	100.00	
EGH	Ever shine (Qingdao)	Management consultancy and self-owned property leasing	100.00	100.00	
EGH	ECN	Agency services dealing with port formalities	65.00	65.00	
EGH	KTIL	Loading, discharging, storage, repairs and cleaning of containers	20.00	20.00	(k)
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	

Name of Investor	Name of Subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2022	December 31, 2021	
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	EIL	Agency services dealing with port formalities	1.00	1.00	(k)
EGH	ELA	Management consultancy	100.00	100.00	
EGH	EBR	Agency services dealing with port formalities	60.00	60.00	
EGH	EGP	Agency services dealing with port formalities	100.00	100.00	
EGH	EAR	Agency services dealing with port formalities	60.00	60.00	(b)
EGH	ESAU	Agency services dealing with port formalities	60.00	60.00	(c)
EGH	UMS	Agency services dealing with port formalities	100.00	100.00	(d)
EMA	ETR	Agency services dealing with port formalities	60.00	60.00	(e)
EMA	EGJ	Agency services dealing with port formalities	100.00	-	(f)
EMA	EBPI	Computer system services and terminal logistics	100.00	-	(g)
EMA	EECU	Agency services dealing with port formalities	60.00	-	(i)
EMA	EIM	Agency services dealing with port formalities	70.00	-	(j)

Name of Investor	Name of Subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2022	December 31, 2021	
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	(k)
Clove	ETS	Terminal Services	5.57	5.57	(k)
MBPI	MBT	Inland transportation, repairs and cleaning of containers	72.95	72.95	

- (a) In order to strengthen the Company's operational competitiveness, the Company planned to establish a wholly-owned subsidiary, EMA, in Singapore with an investment amount of USD 50,000 as resolved by the Board of Directors on March 22, 2021, and the capital injection was completed on June 8, 2021. The company is primarily engaged in container shipping.
- (b) On March 31, 2020, the Board of Directors of the Company and the subsidiary, EGH, resolved to establish a subsidiary, EAR, in Argentina. The capital for establishment is ARS 15,000, and the capital injection was completed on May 11, 2021. The subsidiary is primarily engaged in container shipping and agency services dealing with port formalities.
- (c) On June 22, 2020, the Board of Directors of the Company and the subsidiary, EGH, resolved to establish a subsidiary, ESAU, in Arabia. The capital for establishment is SAR 3,000, and the capital injection was completed on August 4, 2021. The subsidiary is primarily engaged in container shipping and agency services dealing with port formalities.
- (d) On June 23, 2021, the Board of Directors of the subsidiary, EGH, resolved to make an equity transaction. EGH acquired 85% and 15% equity interests of UMS from the other related party, Evergreen International S.A., and a non-related party, respectively, and obtained the control over UMS. The transaction date was July 1, 2021 and the transaction amount was USD 300 (approx. \$8,373).
- (e) On April 22, 2021, the Board of Directors of the subsidiary, EMA, resolved to establish a subsidiary, ETR, in Turkey. The capital for establishment is TRY4,000, 25% and 75% of the capital injection were completed on October 12, 2021 and May 17, 2022, respectively. The subsidiary is primarily engaged in container shipping and agency services dealing with port formalities.

- (f) On November 5, 2021, the Board of Directors of the subsidiary, EMA, resolved to make an equity transaction. EMA acquired 100% equity interests of EGJ from the other related party, Evergreen International S.A., and obtained the control over EGJ. The transaction date was January 1, 2022 and the transaction amount was USD 15,534 (approx. \$429,597).
- (g) On March 4, 2022, the Board of Directors of the subsidiary, EMA, resolved to establish a subsidiary, EBPI, in US. The capital for establishment is USD2,000, and the capital injection was completed on May 23, 2022. The subsidiary is primarily engaged in computer system services and terminal logistics.
- (h) On March 15, 2022, the Board of Directors of the Company resolved to acquire 31% equity interests in ESRC from the associate, EVA. Together with 31.25% equity interests previously held by the Company, the Company held a total of 62.25% equity interests in ESRC after the merger and obtained control over ESRC. The transaction date was April 1, 2022 and the transaction amount was \$192,038.
- (i) On April 4, 2022, the Board of Directors of the subsidiary, EMA, resolved to establish a subsidiary, EECU, in Ecuador. The capital for establishment is USD300, and the capital injection was completed on July 19, 2022. The subsidiary is primarily engaged in agency services dealing with port formalities.
- (j) On December 15, 2022, the Board of Directors of the subsidiary, EMA, resolved to make an equity transaction. EMA acquired 51% and 19% equity interests of EIM from the other related party, Evergreen Marine (Singapore) Pte. Ltd., and a non-related party, respectively, and obtained the control over EIM. The transaction date was December 26, 2022 and the transaction amount was USD 76.38 (approx. \$2,341).
- (k) 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, 2022 and 2021, the non-controlling interest amounted to \$30,336,006 and \$30,537,054, 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, 2022		December 31, 2021		
		Amount	Ownership (%)	Amount	Ownership (%)	
EMU	U.K.	\$14,280,007	49%	\$11,811,400	49%	
EGH	Hong Kong	15,391,635	20%	17,985,999	20%	

Summarised financial information of the subsidiaries:

Balance sheets

	EMU	
	December 31, 2022	December 31, 2021
Current assets	\$ 7,078,811	\$ 3,305,102
Non-current assets	36,333,494	37,041,827
Current liabilities	(7,066,240)	(10,221,113)
Non-current liabilities	(7,203,193)	(6,020,919)
Total net assets	<u>\$ 29,142,872</u>	<u>\$ 24,104,897</u>

	EGH	
	December 31, 2022	December 31, 2021
Current assets	\$ 86,479,191	\$ 96,467,199
Non-current assets	54,291,735	57,706,581
Current liabilities	(35,469,894)	(42,005,515)
Non-current liabilities	(30,583,941)	(24,121,256)
Total net assets	<u>\$ 74,717,091</u>	<u>\$ 88,047,009</u>

Statements of comprehensive income

	EMU	
	Year ended December 31, 2022	Year ended December 31, 2021
Revenue	\$ 13,220,754	\$ 44,282,230
Profit before income tax	\$ 2,485,918	\$ 17,523,896
Income tax expense	(37,117)	(67,958)
Profit for the period from continuing operations	2,448,801	17,455,938
Other comprehensive (loss) income, net of tax	(38,490)	10,301
Total comprehensive income for the period	<u>\$ 2,410,311</u>	<u>\$ 17,466,239</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 1,181,052</u>	<u>\$ 8,558,457</u>

	EGH	
	Year ended December 31, 2022	Year ended December 31, 2021
Revenue	\$ 82,735,493	\$ 127,959,567
Profit before income tax	\$ 53,397,182	\$ 76,381,970
Income tax expense	(3,368,726)	(3,058,973)
Profit for the period from continuing operations	50,028,456	73,322,997
Other comprehensive (loss) income, net of tax	(267,307)	9,457
Total comprehensive income for the period	\$ 49,761,149	\$ 73,332,454
Comprehensive income attributable to non-controlling interest	\$ 10,641,029	\$ 15,162,181
Dividends paid to non-controlling interest	\$ 14,499,376	\$ 210,902
<u>Statements of cash flows</u>		
	EMU	
	Year ended December 31, 2022	Year ended December 31, 2021
Net cash provided by operating activities	\$ 7,004,172	\$ 22,842,028
Net cash used in investing activities	(150,474)	(415,277)
Net cash used in financing activities	(3,329,787)	(23,489,567)
Effect of exchange rates on cash and cash equivalents	237,072	(29,168)
Increase in cash and cash equivalents	3,760,983	(1,091,984)
Cash and cash equivalents, beginning of period	1,432,318	2,524,302
Cash and cash equivalents, end of period	\$ 5,193,301	\$ 1,432,318

	EGH	
	Year ended December 31, 2022	Year ended December 31, 2021
Net cash provided by operating activities	\$ 74,543,609	\$ 90,660,962
Net cash from provided by (used in) investing activities	14,331,606 (	11,852,453)
Net cash used in financing activities	(80,431,189) (	( 51,581,952)
Effect of exchange rates on cash and cash equivalents	3,917,294 (	( 389,816)
Increase in cash and cash equivalents	12,361,320	26,836,741
Cash and cash equivalents, beginning of period	34,712,792	7,876,051
Cash and cash equivalents, end of period	<u>\$ 47,074,112</u>	<u>\$ 34,712,792</u>

(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 repairs)	3 ~ 115 years
Loading and unloading equipment	3 ~ 20 years
Ships (Except for docking repair, ballast water, lashing gears equipment and scrubber)	3 ~ 25 years
Ships (Docking repair)	2 ~ 5 years
Ships (Ballast water, lashing gears equipment and scrubber)	6 ~ 10 years
Transportation equipment	6 ~ 10 years
Other equipment	2 ~ 20 years

The above docking repair, ballast water, lashing gears equipment and scrubber pertain to the significant components of ships.

(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 15 ~ 52.9 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 arises 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 ~ 19 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 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 recognise 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 recognised under the percentage-of-completion method for each vessel during the reporting period. As the estimation of freight revenue are subject to management's judgement, therefore freight revenue involves high uncertainty. Given the conditions mentioned above, this may result in adjustments to the estimation amounts.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash on hand and petty cash	\$ 82,984	\$ 28,314
Checking accounts and demand deposits	30,173,488	27,512,861
Time deposits	361,604,234	80,251,221
	<u>\$ 391,860,706</u>	<u>\$ 107,792,396</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

<u>Items</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Non-current items:		
Equity instruments		
Listed (TSE) stocks	\$ 490,801	\$ 490,801
Unlisted stocks	211,242	199,744
	<u>702,043</u>	<u>690,545</u>
Valuation adjustment	879,452	1,432,836
	<u>\$ 1,581,495</u>	<u>\$ 2,123,381</u>

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 \$1,581,495 and \$2,123,381 as at December 31, 2022 and 2021, 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:

	<u>Year ended December 31, 2022</u>	<u>Year ended December 31, 2021</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive (loss) income	(\$ 594,757)	\$ 472,414
Income tax recognised in other comprehensive income (loss)	\$ 15,177	(\$ 1,967)
Dividend income recognised in profit or loss - Held at end of period	\$ 153,560	\$ 106,229

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, 2022	December 31, 2021
Current items:		
Time deposits exceeding 3 months	\$ 42,479,763	\$ 90,974,717
Restricted reserve account	485,773	2,195,962
Financial bonds	-	50,000
Pledged time deposits	-	9,000
	\$ 42,965,536	\$ 93,229,679
Non-current items:		
Financial bonds	\$ 50,000	\$ 50,000
Pledged time deposits	303,408	264,791
Time deposits exceeding 1 year	156,259	72,728
	\$ 509,667	\$ 387,519

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

	Year ended December 31, 2022	Year ended December 31, 2021
Interest income	\$ 583,587	\$ 111,297

B. As at December 31, 2022 and 2021, 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 \$43,475,203 and \$93,617,198, 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). The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

E. The aforementioned restricted reserve account pertains to a bank account that was opened for specific purposes.

(4) Hedging financial assets

To hedge the impact of expected variable exchange rate risk arising from US dollar denominated equipment payable, the Company designated US dollar denominated restricted time deposits as the hedging instruments for hedging the highly probable foreign exchange variation of future US dollar denominated equipment payable 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 acquisition of property, plant and equipment when the hedged items are occurred.

Details of relevant transactions are as follows:

December 31, 2022			
Hedged items	Designated as hedging instruments	Contract period	Book value
Expected US dollar denominated equipment payable	US dollar denominated restricted time deposits	2022.7.27~2024.6.30	\$ <u>8,461,308</u>
December 31, 2021			
Hedged items	Designated as hedging instruments	Contract period	Book value
Expected US dollar denominated equipment payable	US dollar denominated restricted time deposits	2021.7.27~2023.4.30	\$ <u>24,514,739</u>

A. Time deposits designated as hedges (recorded as financial assets for hedging)

	December 31, 2022	December 31, 2021
Cash flow hedges :		
<u>Exchange rate risk</u>		
Time deposits designated as hedges		
Current assets	\$ 6,543,287	\$ 23,026,075
Non-current assets	1,918,021	1,488,664
	<u>\$ 8,461,308</u>	<u>\$ 24,514,739</u>

B. Other equity - cash flow hedge reserve

	2022	2021
At January 1	(\$ 314,473)	\$ -
(Less) add: Reclassified to property, plant and equipment as the hedged item has affected profit or loss	(673,696)	4,076
Add (less): Profit (loss) on hedge effectiveness -amount recognised in other comprehensive income	1,702,009	(318,549)
At December 31	<u>\$ 713,840</u>	<u>(\$ 314,473)</u>

C. As of December 31, 2022 and 2021, there were no ineffective portion to be recognised in profit or loss for the unwritten-off cash flow hedge transactions.

D. The above restricted time deposits designated as hedges pertain to an account that was used exclusively for specific purposes.

(5) Notes and accounts receivable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Notes receivable	\$ 91,456	\$ 357,461
Less: Allowance for bad debts	(20)	-
	<u>\$ 91,436</u>	<u>\$ 357,461</u>
Accounts receivable (including related parties)	\$ 25,716,070	\$ 41,184,892
Less: Allowance for bad debts	(6,579)	(4,494)
	<u>\$ 25,709,491</u>	<u>\$ 41,180,398</u>

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

	<u>December 31, 2022</u>		<u>December 31, 2021</u>	
	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>
Not past due	\$ 20,837,419	\$ 91,456	\$ 29,159,450	\$ 302,205
Up to 30 days	4,416,850	-	10,942,351	55,256
31 to 180 days	461,801	-	1,083,091	-
	<u>\$ 25,716,070</u>	<u>\$ 91,456</u>	<u>\$ 41,184,892</u>	<u>\$ 357,461</u>

The above ageing analysis was based on past due date.

- B. As of December 31, 2022, December 31, 2021 and January 1, 2021, the balances of notes and accounts receivable (including related parties) from contracts with customers amounted to \$25,800,927, \$41,537,859 and \$21,918,623, respectively.
- C. The Group has no notes and accounts receivable held by the Group pledged to others.
- D. As at December 31, 2022 and 2021, 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 \$91,436 and \$357,461, respectively; and the amount that best represents the Group's accounts receivable were \$25,709,491 and \$41,180,398, respectively.
- E. Information relating to credit risk of notes receivable and accounts receivable is provided in Note 12(2).

(6) Inventories

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Ship fuel	\$ 7,095,477	\$ -	\$ 7,095,477
Steel and others	609,788	-	609,788
	<u>\$ 7,705,265</u>	<u>\$ -</u>	<u>\$ 7,705,265</u>

	December 31, 2021		
	Cost	Allowance for valuation loss	Book value
Ship fuel	\$ 5,240,840	\$ -	\$ 5,240,840
Steel and others	596,688	-	596,688
	<u>\$ 5,837,528</u>	<u>\$ -</u>	<u>\$ 5,837,528</u>

(7) Other current assets

	December 31, 2022	December 31, 2021
Shipowner's accounts	\$ 215,631	\$ 6,679
Agency accounts	1,359,704	3,411,873
Temporary debits	1,554,866	836,417
	<u>\$ 3,130,201</u>	<u>\$ 4,254,969</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.

C. Temporary debits:

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.

(8) 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, 2022</u>	<u>December 31, 2021</u>
Evergreen International Storage and Transport Corporation	\$ 11,744,176	\$ 10,956,117
EVA Airways Corporation	12,758,113	12,812,215
Taipei Port Container Terminal Corporation	1,801,637	1,694,351
Charng Yang Development Co., Ltd.	567,589	561,169
Ningbo Victory Container Co., Ltd.	335,058	341,659
Ever Ecove Corporation	353,548	299,567
Evergreen Steel Corp.	4,167,120	-
Luantan Investment (Netherlands) N.V.	837,618	710,843
Balsam Investment (Netherlands) N.V.	6,294,924	4,839,068
Colon Container Terminal S.A.	3,775,242	3,119,026
Others	1,013,121	1,084,598
	<u>\$ 43,648,146</u>	<u>\$ 36,418,613</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, 2022</u>	<u>December 31, 2021</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	14.49%	15.11%	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, 2022</u>	<u>December 31, 2021</u>
Current assets	\$ 11,037,247	\$ 11,651,185
Non-current assets	31,010,608	30,154,095
Current liabilities	(2,911,030)	(3,735,556)
Non-current liabilities	(9,316,302)	(10,338,771)
Total net assets	<u>\$ 29,820,523</u>	<u>\$ 27,730,953</u>
Share in associate's net assets	\$ 11,876,195	\$ 11,106,696
Unrealized income with affiliated companies	(132,019)	(150,579)
Carrying amount of the associate	<u>\$ 11,744,176</u>	<u>\$ 10,956,117</u>

	<u>EVA Airways Corporation</u>	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current assets	\$ 84,726,886	\$ 65,182,413
Non-current assets	234,804,901	260,131,637
Current liabilities	(77,623,220)	(46,637,622)
Non-current liabilities	(145,668,529)	(185,969,070)
Total net assets	<u>\$ 96,240,038</u>	<u>\$ 92,707,358</u>
Share in associate's net assets	<u>\$ 12,758,113</u>	<u>\$ 12,812,215</u>

Statement of comprehensive income

	<u>Evergreen International Storage and Transport Corporation</u>	
	<u>Year ended</u>	<u>Year ended</u>
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Revenue	<u>\$ 17,586,956</u>	<u>\$ 8,880,226</u>
Profit for the period	\$ 3,670,632	\$ 1,083,357
Other comprehensive (loss) income, net of tax	(1,200,701)	3,541,734
Total comprehensive income	<u>\$ 2,469,931</u>	<u>\$ 4,625,091</u>
Dividends received from associates	<u>\$ 172,277</u>	<u>\$ 129,208</u>

	EVA Airways Corporation	
	Year ended	Year ended
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Revenue	\$ 138,068,607	\$ 103,872,359
Profit for the period	\$ 7,823,616	\$ 6,680,261
Other comprehensive (loss) income, net of tax	(5,462,661)	2,222,183
Total comprehensive income	<u>\$ 2,360,955</u>	<u>\$ 8,902,444</u>
Dividends received from associates	<u>\$ 459,475</u>	<u>\$ -</u>

(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, 2022 and 2021, the carrying amount of the Group's individually immaterial associates amounted to \$19,145,857 and \$12,650,281, respectively.

	Year ended	Year ended
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Profit for the period	\$ 16,407,853	\$ 9,396,564
Other comprehensive loss, net of tax	(2,814,694)	(823,808)
Total comprehensive income	<u>\$ 13,593,159</u>	<u>\$ 8,572,756</u>

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:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Evergreen International Storage and Transport Corporation	\$ 11,973,243	\$ 12,619,281
EVA Airways Corporation	21,859,632	21,704,324
Evergreen Steel Corp.	4,089,197	-
	<u>\$ 37,922,072</u>	<u>\$ 34,323,605</u>

E. The Company's share interest in EVA Airways Corporation decreased to 14.49% as of December 31, 2022 due to the conversions from corporate bonds to stocks during the year ended December 31, 2022.

F. Considering that Evergreen Steel Corp. generates stable profits from its main business and the outlook of the environmental protection and green energy industry in which Evergreen Steel Corp. reinvests is promising, on November 4, 2022, the Board of Directors of the Company resolved to acquire the equity interest in Evergreen Steel Corp. through stock exchange market to purchase 79,248 thousand shares at a price of \$48.20 per share and acquire 19% equity interests in the entity and the transaction price amounted to \$3,819,754.

G. On December 14, 2022, the Board of Directors of Balsam Investment (Netherlands) N.V. resolved the capital reduction and the proceeds from capital reduction amounted to EUR 276,000. The subsidiary, Peony, acquired \$4,272,064 (approx. EUR 135,240) in proportion to its ownership from the capital reduction.

- H. 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.
- I. The Company is the single largest shareholder of EVA with a 14.53% 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.
- J. 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.
- K. The Company is the single largest shareholder of EGST with a 19.00% 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 EGST, thus, the Company has no control, but only has significant influence, over the investee.

(9) Property, plant and equipment

2022

	Land	Buildings	Machinery equipment	Loading and unloading equipment	Computer and communication equipment	Transportation equipment	Ships	Office equipment	Leasehold improvements	Others	Total
At January 1	\$ 863,130	\$ 6,351,358	\$ 579,400	\$ 12,167,361	\$ 1,501,627	\$ 45,098,718	\$ 159,099,975	\$ 658,483	\$ 2,466,078	\$ 80,211	\$ 228,866,341
Cost	-	(1,350,567)	(481,629)	(8,765,261)	(1,235,821)	(14,657,349)	(46,974,477)	(510,169)	(968,208)	(19,985)	(74,963,466)
Accumulated depreciation	\$ 863,130	\$ 5,000,791	\$ 97,771	\$ 3,402,100	\$ 265,806	\$ 30,441,369	\$ 112,125,498	\$ 148,314	\$ 1,497,870	\$ 60,226	\$ 153,902,875
Opening net book amount as at	\$ 863,130	\$ 5,000,791	\$ 97,771	\$ 3,402,100	\$ 265,806	\$ 30,441,369	\$ 112,125,498	\$ 148,314	\$ 1,497,870	\$ 60,226	\$ 153,902,875
January 1	-	12,155	670	233,677	197,107	14,493,071	392,622	76,178	14,220	51,595	15,471,295
Additions	-	(26)	(15,288)	(6)	(928)	(96,880)	(2,097,266)	(648)	-	-	(2,211,042)
Disposals	852,007	(746,025)	(22)	493,075	59,468	362,715	45,291,158	57,085	627,029	40,328	45,782,760
Reclassifications	-	(131,156)	(17,493)	(469,700)	(172,871)	(4,516,588)	(8,561,717)	(61,918)	(189,756)	(4,888)	(14,126,087)
Depreciation	771,880	159,679	8,629	-	683	-	-	26,076	1,050	-	967,997
Acquired from business combinations	(19,621)	446,602	9,385	210,948	18,514	2,033,389	8,436,211	4,470	137,208	(165)	11,276,941
Net exchange differences	\$ 2,467,396	\$ 4,742,020	\$ 83,652	\$ 3,870,094	\$ 367,779	\$ 42,717,076	\$ 155,586,506	\$ 249,557	\$ 833,563	\$ 147,096	\$ 211,064,739
Closing net book amount as at	\$ 2,467,396	\$ 4,742,020	\$ 83,652	\$ 3,870,094	\$ 367,779	\$ 42,717,076	\$ 155,586,506	\$ 249,557	\$ 833,563	\$ 147,096	\$ 211,064,739
December 31	\$ 2,467,396	\$ 6,660,129	\$ 494,747	\$ 13,460,779	\$ 1,860,736	\$ 63,434,939	\$ 220,960,312	\$ 793,539	\$ 1,940,703	\$ 171,969	\$ 312,245,249
At December 31	-	(1,918,109)	(411,095)	(9,590,685)	(1,492,957)	(20,717,863)	(65,373,806)	(543,982)	(1,107,140)	(24,873)	(101,180,510)
Cost	\$ 2,467,396	\$ 4,742,020	\$ 83,652	\$ 3,870,094	\$ 367,779	\$ 42,717,076	\$ 155,586,506	\$ 249,557	\$ 833,563	\$ 147,096	\$ 211,064,739
Accumulated depreciation	-	(1,918,109)	(411,095)	(9,590,685)	(1,492,957)	(20,717,863)	(65,373,806)	(543,982)	(1,107,140)	(24,873)	(101,180,510)

	Land	Buildings	Machinery equipment	Loading and unloading equipment	Computer and communication equipment	Transportation equipment	Ships	Office equipment	Leasehold improvements	Others	Total
At January 1	\$ 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
Opening net book amount as at January 1	\$ 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
Additions	-	26,566	1,719	177,160	131,479	13,878,474	2,768,224	43,008	13,548	3,118	17,043,296
Disposals	(3,468)	(493)	(2,134)	-	(199)	(26,092)	-	(738)	(13)	-	(33,137)
Reclassifications	-	(794,483)	3,048	806,325	11,780	(15,141)	29,580,738	25,115	228,971	(16,566)	29,829,787
Depreciation	-	(159,627)	(13,848)	(393,444)	(243,417)	(3,158,300)	(6,024,985)	(46,225)	(229,524)	(4,056)	(10,273,426)
Acquired from business combinations	2,569	6,990	-	-	585	-	-	569	44	-	10,757
Net exchange differences	(15,868)	(72,550)	(5,396)	(20,304)	(6,412)	(279,282)	(891,369)	(5,637)	(19,724)	(504)	(1,317,046)
Closing net book amount as at December 31	\$ 863,130	\$ 5,000,791	\$ 97,771	\$ 3,402,100	\$ 265,806	\$ 30,441,369	\$ 112,125,498	\$ 148,314	\$ 1,497,870	\$ 60,226	\$ 153,902,875
At December 31	\$ 863,130	\$ 6,351,358	\$ 579,400	\$ 12,167,361	\$ 1,501,627	\$ 45,098,718	\$ 159,099,975	\$ 658,483	\$ 2,466,078	\$ 80,211	\$ 228,866,341
Cost	-	(1,350,567)	(481,629)	(8,765,261)	(1,235,821)	(14,657,349)	(46,974,477)	(510,169)	(968,208)	(19,985)	(74,963,466)
Accumulated depreciation	\$ 863,130	\$ 5,000,791	\$ 97,771	\$ 3,402,100	\$ 265,806	\$ 30,441,369	\$ 112,125,498	\$ 148,314	\$ 1,497,870	\$ 60,226	\$ 153,902,875

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.

(10) 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, 2022</u>	<u>December 31, 2021</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 7,037,675	\$ 7,875,614
Buildings	954,546	709,976
Loading and unloading equipment	578,308	-
Transportation equipment	257,837	713,800
Ships	96,374,260	91,772,778
Office equipment	33,489	31,684
Other equipment	-	5,168
	<u>\$ 105,236,115</u>	<u>\$ 101,109,020</u>
	<u>Year ended</u>	<u>Year ended</u>
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 1,943,840	\$ 1,849,709
Buildings	339,605	280,419
Loading and unloading equipment	100,216	103,202
Transportation equipment	168,490	157,607
Ships	10,508,759	9,450,933
Office equipment	21,327	22,188
Other equipment	1,920	5,275
	<u>\$ 13,084,157</u>	<u>\$ 11,869,333</u>

- D. For the years ended December 31, 2022 and 2021, the additions to right-of-use assets were \$16,419,578 and \$32,584,521, respectively.
- E. For the years ended December 31, 2022 and 2021, the disposals to right-of-use assets were \$714 and \$735, respectively.

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

	Year ended <u>December 31, 2022</u>	Year ended <u>December 31, 2021</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 2,091,955	\$ 2,158,121
Expense on short-term lease contracts	2,522,195	9,672,062
Expense on leases of low-value assets	29,579	24,110
Expense on variable lease payments	59	512
Gains arising from lease modifications	147	7,266

G. For the years ended December 31, 2022 and 2021, the Group's total cash outflow for leases amounted to \$21,364,108 and \$23,463,685, respectively.

H. As of December 31, 2022, 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 \$38,274,837.

I. For the years ended December 31, 2022 and 2021, 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 \$951 and \$1,519, respectively, by decreasing rent expense by \$951 and \$1,115, respectively, and increasing other income by \$0 and \$404, respectively.

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:

	<u>December 31, 2022</u>		
<u>Hedged items</u>	<u>Designated as hedging instruments</u>	<u>Contract period</u>	<u>Book value</u>
Expected US dollar denominated marine freight income transaction	US dollar denominated lease liabilities	2019.1.1~2034.8.15	<u>\$ 16,875,676</u>

December 31, 2021			
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>\$ 11,508,873</u>

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash flow hedges :		
<u>Exchange rate risk</u>		
Lease liability contracts designated as hedges		
Current liabilities	\$ 1,821,342	\$ 1,031,678
Non-current liabilities	15,054,334	10,477,195
	<u>\$ 16,875,676</u>	<u>\$ 11,508,873</u>

(b) Other equity - cash flow hedge reserve

	<u>2022</u>	<u>2021</u>
At January 1	\$ 1,286,356	\$ 1,014,792
(Less) add: Reclassified to freight revenue as the hedged item has affected profit or loss	(40,963)	100,172
(Less) add: (Loss) profit on hedge effectiveness -amount recognised in other comprehensive income	(1,346,524)	171,392
At December 31	<u>(\$ 101,131)</u>	<u>\$ 1,286,356</u>

(c) As of December 31, 2022 and 2021, there were no ineffective portion to be recognised in profit or loss for the unwritten-off cash flow hedge transactions.

K. The amounts of lease liabilities (net of the lease liabilities designated as hedges) of the Group on December 31, 2022 and 2021 are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current lease liabilities	\$ 10,826,183	\$ 16,047,877
Current lease liabilities - related parties	326,763	190,874
Non-current lease liabilities	78,033,762	70,931,436
Non-current lease liabilities - related parties	728,949	269,058
	<u>\$ 89,915,657</u>	<u>\$ 87,439,245</u>

(11) Leasing arrangements – lessor

A. For the years ended December 31, 2022 and 2021, the Group recognised rent income in the amounts of \$711,804 and \$586,539, 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, 2022</u>	<u>December 31, 2021</u>
Within 1 year	\$ 541,257	\$ 725,253
1-2 years	310,777	395,164
2-3 years	46,610	208,924
3-4 years	19,219	19,655
4-5 years	15,848	19,655
After 5 years	-	16,211
	<u>\$ 933,711</u>	<u>\$ 1,384,862</u>

(12) Investment property, net

	<u>2022</u>		
	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
At January 1			
Cost	\$ 1,396,740	\$ 5,802,784	\$ 7,199,524
Accumulated depreciation	-	(1,428,440)	(1,428,440)
	<u>\$ 1,396,740</u>	<u>\$ 4,374,344</u>	<u>\$ 5,771,084</u>
Opening net book amount as at January 1	\$ 1,396,740	\$ 4,374,344	\$ 5,771,084
Additions	-	3,317	3,317
Reclassification to property, plant and equipment	(852,007)	(249,737)	(1,101,744)
Reclassification from property, plant and equipment	-	998,510	998,510
Disposals	-	(86)	(86)
Depreciation	-	(227,241)	(227,241)
Acquired from business combinations	650,355	120,297	770,652
Net exchange differences	(25,659)	164,861	139,202
Closing net book amount as at December 31	<u>\$ 1,169,429</u>	<u>\$ 5,184,265</u>	<u>\$ 6,353,694</u>
At December 31			
Cost	\$ 1,169,429	\$ 6,472,088	\$ 7,641,517
Accumulated depreciation	-	(1,287,823)	(1,287,823)
	<u>\$ 1,169,429</u>	<u>\$ 5,184,265</u>	<u>\$ 6,353,694</u>

	2021		
	Land	Buildings	Total
At January 1			
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>
Opening net book amount as at January 1	\$ 1,396,755	\$ 3,774,757	\$ 5,171,512
Reclassification from property, plant and equipment	-	760,873	760,873
Depreciation	-	(180,928)	(180,928)
Net exchange differences	(15)	19,642	19,627
Closing net book amount as at December 31	<u>\$ 1,396,740</u>	<u>\$ 4,374,344</u>	<u>\$ 5,771,084</u>
At December 31			
Cost	\$ 1,396,740	\$ 5,802,784	\$ 7,199,524
Accumulated depreciation	-	(1,428,440)	(1,428,440)
	<u>\$ 1,396,740</u>	<u>\$ 4,374,344</u>	<u>\$ 5,771,084</u>

A. Rental income from the investment property are shown below:

	Year ended December 31, 2022	Year ended December 31, 2021
Rental revenue from the lease of the investment property	<u>\$ 157,733</u>	<u>\$ 161,638</u>
Direct operating expenses arising from the investment property that generated rental income in the period	<u>\$ 195,374</u>	<u>\$ 148,795</u>
Direct operating expenses arising from the investment property that did not generate rental income in the period	<u>\$ 34,830</u>	<u>\$ 33,932</u>

B. The fair value of the investment property held by the Group as at December 31, 2022 and 2021 was \$7,850,933 and \$9,325,083, 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.

(13) Other non-current assets

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Prepayments for equipment	\$ 26,522,704	\$ 23,841,061
Prepayments for land and building	3,716,268	-
Refundable deposits	315,012	267,607
Others	520,887	472,935
	<u>\$ 31,074,871</u>	<u>\$ 24,581,603</u>

A. Movement analysis of prepayments for equipment for the years ended December 31, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
At January 1	\$ 23,841,061	\$ 13,923,670
Additions	33,741,162	41,028,426
Reclassification to property, plant and equipment	(33,611,453)	(30,642,131)
Reclassification to intangible assets	(11,283)	(285)
Net exchange differences	2,563,217	(468,619)
At December 31	<u>\$ 26,522,704</u>	<u>\$ 23,841,061</u>

B. Amount of borrowing costs capitalised as part of prepayment for equipment and the range of the interest rates for such capitalisation are as follows:

	<u>Year ended December 31, 2022</u>	<u>Year ended December 31, 2021</u>
Amount capitalised	\$ 17,589	\$ 97,927
Interest rate	0.11%~4.57%	0.86%~2.14%

C. The above prepayment for land and buildings was resolved by the Board of Directors on December 22, 2022 to purchase the land and buildings with the amount of \$4,743,000 from the other related party, Evergreen International Corp., of which the land and buildings is located in Luzhu District, Taoyuan City, including Land No.672, 673 and 679 of Nanxing Section, Land No.401, 401-1, 402 ~ 405, 548, 549, 549-1, 550, 551 and 551-1 of Nanrong Section, Building serial No. 582 of Nanxing Section and Building serial No. 176 and 176-1 of Nanrong Section. The transfer of land and buildings was completed on February 17, 2023.

(14) Other current liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Receipt in advance	\$ 14,394	\$ 4,562
Long-term liabilities - current portion	4,819,851	9,147,275
Corporate bonds - current portion	2,000,000	4,000,000
Shipowner's accounts	3,158,341	9,640,656
Agency accounts	425,433	416,184
Others	730,817	750,582
	<u>\$ 11,148,836</u>	<u>\$ 23,959,259</u>

(15) Corporate bonds payable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Domestic secured corporate bonds	\$ 2,000,000	\$ 6,000,000
Domestic unsecured convertible bonds	4,981,000	4,999,900
Less: Discount on bonds payable	(174,846)	(226,950)
Less: Current portion (recorded as other current liabilities)	(2,000,000)	(4,000,000)
	<u>\$ 4,806,154</u>	<u>\$ 6,772,950</u>

A. On April 25, 2017, the Company issued its thirteenth domestic registered 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 registered 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\$18.20 (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.).

- (h) As of December 31, 2021, all the First Overseas Convertible Bonds had been converted into the Company's common shares in the amount of 477,874 thousand shares, resulting in a capital surplus, additional paid-in capital arising from convertible bonds amounting to \$3,888,709.

D. On May 18, 2021, the Company issued the fourth unsecured convertible bonds (the "Fourth Convertible Bonds"), totaling \$5,000,000 at 101% of the face value. The major terms of the issuance are set forth below:

- (a) Period: 5 years (May 18, 2021 to May 18, 2026)
- (b) Coupon rate: 0% fixed per annum

(c) Principal repayment:

Except for the Fourth Convertible Bonds previously redeemed, repurchased and retired by the Company, or converted by the bondholders of the Fourth Convertible Bonds (the “bondholders”), the Company will redeem the Fourth Convertible Bonds on the maturity date at the price of the face value plus 0.0% gross yield per annum of the face value.

(d) Conversion period:

Except for the Fourth Convertible Bonds previously redeemed or repurchased, or the stop transfer period as specified in the terms of the bond indenture for the Fourth Convertible Bonds (the “bond indenture”) or the laws/regulations, the bondholders have the right to ask for the conversion of the Fourth Convertible Bonds into the common stocks newly issued by the Company during the period from the date after 3 months of the issuance of the Fourth Convertible Bonds.

(e) Conversion price:

The conversion price of the Fourth Convertible Bonds is NT\$95 (in dollars), 111.76% of the reference price. The reference price refers to the closing price of the Company’s common stocks on the Taiwan Stock Exchange on a prior trading day of the pricing date, which was NT\$85 (in dollars).

i. As a result of the distribution of cash dividends, the conversion price shall be adjusted based on the formula in accordance with Article 11 of the Fourth Convertible Bonds’ Regulations Governing issuance and conversion whereby the conversion price of the Fourth Convertible Bonds has been changed from NT\$93.67 (in dollars) to NT\$81.96 (in dollars) since July 5, 2022.

ii. As a result of capital reduction to return capital to shareholders, the conversion price shall be adjusted based on the formula in accordance with Article 11 of the Fourth Convertible Bonds’ Regulations Governing issuance and conversion whereby the conversion price of the Fourth Convertible Bonds has been changed from NT\$81.96 (in dollars) to NT\$189.90 (in dollars) since July 18, 2022.

(f) Put options:

The bondholders have no right to require the Company to redeem the Fourth Convertible Bonds, in whole or in part, unless the following events occur:

Except for the Fourth Convertible Bonds previously redeemed, repurchased and retired, or converted, the bondholders have the right to require the Company to redeem the Fourth 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 as the interests (the “early redemption amount”).

(g) Redemption:

The Company may redeem the Fourth Convertible Bonds early when one of the following conditions is met:

- i. The Company may redeem the Fourth Convertible Bonds, in whole, at the early redemption amount if the closing price of the Company's common shares is above than the conversion price by 30% for 30 consecutive trading days during the period from the date after 3 months of the bonds issue to 40 days before the maturity date.
- ii. The Company may redeem the Fourth Convertible Bonds, in whole, at the early redemption amount if the amount of the Company's outstanding shares is lower than the conversion price by 10% of the original total issuance amount during the period from the date after 3 months of the bonds issue to 40 days before the maturity date.
- E. Regarding the issuance of convertible bonds, the equity conversion options were separated from the liability component in accordance with IAS 32. As of December 31, 2022, the domestic unsecured convertible bonds amounting to \$288,067 were recognised in 'capital surplus—share options'. In addition, the call options and redemption embedded in convertible bonds were not 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 closely related to those of the host contracts.

(16) Long-term loans

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Mortgage and secured bank loans	\$ 31,141,181	\$ 37,678,512
Unsecured bank loans	7,101,118	11,409,804
Add(less) : Unrealised foreign exchange losses (gains)	49,839 (	192,527)
Less: Hosting fee credit	(98,351)	(110,060)
	38,193,787	48,785,729
Less: Current portion (recorded as other current liabilities)	(4,819,851)	(9,147,275)
	<u>\$ 33,373,936</u>	<u>\$ 39,638,454</u>
Borrowing period	2023.08~2032.06	2022.08~2031.12
Interest rate	1.02%~5.79%	0.93%~5.15%

The above loans were borrowed in NTD and USD. Information relating to the Group's long-term loans pledged to others as collaterals are provided in Note 8.

(17) Other non-current liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Net defined benefit liability	\$ 4,304,408	\$ 4,257,425
Guarantee deposits received	777,175	448,863
Deferred income	119,108	120,454
Unrealised gain on sale and leaseback	-	418
Credit balance for investments accounted for using the equity method	19,745	373
Others	21,099	18,918
	<u>\$ 5,241,535</u>	<u>\$ 4,846,451</u>

(18) 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, EMA, 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, 2022</u>	<u>December 31, 2021</u>
Present value of defined benefit obligations	(\$ 6,345,787)	(\$ 5,804,853)
Fair value of plan assets	2,041,379	1,547,428
Net defined benefit liability	<u>(\$ 4,304,408)</u>	<u>(\$ 4,257,425)</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, 2022</u>			
Balance at January 1	(\$ 5,804,853)	\$ 1,547,428	(\$ 4,257,425)
Current service cost	(254,947)	-	(254,947)
Interest (expense) income	(51,953)	26,678	(25,275)
Past service cost	521	-	521
Curtailement (Settlement)	94	-	94
	<u>(6,111,138)</u>	<u>1,574,106</u>	<u>(4,537,032)</u>
Remeasurements:			
Return on plan assets			
(excluding amounts included in interest income or expense)			
	-	78,082	78,082
Change in demographic assumptions	(327,920)	-	(327,920)
Change in financial assumptions	737,818	-	737,818
Experience adjustments	(211,231)	-	(211,231)
	<u>198,667</u>	<u>78,082</u>	<u>276,749</u>
Pension fund contribution	-	227,015	227,015
Paid pension	197,152	(83,605)	113,547
Paid settlement	7,326	-	7,326
Exchange difference	(27,572)	28,993	1,421
Effect of business combination	(610,222)	216,788	(393,434)
Balance at December 31	<u>(\$ 6,345,787)</u>	<u>\$ 2,041,379</u>	<u>(\$ 4,304,408)</u>

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
<u>Year ended December 31, 2021</u>			
Balance at January 1	(\$ 4,921,339)	\$ 1,497,510	(\$ 3,423,829)
Current service cost	(185,845)	-	(185,845)
Interest (expense) income	(27,918)	9,690	(18,228)
Past service cost	(830,300)	-	(830,300)
Curtailement (Settlement)	-	(9,152)	(9,152)
	<u>(5,965,402)</u>	<u>1,498,048</u>	<u>(4,467,354)</u>
Remeasurements:			
Return on plan assets			
(excluding amounts included in interest income or expense)			
	-	4,763	4,763
Change in demographic assumptions	(9,116)	-	(9,116)
Change in financial assumptions	93,649	-	93,649
Experience adjustments	(217,460)	-	(217,460)
	<u>(132,927)</u>	<u>4,763</u>	<u>(128,164)</u>
Pension fund contribution	3,749	199,027	202,776
Paid pension	166,912	(97,638)	69,274
Exchange difference	131,809	(64,731)	67,078
Effect of business combination	(8,994)	7,959	(1,035)
Balance at December 31	<u>(\$ 5,804,853)</u>	<u>\$ 1,547,428</u>	<u>(\$ 4,257,425)</u>

- (e) The Bank of Taiwan was commissioned to manage the Fund of the Company's and its domestic subsidiaries-TTSC and ESRC'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, 2022 and 2021 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, 2022	Year ended December 31, 2021
Discount rate	<u>0.46%~7.45%</u>	<u>0.54%~6.72%</u>
Future salary increases	<u>1.55%~10%</u>	<u>1.08%~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:

	Discount rate		Future salary increases	
	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, 2022</u>				
Effect on present value of defined benefit obligation	(\$ 200,532)	\$ 216,058	\$ 162,151	(\$ 148,946)
	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, 2021</u>				
Effect on present value of defined benefit obligation	(\$ 218,968)	\$ 241,094	\$ 161,281	(\$ 143,808)

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 and ESRC for the year ending December 31, 2022 amount to \$195,576.
- (h) As of December 31, 2022, the weighted average duration of the retirement plan is 8.12~26 years.
- B. (a) Effective July 1, 2005, the Company and its domestic subsidiary-TTSC and ESRC 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 and ESRC 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, 2022 and 2021 were \$431,589 and \$343,891, respectively.

(19) Capital stock

- A. As of December 31, 2022, the Company's authorized capital was \$70,000,000, and the paid-in capital was \$ 21,164,201, consisting of 2,116,420 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. To adjust the capital structure, the shareholders of the Company during their meeting on May 30, 2022 resolved a capital reduction to return capital in cash to shareholders. The registration of the capital reduction was approved by the Taiwan Stock Exchange in accordance with the Letter No. Tai-Zheng-Shang-Yi-Zi-1111802818, dated July 1, 2022. Total capital reduction amounted to \$31,746,301, cancelling a total of 3,174,630 thousand shares, and the capital reduction ratio was 60%. The effective date of the capital reduction was July 18, 2022. All proceeds from share issuance have been collected by August 4, 2022. The effective date of the replacement of shares due to the capital reduction was September 16, 2022.
- C. The Company's domestic convertible bonds with a face value of \$18,800 thousands dollars had been converted into ordinary share capital of \$2,007 (201 thousand shares) with a par value of NT\$10 (in dollars) per share during the year ended December 31, 2022, which resulted in 'capital surplus, additional paid-in capital arising from bond conversion' of \$17,114. All proceeds from share issuance have been collected by April 19, 2022.
- D. The Company's domestic convertible bonds with a face value of \$ 100 thousands dollars had been converted into ordinary share capital of \$11 (1 thousand shares) with a par value of NT\$10 (in dollars) per share during the year ended December 31, 2022, which resulted in 'capital surplus, additional paid-in capital arising from bond conversion' of \$91. All proceeds from share issuance have been collected by August 4, 2022.
- E. The Company's domestic convertible bonds with a face value of \$100 thousands dollars had been converted into ordinary share capital of \$10 (1 thousand shares) with a par value of NT\$10 (in dollars) per share during the year ended December 31, 2021, which resulted in 'capital surplus, additional paid-in capital arising from bond conversion' of \$90. All proceeds from share issuance

have been collected by December 1, 2021.

- F. The Company bonds totaling USD 246,600 thousands dollars (face value) had been converted into \$3,928,121 of ordinary shares (392,812 thousand shares) with a par value of \$10 (in dollars) per share during the year ended December 31, 2021, which resulted in 'capital surplus, additional paid-in capital arising from bond conversion' of \$3,198,159. All proceeds from share issuance have been collected by July 23, 2021.
- G. The Company issued 85,062 thousand 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.
- H. On December 31, 2022 and 2021, the numbers of the Company's shares held by its associate accounted for using equity method, EITC, were 10,284 and 25,254 thousand shares, respectively.
- I. On December 31, 2022 and 2021, the numbers of the Company's shares held by its associate accounted for using equity method, EVA, were 223 and 557 thousand shares, respectively.
- J. On December 31, 2022, the numbers of the Company's shares held by its associate accounted for using equity method, EGST, were 18,190 thousand shares, respectively.

(20) 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.

	2022				
	Share premium	Employee stock options exercised	Adjustments to share of changes in equity of associates and joint ventures	Donated assets	Others
At January 1	\$ 13,056,017	\$ 400,116	\$ 2,298,332	\$ 446	\$7,274
Expired unclaimed dividends	-	-	-	-	(20)
Conversion of Convertible Bonds	17,205	(1,093)	-	-	-
Recognition of change in equity of associates in proportion to the Company's ownership	-	-	189,766	-	-
At December 31	\$ 13,073,222	\$ 399,023	\$ 2,488,098	\$ 446	\$7,254

	2021				
	Share premium	Employee stock options exercised	Adjustments to share of changes in equity of associates and joint ventures	Donated assets	Others
At January 1	\$ 9,857,768	\$ 423,246	\$ 2,144,568	\$ 446	\$7,336
Expired unclaimed dividends	-	-	-	-	(62)
Due to recognition of equity component of Convertible Bonds	-	289,166	-	-	-
Conversion of Convertible Bonds	3,198,249	(312,296)	-	-	-
Recognition of change in equity of associates in proportion to the Company's ownership	-	-	153,764	-	-
At December 31	<u>\$ 13,056,017</u>	<u>\$ 400,116</u>	<u>\$ 2,298,332</u>	<u>\$ 446</u>	<u>\$7,274</u>

(21) Retained earnings

	2022	2021
At January 1	\$ 250,555,749	\$ 27,734,460
Profit for the period	334,200,661	239,014,860
Distribution and appropriation of earnings	(119,699,895)	(16,145,182)
Remeasurement on post employment benefit obligations, net of tax	347,354	(90,912)
Adjustments to share of changes in equity of associates and joint ventures	158,173	42,523
At December 31	<u>\$ 465,562,042</u>	<u>\$ 250,555,749</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 2020 that was resolved at the Company's shareholders' meeting on July 21, 2021 is as follows:

	<u>Year ended December 31, 2020</u>	
	<u>Amount</u>	<u>Dividend per share (in dollars)</u>
Accrual of legal reserve	\$ 2,407,542	
Accrual of special reserve	\$ 581,406	
Appropriation of cash dividends to shareholders	<u>\$ 13,156,234</u>	<u>\$ 2.48660241</u>

- F. The appropriation of 2021 earnings resolved by the stockholders' meeting on May 30, 2022 is as follows:

	<u>Year ended December 31, 2021</u>	
	<u>Amount</u>	<u>Dividend per share (in dollars)</u>
Accrual of legal reserve	\$ 23,896,647	
Accrual of special reserve	\$ 564,364	
Appropriation of cash dividends to shareholders	<u>\$ 95,238,884</u>	<u>\$ 17.99999637</u>

- G. The appropriation of 2022 earnings resolved by the Board of Directors on March 14, 2023 is as follows:

	<u>Year ended December 31, 2022</u>	
	<u>Amount</u>	<u>Dividend per share (in dollars)</u>
Accrual of legal reserve	\$ 33,470,619	
Reverval of special reserve	\$ 1,145,770	
Appropriation of cash dividends to shareholders	<u>\$ 148,149,406</u>	<u>\$ 70</u>

As of March 14, 2023, the above-mentioned 2022 earnings appropriation had not been resolved by the stockholders' meeting.

(22) Other equity items

	2022			
	Unrealised	Hedging	Currency	Total
	gains (losses)	reserve	translation	
	on valuation			
At January 1	\$ 3,986,029	\$ 1,601,207	(\$ 6,733,006)	(\$ 1,145,770)
Revaluation – gross	(594,757)	-	-	(594,757)
Revaluation – tax	15,177	-	-	15,177
Revaluation – associates	(770,013)	-	-	(770,013)
Revaluation transferred to retained earnings – associates	(158,173)	-	-	(158,173)
Cash flow hedges:				
– Fair value gain (loss) in the period				
– Group	- (359,174)		-	(359,174)
– Group – tax	- 63,002		-	63,002
– Associates	- (918,832)		-	(918,832)
Currency translation differences:				
– Group	-	-	19,725,553	19,725,553
– Group – tax	-	-	(4,288)	(4,288)
– Associates	-	-	502,119	502,119
At December 31	<u>\$ 2,478,263</u>	<u>\$ 386,203</u>	<u>\$ 13,490,378</u>	<u>\$ 16,354,844</u>
	2021			
	Unrealised	Hedging	Currency	Total
	gains (losses)	reserve	translation	
	on valuation			
At January 1	\$ 1,884,774	\$ 1,862,164	(\$ 4,328,344)	(\$ 581,406)
Revaluation – gross	472,411	-	-	472,411
Revaluation – tax	(1,963)	-	-	(1,963)
Revaluation – associates	1,673,330	-	-	1,673,330
Revaluation transferred to retained earnings – associates	(42,523)	-	-	(42,523)
Cash flow hedges:				
– Fair value loss in the period				
– Group	- (42,909)		-	(42,909)
– Group – tax	- 26,879		-	26,879
– Associates	- (244,927)		-	(244,927)
Currency translation differences:				
– Group	-	-	(2,346,629)	(2,346,629)
– Group – tax	-	-	(825)	(825)
– Associates	-	-	(57,208)	(57,208)
At December 31	<u>\$ 3,986,029</u>	<u>\$ 1,601,207</u>	<u>(\$ 6,733,006)</u>	<u>(\$ 1,145,770)</u>

(23) Operating revenue

	Year ended December 31, 2022	Year ended December 31, 2021
Revenue from contracts with customers	\$ 626,743,038	\$ 489,020,323
Other - ship rental income	540,723	386,509
	<u>\$ 627,283,761</u>	<u>\$ 489,406,832</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. Also, ship-owners, agents and terminals were classified as transportation department. Information relating to the operating segments is provided in Note 14(2).

Year ended December 31, 2022	Ship-owners	Agents	Terminals	Other	Total
Total segment revenue	\$ 653,890,100	\$ 17,971,612	\$ 16,270,512	\$ 4,059,637	\$ 692,191,861
Inter-segment revenue	(40,822,482)	(10,907,115)	(10,686,636)	(3,032,590)	(65,448,823)
Revenue from external customer contracts	<u>\$ 613,067,618</u>	<u>\$ 7,064,497</u>	<u>\$ 5,583,876</u>	<u>\$ 1,027,047</u>	<u>\$ 626,743,038</u>
Year ended December 31, 2021	Ship-owners	Agents	Terminals	Other	Total
Total segment revenue	\$ 501,474,591	\$ 12,781,687	\$ 14,388,411	\$ 1,657,590	\$ 530,302,279
Inter-segment revenue	(25,760,903)	(7,207,526)	(8,313,527)	-	(41,281,956)
Revenue from external customer contracts	<u>\$ 475,713,688</u>	<u>\$ 5,574,161</u>	<u>\$ 6,074,884</u>	<u>\$ 1,657,590</u>	<u>\$ 489,020,323</u>

B. Contract assets and liabilities

The Group has recognised the following revenue-related contract assets and liabilities:

	December 31, 2022	December 31, 2021	January 1, 2021
Contract assets:			
Contract assets			
– relating to marine freight income	<u>\$ 1,748,928</u>	<u>\$ 4,525,961</u>	<u>\$ 3,041,569</u>
Contract liabilities:			
Contract liabilities			
– unearned marine freight income	<u>(\$ 7,444,311)</u>	<u>(\$ 13,530,256)</u>	<u>(\$ 3,677,100)</u>

Revenue recognised that was included in the contract liability balance at the beginning of the period:

	Year ended December 31, 2022	Year ended December 31, 2021
Marine freight income	<u>\$ 13,530,256</u>	<u>\$ 3,677,100</u>

(24) Other income and expenses, net

	Year ended December 31, 2022	Year ended December 31, 2021
Net gains on disposal of property, plant and equipment	\$ 1,122,717	\$ 238,289

(25) Interest income

	Year ended December 31, 2022	Year ended December 31, 2021
Interest income from bank deposits	\$ 5,796,227	\$ 275,332
Interest income from financial assets measured at amortised cost	583,587	111,297
	\$ 6,379,814	\$ 386,629

(26) Other income

	Year ended December 31, 2022	Year ended December 31, 2021
Rent income	\$ 171,081	\$ 200,030
Dividend income	153,560	106,229
Gain recognised in bargain purchase transaction	6,379	8,605
Other income, others	280,686	177,221
	\$ 611,706	\$ 492,085

(27) Other gains and losses

	Year ended December 31, 2022	Year ended December 31, 2021
Net gains on disposal of investments	\$ 33,605	\$ 11,191
Net gains arising from lease modifications	147	7,266
Net currency exchange gains	12,401,950	307,200
Net (losses) gains on financial assets / liabilities at fair value through profit or loss	(55,509)	28,472
Net losses on disposal of right-of-use assets	(714)	(735)
Depreciation on investment property	(227,241)	(180,928)
Net losses on disposals of investment property	(86)	-
Other non-operating expenses	(306,917)	(168,847)
	\$ 11,845,235	\$ 3,619

(28) Finance costs

	<u>Year ended</u> <u>December 31, 2022</u>	<u>Year ended</u> <u>December 31, 2021</u>
Interest expense:		
Bank loans	\$ 1,099,381	\$ 1,063,753
Corporate bonds	81,601	113,053
Lease liabilities	2,091,955	2,158,121
	<u>3,272,937</u>	<u>3,334,927</u>
Less: Capitalized borrowing costs	(17,589)	(97,927)
	<u>\$ 3,255,348</u>	<u>\$ 3,237,000</u>

(29) Expenses by nature

	<u>Year ended</u> <u>December 31, 2022</u>	<u>Year ended</u> <u>December 31, 2021</u>
Employee benefit expense	\$ 27,408,060	\$ 18,222,464
Depreciation charges on property, plant and equipment	14,126,087	10,273,426
Depreciation charges on right-of-use assets	13,084,157	11,869,333
Amortisation charges on intangible assets	321,305	287,477
Other operating costs and expenses	198,666,319	164,069,902
	<u>\$ 253,605,928</u>	<u>\$ 204,722,602</u>

(30) Employee benefit expense

	<u>Year ended</u> <u>December 31, 2022</u>	<u>Year ended</u> <u>December 31, 2021</u>
Wages and salaries	\$ 24,575,208	\$ 15,273,480
Labor and health insurance fees	1,262,271	932,983
Pension costs	711,196	1,387,416
Directors' remuneration	42,053	35,175
Other personnel expenses	817,332	593,410
	<u>\$ 27,408,060</u>	<u>\$ 18,222,464</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. The aforementioned earnings refers to the current years pre-tax benefits before deducting the remuneration of employees and directors.

B. (a) In accordance with the Articles of Incorporation of the Company, based on 0.5% and 0.0025% of the earnings for the year ended December 31, 2022, the employees' compensation and directors' remunerations were accrued at \$1,918,479 and \$9,500, respectively. The aforementioned amount was recognised in salary expenses and was the same as those amounts resolved by the Company's Board of Directors. The employees' compensation will be distributed in the form of cash.

(b) On March 15, 2022, the Company's Board of Directors resolved to employees' compensation and directors' remunerations amounted to \$1,303,466 and \$9,500, respectively. The amount were in agreement with those amounts recognised as salary expenses in the 2021 financial statements.

(c) 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.

(31) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Year ended <u>December 31, 2022</u>	Year ended <u>December 31, 2021</u>
Current tax:		
Current tax on profits for the period	\$ 57,988,122	\$ 16,457,265
Land value increment tax included in current tax	-	166
Tax on undistributed surplus earnings	4,568,541	463
Prior year income tax under (over) estimation	(234,534)	13,493
Total current tax	<u>62,322,129</u>	<u>16,471,387</u>
Deferred tax:		
Origination and reversal of temporary differences	(9,070,616)	8,653,070
Impact of change in tax rate	-	60
Total deferred tax	<u>(9,070,616)</u>	<u>8,653,130</u>
Income tax expense	<u>\$ 53,251,513</u>	<u>\$ 25,124,517</u>

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	<u>Year ended December 31, 2022</u>	<u>Year ended December 31, 2021</u>
Changes in fair value of financial assets at fair value through other comprehensive (loss) income	(\$ 15,177)	\$ 1,952
Exchange differences on translating the financial statements of foreign operations	4,288	825
Remeasurement of defined benefit obligations	127,431	(30,258)
Cash flow hedges	(63,002)	(26,879)
Impact of change in tax rate	-	69
	<u>\$ 53,540</u>	<u>(\$ 54,291)</u>

(c) The income tax charged/(credited) to equity during the period is as follows:

	<u>Year ended December 31, 2022</u>	<u>Year ended December 31, 2021</u>
Reduction in capital surplus caused by recognition of foreign investees based on the shareholding ratio	(\$ 525)	(\$ 115)

B. Reconciliation between income tax expense and accounting profit:

	<u>Year ended December 31, 2022</u>	<u>Year ended December 31, 2021</u>
Tax calculated based on profit before tax and statutory tax rate (note)	\$ 125,897,641	\$ 71,603,673
Land value increment tax included in current tax	-	166
Tax on undistributed surplus earnings	4,568,541	463
Expenses disallowed by tax regulation	38,329,331	3,382,137
Tax exempt income by tax regulation	(115,306,899)	(49,875,335)
Effect from investment tax credits	(2,567)	-
Temporary differences not recognised as deferred tax assets	-	(80)
Prior year income tax overestimation	(234,534)	13,493
Income tax expense	<u>\$ 53,251,513</u>	<u>\$ 25,124,517</u>

Note: The basis for computing the applicable tax rate are the rates applicable in the respective countries where the Group entities operate.

C. Amounts of deferred tax assets or liabilities as a result of temporary differences, tax losses and investment tax credits are as follows:

	2022						
	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	\$ 71	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71
Deferred profit	9,336	(1,648)	-	-	-	-	7,688
Unrealized expense	77,130	(22,641)	-	-	8,001	2,794	65,284
Unrealized exchange loss	-	6,965	-	-	-	(6,919)	46
Pension expense and actuarial losses/(gains)	630,721	54,366	(119,586)	-	17,990	4,216	587,707
Others	139,990	24,436	-	-	3,142	21,093	188,661
Subtotal	<u>\$ 857,248</u>	<u>\$ 61,478</u>	<u>(\$ 119,586)</u>	<u>\$ -</u>	<u>\$ 29,133</u>	<u>\$ 21,184</u>	<u>\$ 849,457</u>
– Deferred tax liabilities:							
Temporary differences:							
Gain on valuation of financial assets	(\$ 1,051)	\$ -	(\$ 1,357)	\$ -	\$ -	\$ -	(\$ 2,408)
Unrealized exchange gain	(103,318)	47,613	-	-	-	(101)	(55,806)
Unrealized gain	(3,755)	13,737	-	-	-	(9,982)	-
Pension expense and actuarial losses/(gains)	(479)	(611)	(310)	-	-	6	(1,394)
Foreign investment income	(10,304,438)	8,896,900	(4,122)	525	-	(83)	(1,411,218)
Gains (losses) on hedging instruments	(194,376)	-	71,835	-	-	-	(122,541)
Others	(1,068,709)	51,499	-	-	(152,058)	(81,475)	(1,250,743)
Subtotal	<u>(\$11,676,126)</u>	<u>\$ 9,009,138</u>	<u>\$ 66,046</u>	<u>\$ 525</u>	<u>(\$ 152,058)</u>	<u>(\$ 91,635)</u>	<u>(\$ 2,844,110)</u>
Total	<u>(\$10,818,878)</u>	<u>\$ 9,070,616</u>	<u>(\$ 53,540)</u>	<u>\$ 525</u>	<u>(\$ 122,925)</u>	<u>(\$ 70,451)</u>	<u>(\$ 1,994,653)</u>

2021

	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	\$ 233	(\$ 133)	(\$ 19)	\$ -	(\$ 10)	\$ 71
Deferred profit	11,022	(1,686)	-	-	-	9,336
Unrealized expense	113,567	(36,613)	-	-	176	77,130
Unrealized exchange loss	1,312	(3,929)	82	-	2,535	-
Pension expense and actuarial losses/(gains)	470,492	146,810	29,520	-	(16,101)	630,721
Others	<u>67,568</u>	<u>81,579</u>	<u>-</u>	<u>-</u>	<u>(9,157)</u>	<u>139,990</u>
Subtotal	<u>\$ 664,194</u>	<u>\$ 186,028</u>	<u>\$ 29,583</u>	<u>\$ -</u>	<u>(\$ 22,557)</u>	<u>\$ 857,248</u>
– Deferred tax liabilities:						
Temporary differences:						
Gain on valuation of financial assets	(\$ 2,907)	\$ -	\$ 1,856	\$ -	\$ -	(\$ 1,051)
Unrealized exchange gain	-	(103,348)	-	-	30	(103,318)
Unrealized gain	(4,018)	216	(82)	-	129	(3,755)
Pension expense and actuarial losses/(gains)	(528)	-	(524)	-	573	(479)
Foreign investment income	(1,474,383)	(8,845,315)	14,876	115	269	(10,304,438)
Gains (losses) on hedging instruments	(202,958)	-	8,582	-	-	(194,376)
Others	<u>(1,187,448)</u>	<u>109,289</u>	<u>-</u>	<u>-</u>	<u>9,450</u>	<u>(1,068,709)</u>
Subtotal	<u>(\$ 2,872,242)</u>	<u>(\$ 8,839,158)</u>	<u>\$ 24,708</u>	<u>\$ 115</u>	<u>\$ 10,451</u>	<u>(\$11,676,126)</u>
Total	<u>(\$ 2,208,048)</u>	<u>(\$ 8,653,130)</u>	<u>\$ 54,291</u>	<u>\$ 115</u>	<u>(\$ 12,106)</u>	<u>(\$10,818,878)</u>

D. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2022 and 2021, the amounts of temporary difference unrecognised as deferred tax liabilities were \$339,599,815 and \$164,046,155, respectively.

E. The Company's income tax returns through 2019 have been assessed and approved by the Tax Authority.

The income tax returns of the Company's subsidiaries, Taiwan Terminal Services Co., Ltd. and Evergreen Security Corp. through 2020 have been assessed and approved by the Tax Authority.

(32) Earnings per share

	Year ended December 31, 2022		
	Amount	Weighted average	Earnings per share
	after tax	number of ordinary	(in dollars)
		shares outstanding	
		(share in thousands)	
<u>Basic earnings per share</u>			
Net profit attributable to ordinary shareholders of the parent	\$ 334,200,661	3,838,511	\$ 87.07
<u>Diluted earnings per share</u>			
Net profit attributable to ordinary shareholders of the parent	\$ 334,200,661	3,838,511	
Assumed conversion of all dilutive potential ordinary shares			
Convertible Bond	51,283	26,230	
Employees' compensation	-	11,770	
Net profit attributable to ordinary shareholders of the parent	\$ 334,251,944	3,876,511	\$ 86.22

	Year ended December 31, 2021		
	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	\$ 239,014,860	5,244,562	\$ 45.57
<u>Diluted earnings per share</u>			
Net profit attributable to ordinary shareholders of the parent	\$ 239,014,860	5,244,562	
Assumed conversion of all dilutive potential ordinary shares			
Convertible Bond	40,735	33,343	
Employees' compensation	-	9,146	
Net profit attributable to ordinary shareholders of the parent	\$ 239,055,595	5,287,051	\$ 45.22

(33) Transactions with non-controlling interest

For the years ended December 31, 2022 and 2021, the amount of cash dividends paid to non-controlling interests were \$14,933,771 and \$404,077, respectively.

(34) Business combinations

- A. On December 15, 2022, the Board of Directors of the subsidiary, EMA, resolved to make an equity transaction. EMA acquired 51% and 19% equity interests of EIM from the other related party, Evergreen Marine (Singapore) Pte. Ltd., and a non-related party, respectively, and obtained the control over EIM. The transaction date was December 26, 2022 and the transaction amount was USD 76.38 (approx. \$2,341). The company is primarily engaged in the agency services dealing with port formalities in Myanmar. The position in certain market is expected to be strengthened after the acquisition and the costs are expected to be reduced through economies of scale.
- B. Considering ESRC's many years of operating profit stability and its diverse operations, to continue optimising its security services in the 7th Container Terminal of Kaohsiung Port and its services in surveillance system installments in office buildings, and to promote the Authorized Economic Operator certification, on March 15, 2022, the Board of Directors of the Company resolved to acquire 31% equity interests in ESRC from the associate, EVA. Together with 31.25% equity interests previously held by the Company, the Company held a total of 62.25% equity interests in ESRC after the merger and obtained control over ESRC. The transaction date was April 1, 2022 and the transaction amount was \$192,038.

- C. On November 5, 2021, the Board of Directors of the subsidiary, EMA, resolved to make an equity transaction. EMA acquired 100% equity interests of EGJ from the other related party, EIS, and obtained control over EGJ. The transaction date was January 1, 2022 and the transaction amount was USD 15,534 (approx. \$429,597). The company is primarily engaged in the agency services dealing with port formalities in Japan. The position in certain market is expected to be strengthened after the acquisition and the costs are expected to be reduced through economies of scale.
- D. On June 23, 2021, the Board of Directors of the subsidiary, EGH, resolved to make an equity transaction. EGH acquired 85% and 15% equity interests of UMS from the other related party, EIS, and a non-related party, respectively, and obtained control over UMS. The transaction date was July 1, 2021 and the transaction amount was USD 300 (approx. \$8,373). The company is primarily engaged in the agency services dealing with port formalities in Panama. The position in certain market is expected to be strengthened after the acquisition and the costs are expected to be reduced through economies of scale.
- E. (a) The following table summarises the consideration paid for the acquisition of EIM, ESRC and EGJ and the fair values of the assets acquired and liabilities assumed at the acquisition date:

	EIM <u>December 26, 2022</u>	ESRC <u>April 1, 2022</u>	EGJ <u>January 1, 2022</u>	<u>Total</u>
Purchase consideration				
Cash paid	\$ 2,341	\$ 192,038	\$ 429,597	\$ 623,976
Fair value of equity interest in ESRC held before the business combination	-	144,236	-	144,236
Non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets	848	176,019	-	176,867
	<u>3,189</u>	<u>512,293</u>	<u>429,597</u>	<u>945,079</u>

	EIMI	ESRC	EGJ	Total
	December 26, 2022	April 1, 2022	January 1, 2022	
Fair value of the identifiable assets acquired and liabilities assumed				
Cash and cash equivalents	\$ 21,993	\$ 249,105	\$ 249,061	\$ 520,159
Current financial assets at fair value through profit or loss	-	-	14	14
Current financial assets at amortised cost	-	186,010	-	186,010
Notes receivable, net	-	2,195	-	2,195
Accounts receivable, net (including related parties)	4,421	86,409	1,002,862	1,093,692
Other receivables	-	853	6,236	7,089
Prepayments	479	35,254	1,414	37,147
Other current assets	12	25	77,459	77,496
Property, plant and equipment, net	5,256	8,095	954,646	967,997
Right-of-use assets	4,809	48,006	15,541	68,356
Investment property, net	-	-	770,652	770,652
Intangible assets	-	121,680	45,368	167,048
Other non-current assets	291	1,116	7,662	9,069
Deferred tax assets	-	21,577	7,556	29,133
Short-term loans	-	-	(649,082)	(649,082)
Accounts payable (including related parties)	(5,681)	(20,555)	(599,822)	(626,058)
Other payables (including related parties)	(19,981)	(51,027)	(125,960)	(196,968)
Current income tax liabilities	(3,149)	(6,889)	(42,579)	(52,617)
Other current liabilities	(813)	(47,795)	(832,720)	(881,328)
Current lease liabilities	(2,028)	(18,893)	(4,560)	(25,481)
Deferred income tax liabilities	-	(23,737)	(128,321)	(152,058)
Non-current lease liabilities	(2,781)	(29,293)	(10,982)	(43,056)
Other non-current liabilities	-	(95,818)	(310,985)	(406,803)
Total identifiable net assets	<u>2,828</u>	<u>466,318</u>	<u>433,460</u>	<u>902,606</u>
Goodwill (Gain from bargain purchase)	\$ 361	\$ 45,975	(\$ 3,863)	\$ 42,473

(b) The following table summarises the consideration paid for the acquisition of UMS and the fair values of the assets acquired and liabilities assumed at the acquisition date:

	<u>UMS</u> <u>July 1, 2021</u>
Purchase consideration	
Cash paid	\$ 8,373
Fair value of the identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	328,808
Notes receivable, net	11,101
Accounts receivable, net (including related parties)	59,394
Other receivables	128
Prepayments	4,055
Other current assets	43
Property, plant and equipment, net	10,757
Right-of-use assets	8,010
Accounts payable (including related parties)	(159,027)
Other payables (including related parties)	(226,563)
Other current liabilities	(10,078)
Current lease liabilities	(6,134)
Non-current lease liabilities	(2,481)
Other non-current liabilities	(1,035)
Total identifiable net assets	<u>16,978</u>
Goodwill (Gain from bargain purchase)	<u>(\$ 8,605)</u>

- F. Had EIM been acquired from January 1, 2022, the consolidated statement of comprehensive income for the year ended December 31, 2022 would show operating revenue and profit before income tax of \$18,688 and \$55,101, respectively.
- G. Had ESRC been acquired from January 1, 2022, the consolidated statement of comprehensive income for the year ended December 31, 2022 would show operating revenue and profit before income tax of \$183,339 and \$11,876, respectively.
- H. Had UMS been acquired from January 1, 2021, the consolidated statement of comprehensive income for the year ended December 31, 2021 would show operating revenue and profit before income tax of \$27,974 and \$30,628, respectively.

(35) Supplemental cash flow information

A. Investing activities with partial cash payments

(a) Property, plant and equipment

	<u>Year ended</u> <u>December 31, 2022</u>	<u>Year ended</u> <u>December 31, 2021</u>
Purchase of property, plant and equipment	\$ 15,471,295	\$ 17,043,296
Add: Opening balance of payable on equipment	2,373,622	278,482
Less: Ending balance of payable on equipment	(9,798)	(2,373,622)
Less: Reclassification as the hedged item has affected profit or loss	-	(4,076)
Cash paid during the period	<u>\$ 17,835,119</u>	<u>\$ 14,944,080</u>

(b) Prepayments for equipment (recorded as other non-current assets)

	<u>Year ended</u> <u>December 31, 2022</u>	<u>Year ended</u> <u>December 31, 2021</u>
Purchase of prepayments for equipment	\$ 37,457,430	\$ 41,028,426
Add: Opening balance of payable on prepayments for equipment	64,063	188,862
Less: Ending balance of payable on prepayments for equipment	(1,165,010)	(64,063)
Capitalized borrowing costs	(17,589)	(97,927)
Cash paid during the period	<u>\$ 36,338,894</u>	<u>\$ 41,055,298</u>

(c) Intangible assets

	<u>Year ended</u> <u>December 31, 2022</u>	<u>Year ended</u> <u>December 31, 2021</u>
Purchase of intangible assets	\$ 40,460	\$ 28,594
Add: Opening balance of payable on equipment	4,385	-
Less: Ending balance of payable on equipment	-	(4,385)
Cash paid during the period	<u>\$ 44,845</u>	<u>\$ 24,209</u>

(d) The balances of the assets and liabilities of consolidated subsidiaries for the current period are as follows:

	EIM December 26, 2022	ESRC April 1, 2022	EGJ January 1, 2022	Total
Cash and cash equivalents	\$ 21,993	\$ 249,105	\$ 249,061	\$ 520,159
Current financial assets at fair value through profit or loss	-	-	14	14
Current financial assets at amortised cost	-	186,010	-	186,010
Notes receivable, net	-	2,195	-	2,195
Accounts receivable, net (including related parties)	4,421	86,409	1,002,862	1,093,692
Other receivables	-	853	6,236	7,089
Prepayments	479	35,254	1,414	37,147
Other current assets	12	25	77,459	77,496
Property, plant and equipment, net	5,256	8,095	954,646	967,997
Right-of-use assets	4,809	48,006	15,541	68,356
Investment property, net	-	-	770,652	770,652
Intangible assets	-	121,680	45,368	167,048
Other non-current assets	291	1,116	7,662	9,069
Deferred tax assets	-	21,577	7,556	29,133
Short-term loans	-	-	(649,082)	(649,082)
Accounts payable (including related parties)	(5,681)	(20,555)	(599,822)	(626,058)
Other payables (including related parties)	(19,981)	(51,027)	(125,960)	(196,968)
Current income tax liabilities	(3,149)	(6,889)	(42,579)	(52,617)
Other current liabilities	(813)	(47,795)	(832,720)	(881,328)
Current lease liabilities	(2,028)	(18,893)	(4,560)	(25,481)
Deferred income tax liabilities	-	(23,737)	(128,321)	(152,058)
Non-current lease liabilities	(2,781)	(29,293)	(10,982)	(43,056)
Other non-current liabilities	-	(95,818)	(310,985)	(406,803)
Gain from bargain purchase	361	45,975	(3,863)	42,473
	<u>\$ 3,189</u>	<u>\$ 512,293</u>	<u>\$ 429,597</u>	<u>\$ 945,079</u>
Cash paid for the acquisition	\$ 2,341	\$ 192,038	\$ 429,597	\$ 623,976
Cash and cash equivalents	(21,993)	(249,105)	(249,061)	(520,159)
Net cash paid (received) for the acquisition	<u>(\$ 19,652)</u>	<u>(\$ 57,067)</u>	<u>\$ 180,536</u>	<u>\$ 103,817</u>

	UMS	
	<u>July 1, 2021</u>	
Cash and cash equivalents	\$	328,808
Notes receivable, net		11,101
Accounts receivable, net (including related parties)		59,394
Other receivables		128
Prepayments		4,055
Other current assets		43
Property, plant and equipment, net		10,757
Right-of-use assets		8,010
Accounts payable (including related parties)	(	159,027)
Other payables (including related parties)	(	226,563)
Other current liabilities	(	10,078)
Current lease liabilities	(	6,134)
Non-current lease liabilities	(	2,481)
Other non-current liabilities	(	1,035)
Gain from bargain purchase	(	8,605)
	\$	<u>8,373</u>
Cash paid for the acquisition	\$	8,373
Cash and cash equivalents	(	<u>328,808</u>)
Net cash paid (received) for the acquisition	(\$	<u>320,435</u>)

B. Financing activities with partial cash payments

Change in non-controlling interest

	Year ended <u>December 31, 2022</u>	Year ended <u>December 31, 2021</u>
Change in transactions with non-controlling interest	\$ 14,751,137	\$ 392,129
Add: Opening balance of payable on investments	9,268	12,889
Add: Non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets from the business combination	176,867	-
Less: Ending balance of payable on investments	(14,775,273)	(9,268)
Cash paid during the period	<u>\$ 161,999</u>	<u>\$ 395,750</u>

(36) Changes in liabilities from financing activities

	Short-term loans	Corporate bonds payable (including current portion)	Long-term borrowings (including current portion)	Guarantee deposits received	Lease liabilities and financial liabilities for hedging (including current portion)	Liabilities from financing activities-gross
At January 1, 2022	\$ -	\$ 10,772,950	\$ 48,785,729	\$ 448,863	\$ 98,948,118	\$ 158,955,660
Changes in cash flow from financing activities	(718,099)	(4,000,000)	(20,078,711)	268,296	(16,720,320)	(41,248,834)
Acquired from business combinations	649,082	-	-	9,218	68,537	726,837
Additions to lease liabilities	-	-	-	-	16,419,578	16,419,578
Remeasurement of lease liabilities	-	-	-	-	3,852,786	3,852,786
Changes in other non-cash items	-	33,204	6,298,534	-	(6,299,484)	32,254
Impact of changes in foreign exchange rate	69,017	-	3,188,235	50,798	10,522,118	13,830,168
At December 31, 2022	<u>\$ -</u>	<u>\$ 6,806,154</u>	<u>\$ 38,193,787</u>	<u>\$ 777,175</u>	<u>\$ 106,791,333</u>	<u>\$ 152,568,449</u>

	Short-term loans	Corporate bonds payable (including current portion)	Long-term borrowings (including current portion)	Guarantee deposits received	Lease liabilities and financial liabilities for hedging (including current portion)	Liabilities from financing activities-gross
At January 1, 2021	\$ -	\$ 16,779,043	\$ 95,242,048	\$ 300,820	\$ 74,170,932	\$ 186,492,843
Changes in cash flow from financing activities	1,043,721	(45,445,775)	-	155,261	(11,608,880)	(55,855,673)
Acquired from business combinations	-	-	-	-	8,615	8,615
Additions to lease liabilities	-	-	-	-	32,584,521	32,584,521
Remeasurement of lease liabilities	-	-	-	-	5,391,623	5,391,623
Changes in other non-cash items	(7,049,814)	-	-	-	(1,519)	(7,051,333)
Impact of changes in foreign exchange rate	-	(1,010,544)	(7,218)	(1,597,174)	(2,614,936)	
At December 31, 2021	<u>\$ 10,772,950</u>	<u>\$ 48,785,729</u>	<u>\$ 448,863</u>	<u>\$ 98,948,118</u>	<u>\$ 158,955,660</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
	Associate
Evergreen Security Corp. (ESRC)	(A subsidiary since April 1, 2022)
Chang 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)	Associate
Green 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
Evergreen Shipping Agency Lanka (Private) Limited (ELK)	Associate
VIP Greenport Joint Stock Company (VGP)	Associate
Ics Depot Services Sdn. Bhd. (IDS)	Associate
	Other related party
Evergreen Steel Corp. (EGST)	(An associate since November 4, 2022)
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
Ever Accord Construction Corporation (EAC)	Other related party
Evergreen Aviation Technologies Corporation (EGAT)	Other related party
Evergreen Logistics Corp. (ELC)	Other related party
Evergreen Sky Catering Corporation (EGSC)	Other related party
Evergreen Air Cargo Services Corporation (EGAC)	Other related party
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
	Other related party
Evergreen Shipping Agency (Japan) Corporation (EGJ)	(A subsidiary since January 1, 2022)

Names of related parties	Relationship with the Group
Evergreen International Myanmar Co., Ltd. (EIM)	Other related party (A subsidiary since December 26, 2022)
Advanced Business Process, Inc. (ABPI)	Other related party
Unigreen Marine S.A.(UMS)	Other related party (A subsidiary since July 1, 2021)
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
Round the World Logistics (U.S.A.) Corps. (RTWL)	Other related party
Evergreen Logistics (Thailand) Co., Ltd. (ELCTH)	Other related party
Evergreen Logistics Vietnam Company Ltd. (ELCVN)	Other related party
Evergreen Logistics Malaysia Sdn. Bhd. (ELCMY)	Other related party
Evergreen Logistics (India) Pvt. Ltd. (ELCIN)	Other related party
Evergreen International Logistics (HK) Limited. (EILCHK)	Other related party
Round-The-World Logistics Corp. (M) Sdn. Bhd. (RTWMY)	Other related party
PT. Evergreen Logistics Indonesia (ELCID)	Other related party
Everconcord, S.A. (ECC)	Other related party
ALLY Holding Ltd (ALLY)	Other related party
Ever Reward Logistics Corporation (ERLY)	Other related party
Directors, General Manager and Vice General Manager	Key management

(2) Significant related party transactions and balances

A. Operating revenue:

	Year ended December 31, 2022	Year ended December 31, 2021
Associates	\$ 2,510,215	\$ 2,061,692
Other related parties	21,873,999	22,394,736
	<u>\$ 24,384,214</u>	<u>\$ 24,456,428</u>

The business terms on which the Group transacts with related parties are of no difference from those with non-related parties.

B. Operating cost and expense:

	Year ended December 31, 2022	Year ended December 31, 2021
Associates	\$ 7,928,018	\$ 5,792,185
Other related parties	12,045,436	12,161,518
	<u>\$ 19,973,454</u>	<u>\$ 17,953,703</u>

Services are purchased from associates and other related parties on normal commercial terms and conditions.

C. Receivables from related parties:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts receivable:		
Associates	\$ 99,807	\$ 66,457
Other related parties	<u>1,748,143</u>	<u>1,934,249</u>
Subtotal	<u>\$ 1,847,950</u>	<u>\$ 2,000,706</u>
Other receivables:		
Associates	\$ 5,552	\$ 5,814
Other related parties	<u>84,100</u>	<u>21,378</u>
Subtotal	<u>\$ 89,652</u>	<u>\$ 27,192</u>
Total	<u>\$ 1,937,602</u>	<u>\$ 2,027,898</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, 2022</u>	<u>December 31, 2021</u>
Accounts payable:		
Associates	\$ 577,086	\$ 105,026
Other related parties	<u>92,729</u>	<u>190,843</u>
Subtotal	<u>\$ 669,815</u>	<u>\$ 295,869</u>
Other payables:		
Associates	\$ 4,260	\$ 5,774
Other related parties	<u>14,919,756</u>	<u>109,375</u>
Subtotal	<u>\$ 14,924,016</u>	<u>\$ 115,149</u>
Total	<u>\$ 15,593,831</u>	<u>\$ 411,018</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, 2022</u>	<u>Year ended December 31, 2021</u>
Associates	\$ -	\$ 20,447
Other related parties	<u>488,296</u>	<u>2,616,110</u>
	<u>\$ 488,296</u>	<u>\$ 2,636,557</u>

The above transaction price is based on market value and mutual agreement.

(b) Disposal of property, plant and equipment:

	Year ended December 31, 2022		Year ended December 31, 2021	
	Disposal proceeds	Gain on disposal	Disposal proceeds	Gain on disposal
Associates	\$ 2,587,995	\$ 287,354	\$ 25	\$ 21
Other related parties	6	-	-	-
	<u>\$ 2,588,001</u>	<u>\$ 287,354</u>	<u>\$ 25</u>	<u>\$ 21</u>

The above disposal price is based on market value and mutual agreement.

(c) Prepayments for land and building:

The above prepayment for land and buildings was resolved by the Board of Directors on December 22, 2022 to purchase the land and buildings with the amount of \$4,743,000 from the other related party, Evergreen International Corp., of which the land and buildings is located in Luzhu District, Taoyuan City, including Land No.672, 673 and 679 of Nanxing Section, Land No.401, 401-1, 402 ~ 405, 548, 549, 549-1, 550, 551 and 551-1 of Nanrong Section, Building serial No. 582 of Nanxing Section and Building serial No. 176 and 176-1 of Nanrong Section. The transfer of land and buildings was completed on February 17, 2023. The transaction price is based on market value and mutual agreement.

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

The Group leased buildings, ships as well as loading and unloading equipment from associates and other related parties for the year ended December 31, 2022 and increased 'right-of-use assets' by \$5,470 and \$871,087, respectively.

(c) Lease liabilities

i. Outstanding balance:

	December 31, 2022	December 31, 2021
Associates	\$ 3,802	\$ 1,380
Other related parties	1,051,910	458,552
	<u>\$ 1,055,712</u>	<u>\$ 459,932</u>

ii. Interest expense:

	Year ended December 31, 2022	Year ended December 31, 2021
Associates	\$ 47	\$ 4,990
Other related parties	27,826	46,645
	<u>\$ 27,873</u>	<u>\$ 51,635</u>

G. Agency accounts:

	December 31, 2022	December 31, 2021
Debit balance of agency accounts:		
Associates	\$ -	\$ 85,777
Other related parties		
-EIC	-	1,282,907
-EGA	-	937,422
-Other	856	10,502
	<u>\$ 856</u>	<u>\$ 2,316,608</u>
	December 31, 2022	December 31, 2021
Credit balance of agency accounts:		
Associates	(\$ 56,109)	(\$ 29,455)
Other related parties		
-EGJ	-	(5,968)
-EGA	(126,803)	-
-Other	(2,894)	-
	<u>(\$ 185,806)</u>	<u>(\$ 35,423)</u>

H. Shipowner's accounts:

	December 31, 2022	December 31, 2021
Debit balance of shipowner's accounts:		
Other related parties		
-GESA	\$ 7,288	\$ 6,679
-EIS	208,343	-
	<u>\$ 215,631</u>	<u>\$ 6,679</u>
	December 31, 2022	December 31, 2021
Credit balance of shipowner's accounts:		
Associates		
-ITS	(\$ 127,899)	(\$ 714,985)
Other related parties		
-EIS	-	(564,916)
-EMS	(3,030,442)	(8,360,755)
	<u>(\$ 3,158,341)</u>	<u>(\$ 9,640,656)</u>

I. Loans to/from related parties:

(a) Loans to related parties (recorded as other receivables - related parties)

i. Outstanding balance:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Associates	\$ 773,653	\$ 688,974

ii. Interest income:

	<u>Year ended December 31, 2022</u>	<u>Year ended December 31, 2021</u>
Associates	\$ 20,874	\$ 8,365

The loans to associates carry interest at floating rates for the years ended December 31, 2022 and 2021.

(b) Loans from related parties (recorded as other payables - related parties)

i. Outstanding balance:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Other related parties	\$ 9,843	\$ 9,010

ii. Interest expense:

No interest expense was paid on the loans for the years ended December 31, 2022 and 2021.

J. Endorsements and guarantees provided to related parties:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Associates	\$ -	\$ 815,365
Other related parties	-	2,404,006
	<u>\$ -</u>	<u>\$ 3,219,371</u>

K. On June 23, 2021, the Board of Directors of the subsidiary, EGH, approved to acquire 85% equity interests of UMS from the other related party, EIS. The transaction date was July 1, 2021, and the transaction price amounted to \$7,117 (approx. USD 255).

L. On November 5, 2021, the Board of Directors of the subsidiary, EMA, approved to acquire 100% equity interests of EGJ from the other related party, EIS. The transaction date was January 1, 2022, and the transaction price amounted to \$429,597 (approx. USD 15,534).

M. On March 15, 2022, the Board of Directors, approved to acquire 31% equity interests of ESRC from the associates, EVA. The transaction date was April 1, 2022, and the transaction price amounted to \$192,038

N. On December 15, 2022, the Board of Directors of the subsidiary, EMA, approved to acquire 51% equity interests of EIM from the other related party, EMS. The transaction date was December 26, 2022, and the transaction price amounted to \$1,706 (approx. USD 55.65).

(3) Key management compensation

	Year ended December 31, 2022	Year ended December 31, 2021
Salaries and other short-term employee benefits	\$ 486,600	\$ 348,948
Post-employment benefits	5,796	4,660
	<u>\$ 492,396</u>	<u>\$ 353,608</u>

8. PLEGDED ASSETS

The Group's assets pledged as collateral are as follows:

Pledged assets	Book value		Purpose
	December 31, 2022	December 31, 2021	
Financial assets at amortised cost			
- Pledged time deposits	\$ 303,408	\$ 273,791	Performance guarantee
Property, plant and equipment			
-Land	1,968,406	514,312	Long-term loan
-Buildings	612,008	1,189,568	"
-Loading and unloading equipment	1,202,918	1,121,525	"
-Ships	40,999,314	55,752,381	"
Investment property			
-Land	1,096,391	1,285,781	Long-term loan
-Buildings	1,185,249	4,197,246	"
	<u>\$ 47,367,694</u>	<u>\$ 64,334,604</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT

COMMITMENTS

(1) Contingencies

None.

(2) Commitments

- A. As of December 31, 2022 and 2021, the Group had delegated DBS Bank to issue Standby Letter of Credit all amounting to USD 5,000.
- B. As of December 31, 2022 and 2021, 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 \$143,518,497 and \$69,040,264, respectively, and the unutilized credit was \$105,226,360 and \$20,144,475, respectively.
- C. As of December 31, 2022 and 2021, the amount of guaranteed notes issued by the Group for loans borrowed was \$85,457,191 and \$69,995,099, respectively.
- D. To meet its operational needs, the Group signed the shipbuilding contracts. As of December 31, 2022, the total price of the contracts, wherein the vessels have not yet been delivered amounted to

USD 3,872,801, of which USD 3,226,634 remain unpaid.

- E. To meet its operational needs, the Group signed the loading and unloading equipment purchase contracts. As of December 31, 2022, the total price of the contracts, wherein the equipment has not yet been delivered, amounted to USD 403,497, of which USD 209,103 remain unpaid.
- F. To meet its operational needs, the Group signed the transportation equipment purchase contracts. As of December 31, 2022, the total price of the contracts, wherein the equipment has not yet been delivered, amounted to USD 33,775, of which USD 33,775 remain unpaid.
- G. To meet its operational needs, the Group signed the land and buildings contracts. As of December 31, 2022, the total price of the contracts, wherein the equipment has not yet been delivered, amounted to \$4,743,000, of which \$948,600 remain unpaid.
- H. For the Group's lease contracts which were entered into but not yet completed, as of December 31, 2022, the expected minimum lease payment in the future was \$16,812,299.
- I. As of December 31, 2022, 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(10).

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

- A. The appropriation of earnings was resolved by the Company's Board of Directors on March 14, 2023. Information about appropriation of earnings is provided in Note 6(21).
- B. On February 24, 2023, the Board of Directors of the subsidiary, EMA, on February 24, 2023 resolved to purchase 12,500 units of dry-cargo containers from Singamas Container Holdings Limited for a total amount of USD 34,300 in order to meet its operational needs. As of the financial report date, the related payment was unpaid.
- C. To expand its fleets and strengthen operational competitiveness, the Board of Directors of the subsidiary, EMA, during its meeting on March 14, 2023 resolved to charter the ships from SFL TYHI Inc., Benedict Maritime Co., Beardmore Maritime Co., Fairbank Maritime Co., Pedregal Maritime S.A., LA Darien Navegacion SA, Grace Ocean Private Limited and Paraiso Shipping S.A., in which the ships were originally chartered to the other related party, EMS, by the abovementioned charterers, and the newly added right-of-use assets amounted to USD 769,805. Additionally, EMA paid the transaction price amounting to USD 28,900 for purchasing the scrubber installed on the chartered ships from the other related party, EMS.
- D. On December 22, 2022, the Company's Board of Directors resolved to acquire 14,636 thousand shares (shareholding ratio is 10%) of CYD from the other related party, EIC. The transaction date was January 1, 2023 and the transaction amount was \$450,000.
- E. To expand operating fleets to the America routes and cooperate with the Group's reorganisation, on November 4, 2022, the Board of Directors of the subsidiary, EMA, resolved to acquire 9%, 40% and 51% of the equity interest in CCT from its original shareholders, EGH, Clove and Ally, respectively, for a transaction price of USD 268,000, and obtained the control over CCT. The

transaction date was January 1, 2023.

The following table summarises the consideration paid for CCT and the fair values of the initial identification of assets acquired and liabilities assumed at the acquisition date:

	CCT January 1, 2023
Purchase consideration	
Cash paid	\$ 8,199,460
Non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets	189,467
	<u>8,388,927</u>
Fair value of the identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	499,782
Notes receivable, net	2
Accounts receivable, net (including related parties)	455,174
Other receivables	49,716
Prepayments	573,070
Other current assets	2,098
Property, plant and equipment, net	8,937,400
Right-of-use assets	570,356
Intangible assets	412,641
Other non-current assets	126,959
Notes payable	(209)
Accounts payable (including related parties)	(126,339)
Other payables (including related parties)	(1,771,648)
Long-term borrowing	(933,778)
Current lease liabilities	(679,695)
Other current liabilities	(36,136)
Total identifiable net assets	<u>8,079,393</u>
Goodwill	<u>\$ 309,534</u>

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 structure.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2022</u>	<u>December 31, 2021</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	\$ -	\$ 44,999
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	\$ 1,581,495	\$ 2,123,381
<u>Financial assets at amortised cost</u>		
Cash and cash equivalents	\$ 391,860,706	\$ 107,792,396
Financial assets at amortised cost	43,475,203	93,617,198
Notes receivable	91,436	357,461
Accounts receivable	25,709,491	41,180,398
Other accounts receivable	2,213,266	1,130,938
Guarantee deposits paid	315,012	267,607
	<u>\$ 463,665,114</u>	<u>\$ 244,345,998</u>
Financial assets for hedging (including current portion)	<u>\$ 8,461,308</u>	<u>\$ 24,514,739</u>
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	\$ 10,460	\$ -
<u>Financial liabilities at amortised cost</u>		
Notes payable	\$ -	\$ 392
Accounts payable	46,227,705	30,374,828
Other accounts payable	26,860,379	11,595,376
Bonds payable (including current portion)	6,806,154	10,772,950
Lease payable (including current portion)	89,915,657	87,439,245
Long-term borrowings (including current portion)	38,193,787	48,785,729
Guarantee deposits received	777,175	448,863
	<u>\$ 208,780,857</u>	<u>\$ 189,417,383</u>
Financial liabilities for hedging (including current portion)	<u>\$ 16,875,676</u>	<u>\$ 11,508,873</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, EUR 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, 2022			
	Foreign currency amount	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,281,995	30.5950	\$ 39,222,637
EUR:USD	4,445	1.0658	144,943
GBP:USD	6,834	1.2053	252,012
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,531,914	30.5950	\$ 46,868,909
CNY:USD	297,948	0.1436	1,309,017
EUR:USD	6,643	1.0658	216,616
HKD:USD	113,753	0.1282	446,171
GBP:USD	7,362	1.2053	271,482
December 31, 2021			
	Foreign currency amount	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,930,892	27.6545	\$ 53,397,853
EUR:NTD	9,873	31.3837	309,851
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,375,077	27.6545	\$ 38,027,067
HKD:USD	116,492	0.1282	413,000
GBP:USD	5,601	1.3497	209,059
EUR:USD	4,110	1.1326	128,731
CNY:USD	298,559	0.1570	1,296,270

- iv. The total exchange 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, 2022 and 2021 amounted to \$12,401,950 and \$307,200, respectively.

v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

Year ended December 31, 2022			
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%	\$ 307,613	\$ 84,613
EUR:USD	1%	1,449	-
GBP:USD	1%	2,520	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 299,932	\$ 168,757
CNY:USD	1%	13,090	-
EUR:USD	1%	2,166	-
HKD:USD	1%	4,462	-
GBP:USD	1%	2,715	-
Year ended December 31, 2021			
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%	\$ 288,832	\$ 245,147
EUR:NTD	1%	3,099	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 265,182	\$ 115,089
HKD:USD	1%	4,130	-
GBP:USD	1%	2,091	-
EUR:USD	1%	1,287	-
CNY:USD	1%	12,963	-

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 significant 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 \$15,496 and \$20,949 for the years ended December 31, 2022 and 2021, 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, 2022 and 2021, the Group's borrowings at variable rate were denominated in the NTD and USD.
- ii. At December 31, 2022 and 2021, 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, 2022 and 2021 would have been \$271,247 and \$439,418 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 assets 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 customers' 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, 2022 and 2021, 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) and contract assets. As of December 31, 2022 and 2021, the loss rate methodology is as follows:

Notes receivable			
<u>December 31, 2022</u>	<u>Total book value</u>	<u>Expected loss rate</u>	<u>Loss allowance</u>
Not past due	\$ 91,456	0.0001%~0.5000%	\$ 20
Accounts receivable (including related parties)			
<u>December 31, 2022</u>	<u>Total book value</u>	<u>Expected loss rate</u>	<u>Loss allowance</u>
Not past due	\$ 20,837,419	0.0000%~0.5839%	\$ 3,509
Up to 30 days	4,416,850	0.0037%~0.4381%	1,226
31 to 180 days	461,801	0.0061%~1.9400%	1,844
	<u>\$ 25,716,070</u>		<u>\$ 6,579</u>
Contract assets			
<u>December 31, 2022</u>	<u>Total book value</u>	<u>Expected loss rate</u>	<u>Loss allowance</u>
Not past due	\$ 1,749,276	0.0001%~0.1056%	\$ 348

Notes receivable			
<u>December 31, 2021</u>	<u>Total book value</u>	<u>Expected loss rate</u>	<u>Loss allowance</u>
Not past due	\$ 302,205	0%	\$ -
Up to 30 days	55,256	0%	-
	<u>\$ 357,461</u>		<u>\$ -</u>
Accounts receivable (including related parties)			
<u>December 31, 2021</u>	<u>Total book value</u>	<u>Expected loss rate</u>	<u>Loss allowance</u>
Not past due	\$ 29,159,450	0.0000%~0.0280%	\$ 95
Up to 30 days	10,942,351	0.0556%~0.2497%	271
31 to 180 days	1,083,091	0.0021%~4.5964%	4,128
	<u>\$ 41,184,892</u>		<u>\$ 4,494</u>
Contract assets			
<u>December 31, 2021</u>	<u>Total book value</u>	<u>Expected loss rate</u>	<u>Loss allowance</u>
Not past due	\$ 4,525,961	0%	\$ -

- 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 receivables are as follows:

	2022		
	Notes receivable	Accounts receivable	Contract assets
At January 1	\$ -	(\$ 4,494)	\$ -
Business combination	(18)	(221)	-
Provision for impairment	(2)	(5,973)	(339)
Reversal of impairment loss	-	4,359	-
Effect of foreign exchange	-	(250)	(9)
At December 31	<u>(\$ 20)</u>	<u>(\$ 6,579)</u>	<u>(\$ 348)</u>
	2021		
	Notes receivable	Accounts receivable	Contract assets
At January 1	(\$ 1)	(\$ 6,742)	(\$ 205)
Provision for impairment	-	(4,370)	-
Reversal of impairment loss	1	6,238	204
Effect of foreign exchange	-	380	1
At December 31	<u>\$ -</u>	<u>(\$ 4,494)</u>	<u>\$ -</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, 2022	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Accounts payable	\$44,831,476	\$ 726,414	\$ -	\$ -	\$ -	\$ 45,557,890
Accounts payable - related parties	301,532	368,283	-	-	-	669,815
Other payables	9,188,399	2,738,121	-	-	-	11,926,520
Other payables - related parties	14,921,939	2,077	-	-	9,843	14,933,859
Bonds payable (including current portion)	-	2,017,200	4,981,000	-	-	6,998,200
Long-term loans (including current portion)	1,762,881	4,668,601	6,301,383	17,354,560	15,225,444	45,312,869
Lease payable and financial liabilities for hedging (including current portion)	3,719,162	11,181,100	13,251,810	35,645,127	53,227,331	117,024,530

Non-derivative financial liabilities:

December 31, 2021	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Notes payable	\$ 392	\$ -	\$ -	\$ -	\$ -	\$ 392
Accounts payable	29,441,105	637,854	-	-	-	30,078,959
Accounts payable - related parties	295,869	-	-	-	-	295,869
Other payables	9,171,951	2,299,266	-	-	-	11,471,217
Other payables - related parties	115,148	-	-	-	9,011	124,159
Bonds payable (including current portion)	-	4,059,200	2,017,200	4,999,900	-	11,076,300
Long-term loans (including current portion)	3,056,218	6,666,761	8,228,872	16,316,358	16,996,771	51,264,980
Lease payable and financial liabilities for hedging (including current portion)	3,708,779	15,301,472	12,230,330	31,666,745	44,264,033	107,171,359

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(12).

C. Financial instruments not measured at fair value

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, 2022		
	Book value	Fair value Level 2	Fair value Level 3
	Financial liabilities:		
Bonds payable (including current portion)	\$ 6,806,154	\$ 4,806,154	\$ 2,005,640
Long-term loans (including current portion)	38,193,787	-	46,103,871
	<u>\$ 44,999,941</u>	<u>\$ 4,806,154</u>	<u>\$ 48,109,511</u>
	December 31, 2021		
	Book value	Fair value Level 2	Fair value Level 3
Financial liabilities:			
Bonds payable (including current portion)	\$ 10,772,950	\$ 4,772,950	\$ 6,049,253
Long-term loans (including current portion)	48,785,729	-	51,265,080
	<u>\$ 59,558,679</u>	<u>\$ 4,772,950</u>	<u>\$ 57,314,333</u>

D. The related information of financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets are as follows:

(a) The related information of natures of the assets is as follows:

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	\$ 847,730	\$ -	\$ 733,765	\$ 1,581,495
Liabilities:				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative instruments	\$ -	\$ 10,460	\$ -	\$ 10,460

December 31, 2021	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Derivative instruments	\$ -	\$ 44,999	\$ -	\$ 44,999
Financial assets at fair value through other comprehensive income				
Equity securities	<u>1,478,540</u>	<u>-</u>	<u>644,841</u>	<u>2,123,381</u>
	<u>\$ 1,478,540</u>	<u>\$ 44,999</u>	<u>\$ 644,841</u>	<u>\$ 2,168,380</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, 2022 and 2021, 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, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
At January 1	\$ 644,841	\$ 526,014
Gains and losses recognised in other comprehensive income (Note)	<u>88,924</u>	<u>118,827</u>
At December 31	<u>\$ 733,765</u>	<u>\$ 644,841</u>

Note: 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, 2022 and 2021, 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, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 726,993	Market comparable companies	Price to earnings ratio multiple	9.40~35.89	The higher the multiple and control premium, the higher the fair value
			Price to book ratio multiple	0.41~3.66	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, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 638,069	Market comparable companies	Price to earnings ratio multiple	7.28~40.52	The higher the multiple and control premium, the higher the fair value
			Price to book ratio multiple	0.50~3.38	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 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:

				December 31, 2022			
				Recognised in profit or loss		Recognised in other comprehensive income	
				Favourable	Unfavourable	Favourable	Unfavourable
		Input	Change	change	change	change	change
Financial assets							
Equity instrument	Price to earnings ratio/ price to book ratio/ discount for lack of marketability		±1%	\$ -	\$ -	\$ 7,270	\$ 7,270
				December 31, 2021			
				Recognised in profit or loss		Recognised in other comprehensive income	
				Favourable	Unfavourable	Favourable	Unfavourable
		Input	Change	change	change	change	change
Financial assets							
Equity instrument	Price to earnings ratio/ price to book ratio/ discount for lack of marketability		±1%	\$ -	\$ -	\$ 6,381	\$ 6,381

(4) Other

In response to the impact of Covid-19, the Group implemented several measures to control the pandemic in accordance with governments' prevention measures, including work shifts, redundancy and enhancing employees' health management. At the same time, the Group assessed that Covid-19 did not have a significant impact on the Group's operations and ability to continue as a going concern.

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: Please refer to table 4.
- 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 5.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 6.
- I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

(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 8.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 9.

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 10.

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, 2022			
	Transportation Department	Other Departments	Adjustments and written-off	Total
Revenue from external customers	\$ 626,256,714	\$ 1,027,047	\$ -	\$ 627,283,761
Revenue from internal customers	89,409,623	-	(89,409,623)	-
Segment revenue	715,666,337	1,027,047	(89,409,623)	627,283,761
Interest income	6,288,240	91,574	-	6,379,814
Interest expense	(3,248,522)	(6,826)	-	(3,255,348)
Depreciation and amortisation	(27,431,470)	(327,320)	-	(27,758,790)
Share of (loss) income of associates and joint ventures accounted for using equity method	2,943,629	6,091,131	-	9,034,760
Other items	(210,248,225)	(2,011,494)	-	(212,259,719)
Segment profit	<u>\$ 483,969,989</u>	<u>\$ 4,864,112</u>	<u>(\$ 89,409,623)</u>	<u>\$ 399,424,478</u>
Recognisable assets	\$ 826,349,405	\$ 17,514,506	\$ -	\$ 843,863,911
Investments accounted for using equity method	32,432,543	11,215,603	-	43,648,146
Segment assets	<u>\$ 858,781,948</u>	<u>\$ 28,730,109</u>	<u>\$ -</u>	<u>\$ 887,512,057</u>
Segment liabilities	<u>\$ 303,443,677</u>	<u>\$ 1,518,345</u>	<u>\$ -</u>	<u>\$ 304,962,022</u>

	Year ended December 31, 2021			
	Transportation Department	Other Departments	Adjustments and written-off	Total
Revenue from external customers	\$ 487,749,242	\$ 1,657,590	\$ -	\$ 489,406,832
Revenue from internal customers	49,952,286	-	(49,952,286)	-
Segment revenue	537,701,528	1,657,590	(49,952,286)	489,406,832
Interest income	371,699	14,930	-	386,629
Interest expense	(3,231,313)	(5,687)	-	(3,237,000)
Depreciation and amortisation	(22,341,834)	(269,330)	-	(22,611,164)
Share of (loss) income of associates and joint ventures accounted for using equity method	1,733,232	3,993,814	-	5,727,046
Other items	(179,804,256)	(1,633,511)	-	(181,437,767)
Segment profit (loss)	<u>\$ 334,429,056</u>	<u>\$ 3,757,806</u>	<u>(\$ 49,952,286)</u>	<u>\$ 288,234,576</u>
Recognisable assets	\$ 563,547,801	\$ 11,059,706	\$ -	\$ 574,607,507
Investments accounted for using equity method	27,329,924	9,088,689	-	36,418,613
Segment assets	<u>\$ 590,877,725</u>	<u>\$ 20,148,395</u>	<u>\$ -</u>	<u>\$ 611,026,120</u>
Segment liabilities	<u>\$ 252,694,366</u>	<u>\$ 1,010,164</u>	<u>\$ -</u>	<u>\$ 253,704,530</u>

(3) Reconciliation for segment income (loss)

- A. 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.
- B. 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.
- C. 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.
- D. 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, 2022		Year ended December 31, 2021	
	Amount	% of Account Balance	Amount	% of Account Balance
North America	\$ 258,596,015	43	\$ 171,154,835	37
Europe	192,443,546	32	175,780,641	38
Asia	78,180,190	13	60,135,482	13
Others	72,166,330	12	55,509,676	12
	<u>\$ 601,386,081</u>	<u>100</u>	<u>\$ 462,580,634</u>	<u>100</u>

(5) Geographical information

<u>Service routes</u>	<u>Year ended December 31, 2022</u>		<u>Year ended December 31, 2021</u>	
	<u>Revenue</u>	<u>Non-current assets</u>	<u>Revenue</u>	<u>Non-current assets</u>
Taiwan	\$ 115,388,505	\$ 91,985,902	\$ 88,920,777	\$ 70,281,185
America	6,850,992	123,018,688	105,512,581	104,064,710
Europe	4,021,492	37,374,777	39,526,508	37,436,808
Asia	500,410,776	102,662,284	254,921,512	74,809,411
Others	611,996	28,326	525,454	43,588
	<u>\$ 627,283,761</u>	<u>\$ 355,069,977</u>	<u>\$ 489,406,832</u>	<u>\$ 286,635,702</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, 2022

Expressed in thousands of TWD/thousands of foreign currency

Number (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2022 (Note 3)	Balance at December 31, 2022 (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.	Clove Holding Ltd.	Receivables from related parties	Yes	\$ 256,680	\$ 235,382	\$ 235,382	5.45386%	2	\$ -	Working capital requirement	\$ -	None	\$ -	31,592,251	\$ 39,490,314	(Note 9)
1	Peony Investment S.A.	Colon Container Terminal S.A.	Receivables from related parties	Yes	648,117	618,019	618,019	4.95871%~ 5.37429%	2	-	Working capital requirement	-	None	-	15,796,125	39,490,314	
1	Peony Investment S.A.	Whitney Equipment LLC.	Receivables from related parties	Yes	192,510	183,570	-	-	2	-	Working capital requirement	-	None	-	31,592,251	39,490,314	(Note 9)
2	Evergreen Marine (Hong Kong) Ltd.	Colon Container Terminal S.A.	Receivables from related parties	Yes	145,826	139,054	139,054	4.95871%~ 5.37429%	2	-	Working capital requirement	-	None	-	14,024,555	28,049,109	
2	Evergreen Marine (Hong Kong) Ltd.	Evergreen Argentina S.A.	Receivables from related parties	Yes	3,690	3,121	1,040	83.02000%	2	-	Working capital requirement	-	None	-	14,024,555	28,049,109	(Note 9)
3	Everport Terminal Services Inc.	Whitney Equipment LLC.	Receivables from related parties	Yes	495,210	336,545	183,570	4.55843%	2	-	Working capital requirement	-	None	-	1,910,295	2,387,869	(Note 9)
4	Evergreen Marine (Asia) Pre. Ltd.	Evergreen Business Process Inc.	Receivables from related parties	Yes	73,410	70,001	70,001	1.95100%	2	-	Working capital requirement	-	None	-	93,375,392	116,719,241	(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 recognized, 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, 2022

Note 4: The column of "Nature of loan" shall fill in "Business transaction" or "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 2,581,488 * 20% = 516,297.6

Evergreen Marine (Hong Kong) Ltd. : USD 2,291,968 * 20% = 458,393.6

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 2,581,488 * 40% = 1,032,595.2

Everport Terminal Services Inc. : USD 156,095 * 40% = 62,438

Evergreen Marine (Asia) Pre. Ltd. : USD 7,629,955 * 40% = 3,051,982

Evergreen Marine (Hong Kong) Ltd. : USD 2,291,968 * 40% = 916,787.2

PEONY : USD 2,581,488 * 50% = 1,290,744

Everport Terminal Services Inc. : USD 156,095 * 50% = 78,047.5

Evergreen Marine (Asia) Pre. Ltd. : USD 7,629,955 * 50% = 3,814,977.5

Evergreen Marine (Hong Kong) Ltd. : USD 2,291,968 * 50% = 1,145,984

PEONY : USD 2,581,488 * 50% = 1,290,744

Everport Terminal Services Inc. : USD 156,095 * 50% = 78,047.5

Evergreen Marine (Asia) Pre. Ltd. : USD 7,629,955 * 50% = 3,814,977.5

Evergreen Marine (Hong Kong) Ltd. : USD 2,291,968 * 50% = 1,145,984

PEONY : USD 2,581,488 * 50% = 1,290,744

Everport Terminal Services Inc. : USD 156,095 * 50% = 78,047.5

Evergreen Marine (Asia) Pre. Ltd. : USD 7,629,955 * 50% = 3,814,977.5

Evergreen Marine (Hong Kong) Ltd. : USD 2,291,968 * 50% = 1,145,984

PEONY : USD 2,581,488 * 50% = 1,290,744

Everport Terminal Services Inc. : USD 156,095 * 50% = 78,047.5

Evergreen Marine (Asia) Pre. Ltd. : USD 7,629,955 * 50% = 3,814,977.5

Evergreen Marine (Hong Kong) Ltd. : USD 2,291,968 * 50% = 1,145,984

PEONY : USD 2,581,488 * 50% = 1,290,744

Everport Terminal Services Inc. : USD 156,095 * 50% = 78,047.5

Evergreen Marine (Asia) Pre. Ltd. : USD 7,629,955 * 50% = 3,814,977.5

Evergreen Marine (Hong Kong) Ltd. : USD 2,291,968 * 50% = 1,145,984

PEONY : USD 2,581,488 * 50% = 1,290,744

Everport Terminal Services Inc. : USD 156,095 * 50% = 78,047.5

Evergreen Marine (Asia) Pre. Ltd. : USD 7,629,955 * 50% = 3,814,977.5

Evergreen Marine (Hong Kong) Ltd. : USD 2,291,968 * 50% = 1,145,984

PEONY : USD 2,581,488 * 50% = 1,290,744

Everport Terminal Services Inc. : USD 156,095 * 50% = 78,047.5

Evergreen Marine (Asia) Pre. Ltd. : USD 7,629,955 * 50% = 3,814,977.5

Evergreen Marine (Hong Kong) Ltd. : USD 2,291,968 * 50% = 1,145,984

PEONY : USD 2,581,488 * 50% = 1,290,744

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 installments 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.

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, 2022

Expressed in thousands of TWD/thousands of foreign currency

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, 2022 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2022 (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 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	\$ 1,104,428,058	\$ 37,067,493	\$ 27,120,855	\$ 21,462,806	\$ -	4.91%	\$ 1,380,535,073	Y	N	N	
0	Evergreen Marine Corporation	Peony Investment S.A.	2	1,104,428,058	140,280	-	-	-	0.00%	1,380,535,073	Y	N	N	
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	2	1,104,428,058	1,543,080	764,875	-	-	0.14%	1,380,535,073	Y	N	N	
0	Evergreen Marine Corporation	Everport Terminal Services Inc.	2	1,104,428,058	1,950,768	1,860,176	962,344	-	0.34%	1,380,535,073	Y	N	N	
0	Evergreen Marine Corporation	Evergreen Marine (Asia) Pte. Ltd.	2	1,104,428,058	90,573,773	86,100,449	-	-	15.59%	1,380,535,073	Y	N	N	
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	2	1,104,428,058	8,264,832	8,192,533	7,079,040	-	1.48%	1,380,535,073	Y	N	N	
0	Evergreen Marine Corporation	Evergreen Heavy Industrial Corp. (M) Berhad	2	1,104,428,058	1,571,459	1,498,481	129,179	-	0.27%	1,380,535,073	Y	N	N	

Evergreen Marine Corporation (Taiwan) Ltd.
Provision of endorsements and guarantees to others
For the year ended December 31, 2022

Expressed in thousands of TWD/thousands of foreign currency

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, 2022 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2022 (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 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 (Asia) Pte. Ltd.	Evergreen Shipping Agency (Japan) Corp.	2	\$ 466,876,962	\$ 2,432,147	\$ 1,500,714	\$ 673,382	-	0.04%	\$ 583,596,203	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 endorsed/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 among 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: $552,214,029 * 250\% = 1,380,535,073$

Limit on endorsement or guarantees provided by the Company for a single entity is \$276,107,015 (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 \$1,104,428,058.)

According to the credit policy of Evergreen Marine (Asia) Pte. Ltd., the calculation for total amount of endorsements/guarantees is as follows:

Ceiling on total amount of endorsements/guarantees: $USD 7,629,955 * 30,5950 * 250\% = 583,596,203$

Limit on endorsements or guarantees provided for a single entity : 466,876,962 (Amounting to 200% 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, 2022

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, 2022				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	23,656	1.44%	23,656	
	Toplogis, Inc.		"	2,464	25,855	17.48%	25,855	
	Ever Accord Construction Corp.	Other related party	"	10,500	126,830	17.50%	126,830	
	Central Reinsurance Corp.	Other related party	"	49,866	847,730	6.23%	847,730	
	Financial bonds:							
	Sunny Bank 3rd Subordinate Financial Debentures-B Issue in 2017		Financial asset measured at amortised cost - non-current	-	50,000	-	50,000	
	Hutchison Inland Container Depots Ltd.		Financial asset measured at fair value through other comprehensive income - non-current	0.75	USD 697	5.27%	USD 697	
	South Asia Gateway Terminals (Private) Ltd.		"	18,942	USD 17,286	5.00%	USD 17,286	
Evergreen Shipping Agency (Europe) GmbH	Zoll Pool Hafen Hamburg AG		"	EUR 10	2.86%	EUR 10		
Evergreen Shipping Agency Philippines Corporation	Eagle Ridge Golf & Country Club Inc.		"	PHP 230	0.0167%	PHP 230		

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.

Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital

For the year ended December 31, 2022

Expressed in thousands of shares/thousands of TWD

Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note 2)	Balance as at January 1, 2022		Addition (Note 3)		Number of shares	Disposal (Note 3)			Balance as at December 31, 2022	
					Number of shares	Amount	Number of shares	Amount		Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount
Evergreen Marine Corporation	Stock :													
	Evergreen Steel Corp.	Investments accounted for using the equity method	Evergreen Steel Corp.	Shareholders of the Company	-	\$ -	79,248	\$3,819,754	-	\$ -	\$ -	-	79,248	\$3,819,754

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: Fill in the columns the counterparty and relationship if securities are accounted for under the equity method; otherwise leave the columns blank.

Note 3: Aggregate purchases and sales amounts should be calculated separately at their market values to verify whether they individually reach NT\$300 million or 20% of paid-in capital or more.

Note 4: Paid-in capital referred to herein is the paid-in capital of parent company.

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, 2022

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	\$ 1,728,686	3%	30-60 days	\$ -	-	\$ -	0%	(Note)
	Taiwan Terminal Services Co., Ltd.	Subsidiary	Purchases	891,786	1%	30-60 days	-	-	(110,679)	1%	(Note)
	Italia Marittima S.P.A.	Investee of Balsam Investment (Netherlands) N.V.	Purchases	359,910	1%	30-60 days	-	-	(351)	0%	
			Sales	579,046	0%	30-60 days	-	-	14,078	0%	
	Evergreen International Storage and Transport Corp.	Other related parties	Purchases	920,475	1%	30-60 days	-	-	(87,605)	1%	
	Evergreen Shipping Agency (America) Corporation	Other related parties	Purchases	1,060,321	2%	30-60 days	-	-	-	0%	
			Sales	163,419	0%	30-60 days	-	-	7,205	0%	
	Evergreen International Corp.	Other related parties	Purchases	450,631	1%	30-60 days	-	-	(533)	0%	
	Evergreen Marine (UK) Limited	Indirect subsidiary	Purchases	525,503	1%	30-60 days	-	-	-	0%	(Note)
	Evergreen Marine (Singapore) Pte Ltd	Other related parties	Purchases	332,614	0%	30-60 days	-	-	(3,601)	0%	
			Sales	1,935,534	2%	30-60 days	-	-	77,750	2%	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary	Purchases	3,926,145	6%	30-60 days	-	-	(1,007)	0%	(Note)
			Sales	1,640,345	1%	30-60 days	-	-	69,995	1%	(Note)
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary	Purchases	2,501,930	4%	30-60 days	-	-	(16,153)	0%	(Note)
			Sales	6,432,496	5%	30-60 days	-	-	238,968	5%	(Note)
	Evergreen Shipping Agency (Europe) GmbH	Indirect subsidiary	Purchases	237,503	0%	30-60 days	-	-	-	0%	(Note)
	Round- The-World Logistics (U.S.A) Corp.	Other related parties	Sales	733,737	1%	30-60 days	-	-	-	0%	
	Evergreen Logistics Co.Ltd	Other related parties	Sales	105,124	0%	30-60 days	-	-	-	0%	
	Evergreen Logistics Corp.	Other related parties	Sales	392,523	0%	30-60 days	-	-	2,200	0%	
	Evergreen Marine Corp. (Malaysia) Sdn.Bhd.	Indirect subsidiary	Purchases	216,573	0%	30-60 days	-	-	-	0%	(Note)
Evergreen Shipping Agency (Vietnam) Corp.	Indirect subsidiary	Purchases	332,980	0%	30-60 days	-	-	-	0%	(Note)	
PT. Evergreen Shipping Agency Indonesia	Associates	Purchases	229,152	0%	30-60 days	-	-	-	0%		

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 Shipping Agency (Japan) Corporation	Indirect subsidiary	Purchases	\$ 240,887	0%	30-60 days	\$ -	-	-	\$ -	0%	(Note)
	Evergreen Insurance Company Limited	Other related parties	Purchases	163,471	0%	30-60 days	-	-	-	-	0%	
	Taipei Port Container Terminal Corporation	Associates	Purchases	230,870	0%	30-60 days	-	-	-	(126,187)	1%	
	Evergreen Shipping Agency (Thailand) Co., Ltd	Indirect subsidiary	Purchases	143,972	0%	30-60 days	-	-	-	-	0%	(Note)
	Evergreen Shipping Agency Mexico S.A de C.V.	Indirect subsidiary	Purchases	130,559	0%	30-60 days	-	-	-	-	0%	(Note)
	Evergreen Shipping Agency Philippines Corporation	Indirect subsidiary	Purchases	110,791	0%	30-60 days	-	-	-	-	0%	(Note)
	Evergreen Shipping Agency (Colombia) S.A.S	Indirect subsidiary	Purchases	101,387	0%	30-60 days	-	-	-	-	0%	(Note)
	Evergreen Marine Corp.	The parent	Sales	891,786	100%	30-60 days	-	-	-	110,679	100%	(Note)
	Evergreen Marine Corp.	The parent	Sales	58,016	12%	30-60 days	-	-	-	-	0%	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	51,548	10%	30 days	-	-	-	-	0%	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	36,441	7%	30 days	-	-	-	-	0%	(Note)
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Sales	233,877	47%	30 days	-	-	-	-	0%	(Note)
	Evergreen Marine (Hong Kong) Ltd.	Evergreen Shipping Agency (America) Corporation	Other related parties	Purchases	7,082	2%	30 days	-	-	-	-	0%
Evergreen Marine Corp.		The parent	Sales	131,765	5%	30-60 days	-	-	-	33	0%	(Note)
Italia Marittima S.p.A.		Investee of Balsam Investment (Netherlands) N.V.	Purchases	55,052	6%	30-60 days	-	-	-	(2,288)	2%	(Note)
Evergreen Marine (Singapore) Pte. Ltd.		Other related parties	Sales	19,569	1%	30-60 days	-	-	-	5	0%	
Evergreen International Corp.		Other related parties	Purchases	8,404	1%	30-60 days	-	-	-	-	0%	
Evergreen Marine (Singapore) Pte. Ltd.		Other related parties	Sales	193,256	7%	30-60 days	-	-	-	81	0%	
Evergreen International Corp.		Other related parties	Purchases	7,651	1%	30-60 days	-	-	-	(796)	1%	
Evergreen International Corp.		Other related parties	Purchases	4,333	0%	30-60 days	-	-	-	-	0%	
Evergreen Marine (UK) Limited		Indirect subsidiary of the Parent Company	Purchases	11,322	1%	30-60 days	-	-	-	(33)	0%	(Note)
Evergreen Marine (Asia) Pte. Ltd.		Subsidiary of the Parent Company	Sales	545,407	21%	30-60 days	-	-	-	364	0%	(Note)
Evergreen Marine (Asia) Pte. Ltd.		Subsidiary of the Parent Company	Purchases	13,456	1%	30-60 days	-	-	-	(9)	0%	(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 (Hong Kong) Ltd.	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 36,441	4%	30 days	\$ -	-	-	\$ -	0%	(Note)
	Evergreen Shipping Agency (America) Corporation	Other related parties	Purchases	USD 21,436	2%	30-60 days	-	-	-	-	0%	
	Evergreen Shipping Agency (Vietnam) Corp.	Indirect subsidiary of the Parent Company	Purchases	USD 6,122	1%	30-60 days	-	-	-	-	0%	(Note)
	Evergreen Shipping Agency (Thailand) Co., Ltd	Indirect subsidiary of the Parent Company	Purchases	USD 5,489	1%	30-60 days	-	-	-	-	0%	(Note)
	Taipei Port Container Terminal Corporation	Associates	Purchases	USD 4,191	0%	30-60 days	-	-	-	-	0%	
	Round-The-World Logistics (U.S.A) Corp.	Other related parties	Sales	USD 15,039	1%	30-60 days	-	-	-	-	0%	
	Evergreen International Storage and Transport Corp.	Associates	Purchases	USD 5,729	1%	30-60 days	-	-	-	-	0%	
	Evergreen Shipping Agency (China) Co., Ltd.	Subsidiary	Purchases	USD 49,295	5%	30-60 days	-	-	-	(USD 14,692)	13%	(Note)
	Evergreen Shipping Agency (Japan) Corporation	Indirect subsidiary of the Parent Company	Purchases	USD 5,710	1%	30-60 days	-	-	-	-	0%	(Note)
	Evergreen Marine Co. (Malaysia) SDN.BHD.	Indirect subsidiary of the Parent Company	Purchases	USD 3,826	0%	30-60 days	-	-	-	-	0%	(Note)
	Evergreen Marine Corp.	The parent	Sales	USD 83,967	1%	30-60 days	-	-	-	USD 528	0%	(Note)
	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Purchases	USD 215,881	3%	30-60 days	-	-	-	(USD 7,811)	1%	(Note)
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Purchases	USD 429,736	6%	30-60 days	-	-	-	(USD 4)	0%	(Note)
	Italia Marittima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Sales	USD 13,456	0%	30-60 days	-	-	-	USD 9	0%	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Purchases	USD 545,407	8%	30-60 days	-	-	-	(USD 364)	0%	(Note)
	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	USD 13,818	0%	30-60 days	-	-	-	-	0%	
	Evergreen Logistics Co., Ltd.	Other related parties	Purchases	USD 115,009	2%	30-60 days	-	-	-	(USD 9,423)	1%	
	Evergreen International Storage and Transport Corp.	Other related parties	Sales	USD 75,568	0%	30-60 days	-	-	-	USD 1,220	0%	
	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Purchases	USD 55,495	1%	30-60 days	-	-	-	(USD 812)	0%	
	Round-The-World Logistics (U.S.A) Corp.	Other related parties	Purchases	USD 163,930	2%	30-60 days	-	-	-	(USD 1,113)	0%	(Note)
Evergreen Logistics Co., Ltd.	Other related parties	Sales	USD 84,034	1%	30-60 days	-	-	-	-	0%		
Evergreen International Corp.	Other related parties	Sales	USD 45,885	0%	30-60 days	-	-	-	-	0%		
Evergreen International Storage and Transport Corp.	Other related parties	Purchases	USD 16,523	0%	30-60 days	-	-	-	-	0%		
Evergreen International Storage and Transport Corp.	Associates	Purchases	USD 22,549	0%	30-60 days	-	-	-	-	0%		

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 (Asia) Pte. Ltd.	Evergreen Shipping Agency (India) Pvt. Ltd.	Indirect subsidiary of the Parent Company	Purchases	USD 12,038	0%	30-60 days	\$ -	-	-	\$ -	0%	(Note)
	Evergreen Shipping Agency (Thailand) Co., Ltd.	Indirect subsidiary of the Parent Company	Purchases	USD 17,998	0%	30-60 days	-	-	-	-	0%	(Note)
	PT. Evergreen Shipping Agency Indonesia	Associates	Purchases	USD 14,477	0%	30-60 days	-	-	-	-	0%	
	Evergreen Shipping Agency (Europe) GmbH	Indirect subsidiary of the Parent Company	Purchases	USD 29,395	0%	30-60 days	-	-	-	-	0%	(Note)
	Evergreen Marine Co. (Malaysia) SDN.BHD.	Indirect subsidiary of the Parent Company	Purchases	USD 21,372	0%	30-60 days	-	-	-	-	0%	(Note)
	Evergreen Shipping Agency (Vietnam) Corp.	Indirect subsidiary of the Parent Company	Purchases	USD 34,596	1%	30-60 days	-	-	-	-	0%	(Note)
	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 233,877	4%	30 days	-	-	-	-	0%	(Note)
	Evergreen Shipping Agency (America) Corporation	Other related parties	Purchases	USD 194,140	3%	30-60 days	-	-	-	-	0%	
	Evergreen Shipping Agency (Japan) Corporation	Indirect subsidiary	Purchases	USD 27,888	0%	30-60 days	-	-	-	-	0%	(Note)
	Evergreen Shipping Agency (Korea) Corp.	Indirect subsidiary of the Parent Company	Purchases	USD 10,089	0%	30-60 days	-	-	-	-	0%	(Note)
	Evergreen Shipping Agency (Italy) S.p.A.	Indirect subsidiary of the Parent Company	Purchases	USD 6,784	0%	30-60 days	-	-	-	-	0%	(Note)
	Evergreen Shipping Agency Philippines Corporation Limited	Indirect subsidiary of the Parent Company	Purchases	USD 7,206	0%	30-60 days	-	-	-	-	0%	(Note)
	Evergreen Insurance Company Limited	Associates	Purchases	USD 10,695	0%	30-60 days	-	-	-	(USD 739)	0%	
	Taipei Port Container Terminal Corporation	Associates	Purchases	USD 17,156	0%	30-60 days	-	-	-	-	0%	
	Evergreen Shipping Agency Co. (U.A.E.) LLC	Other related parties	Purchases	USD 3,943	0%	30-60 days	-	-	-	-	0%	
	Evergreen Argentina S.A.	Indirect subsidiary of the Parent Company	Purchases	USD 4,638	0%	30-60 days	-	-	-	-	0%	(Note)
	Evergreen Shipping Agency (Brazil) Ltd.	Indirect subsidiary of the Parent Company	Purchases	USD 5,929	0%	30-60 days	-	-	-	-	0%	(Note)
	Evergreen Shipping Agency Mexico S.A. de C.V.	Indirect subsidiary of the Parent Company	Purchases	USD 5,725	0%	30-60 days	-	-	-	-	0%	(Note)
	Evergreen Shipping Agency (Colombia) S.A.S	Indirect subsidiary of the Parent Company	Purchases	USD 3,580	0%	30-60 days	-	-	-	-	0%	(Note)
	Evergreen Shipping (Spain) S.L.	Indirect subsidiary of the Parent Company	Purchases	USD 5,685	0%	30-60 days	-	-	-	-	0%	(Note)
Greencross Marine S.A.	Evergreen Marine (Asia) Pte. Ltd. Company	Sales	USD 429,736	99%	30-60 days	-	-	-	USD 4	2%	(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 (UK) Limited	Evergreen Marine Corp.	The parent	Sales	USD 17,636	4%	30-60 days	\$ -	-	-	\$ -	0%	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	USD 23,824	5%	30-60 days	-	-	-	USD 324	1%	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	USD 11,322	3%	30-60 days	-	-	-	USD 33	0%	(Note)
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Sales	USD 163,930	37%	30-60 days	-	-	-	USD 1,113	4%	(Note)
	Evergreen Insurance Company Limited	Associates	Purchases	USD 4,950	0%	30-60 days	-	-	-	-	0%	
	Gaining Enterprise S.A.	Other related parties	Sales	USD 15,264	14%	45 days	-	-	-	-	0%	
	Evergreen Marine Corp.	The parent	Sales	EUR 7,593	15%	30-60 days	-	-	-	-	0%	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	EUR 11,375	22%	30-60 days	-	-	-	EUR 2,714	3%	
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Sales	EUR 28,002	55%	30-60 days	-	-	-	-	0%	(Note)
	Evergreen Marine Corp.	The parent	Sales	THB 169,615	13%	30-60 days	-	-	-	-	0%	(Note)
Evergreen Shipping Agency (Thailand) Co., Ltd	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Sales	THB 631,803	48%	30-60 days	-	-	-	-	0%	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	THB 255,574	19%	30-60 days	-	-	-	THB 11,072	2%	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	THB 192,693	15%	30-60 days	-	-	-	-	0%	(Note)
	Evergreen Marine Corp.	The parent	Sales	MYR 32,021	16%	30-60 days	-	-	-	-	0%	(Note)
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	MYR 16,856	8%	30-60 days	-	-	-	-	0%	(Note)
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Sales	MYR 94,156	46%	30-60 days	-	-	-	-	0%	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	MYR 31,059	15%	30-60 days	-	-	-	MYR 1,082	2%	
	Evergreen Marine Corp.	The parent	Sales	JPY 1,065,554	14%	30-60 days	-	-	-	-	0%	(Note)
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Sales	JPY 3,675,785	47%	30-60 days	-	-	-	-	0%	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	JPY 1,317,021	17%	30-60 days	-	-	-	JPY 1,600	0%	
Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	JPY 752,590	10%	30-60 days	-	-	-	-	0%	(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 Shipping Agency (Vietnam) Corp.	Evergreen Marine Corp.	The parent	Sales	VND 261,792,417	18%	30-60 days	\$ -	-	\$ -	0%	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	VND 246,823,268	17%	30-60 days	-	-	VND 6,481,340	2%	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	VND 143,419,715	10%	30-60 days	-	-	-	0%	(Note)
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Sales	VND 810,448,904	57%	30-60 days	-	-	-	0%	(Note)
Evergreen Shipping Agency (Korea) Corp.	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	KRW 5,243,930	21%	30-60 days	-	-	KRW 134,688	1%	
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Sales	KRW 13,053,019	52%	30-60 days	-	-	-	0%	(Note)
Evergreen Shipping Agency (India) Private Ltd.	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	INR 468,682	25%	30-60 days	-	-	-	0%	
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Sales	INR 947,075	50%	30-60 days	-	-	-	0%	(Note)
Evergreen Shipping (Spain) S.L.	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	EUR 4,796	19%	30-60 days	-	-	EUR 180	2%	
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Sales	EUR 5,416	21%	30-60 days	-	-	-	0%	(Note)
Evergreen Shipping Agency (Australia) Pty. Ltd.	Italia Marittima S.p.A.	Investee of Balsam Investment (Netherlands) N.V.	Sales	AUD 5,704	28%	30-60 days	-	-	AUD 349	6%	
Evergreen Shipping Agency (China) Co., Ltd.	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	CNY 332,204	99%	30-60 days	-	-	CNY 102,315	100%	(Note)
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Sales	EUR 6,462	31%	30-60 days	-	-	-	0%	(Note)
Evergreen Shipping Agency (Italy) S.p.A.	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	EUR 7,487	35%	30-60 days	-	-	EUR 198	2%	
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	ZAR 69,240	49%	30-60 days	-	-	-	0%	
Evergreen Agency (South Africa) (Pty) Ltd.	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	PHP 202,990	25%	30-60 days	-	-	-	0%	(Note)
	Evergreen Marine Corp.	The parent	Sales	PHP 393,389	49%	30-60 days	-	-	-	0%	(Note)
Evergreen Shipping Agency Philippines Corporation	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Sales	MXN 88,123	25%	30-60 days	-	-	-	0%	(Note)
	Evergreen Marine Corp.	The parent	Sales	MXN 115,135	33%	30-60 days	-	-	-	0%	(Note)
Evergreen Shipping Agency Mexico S.A de C.V.	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Sales	MXN 68,146	20%	30-60 days	-	-	MXN 13,827	85%	
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	ARS 608,602	26%	30-60 days	-	-	-	0%	(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 Shipping Agency (Colombia) S.A.S	Evergreen Marine Corp.	The parent	Sales	COP 14,530,492	22%	30-60 days	\$ -	-	-	0%	(Note)
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Sales	COP 15,288,261	23%	30-60 days	-	-	-	0%	(Note)
Evergreen Shipping Agency (Brazil) Ltd.	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Sales	BRL 30,645	47%	30-60 days	-	-	-	0%	(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, 2022

Table 6

Expressed in thousands of TWD/thousands of foreign currency

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2022 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts	Footnote
					Amount	Action taken			
Evergreen Marine Corporation	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary	\$ 238,968	-	\$ -	-	\$ 238,968	-	Note
Taiwan Terminal Services Co., Ltd.	Evergreen Marine Corp.	The parent	110,931	-	-	-	110,931	-	Note
Peony Investment S.A.	Clove Holding Ltd.	Subsidiary	USD 7,713	-	-	-	USD 7,713	-	Note
Peony Investment S.A.	Colon Container Terminal S.A.	Associates	USD 20,642	-	-	-	USD 20,642	-	
Everport Terminal Services Inc.	Evergreen Shipping Agency (America) Corporation	Other related parties	USD 44,226	-	-	-	USD 42,252	-	
Evergreen Marine (Hong Kong) Ltd.	Colon Container Terminal S.A.	Associates	USD 4,645	-	-	-	USD 4,645	-	
Evergreen Shipping Agency (China) Co., Ltd.	Evergreen Marine (Hong Kong) Ltd.	Subsidiary	CNY 102,315	-	-	-	CNY 102,315	-	Note

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, 2022

Expressed in thousands of TWD

Table 7

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	\$ 891,786	Note 4	0.14	
0	Evergreen Marine Corporation	Taiwan Terminal Services Co., Ltd.	1	Accounts Payable	110,679	"	0.01	
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	1	Operating cost	525,503	"	0.08	
0	Evergreen Marine Corporation	Evergreen Marine (Asia) Pte. Ltd.	1	Operating cost	2,501,930	"	0.40	
0	Evergreen Marine Corporation	Evergreen Marine (Asia) Pte. Ltd.	1	Operating revenue	6,432,496	"	1.03	
0	Evergreen Marine Corporation	Evergreen Marine (Asia) Pte. Ltd.	1	Shipowner's account - credit	747,258	"	0.08	
0	Evergreen Marine Corporation	Evergreen Marine (Asia) Pte. Ltd.	1	Accounts Receivable	238,968	"	0.03	
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	1	Operating revenue	1,640,345	"	0.26	
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	1	Operating cost	3,926,145	"	0.63	
0	Evergreen Marine Corporation	Everport Terminal Services Inc.	1	Operating cost	1,728,686	"	0.28	
0	Evergreen Marine Corporation	Evergreen Shipping Agency (Europe) GmbH	1	Operating cost	237,503	"	0.04	
0	Evergreen Marine Corporation	Evergreen Shipping Agency (Vietnam) Corp.	1	Operating cost	332,980	"	0.05	
0	Evergreen Marine Corporation	Evergreen Marine Corp. (Malaysia) SDN BHD	1	Operating cost	216,573	"	0.03	
0	Evergreen Marine Corporation	Evergreen Shipping Agency (Thailand) Co., Ltd.	1	Operating cost	143,972	"	0.02	
0	Evergreen Marine Corporation	Evergreen Shipping Agency Mexico S.A de C.V.	1	Operating cost	130,559	"	0.02	
0	Evergreen Marine Corporation	Evergreen Shipping Agency (Colombia) S.A.S	1	Operating cost	101,387	"	0.02	
0	Evergreen Marine Corporation	Evergreen Shipping Agency Philippines Corporation	1	Operating cost	110,791	"	0.02	
0	Evergreen Marine Corporation	Evergreen Shipping Agency (Japan) Corporation	1	Operating cost	240,887	"	0.04	
1	Greencompass Marine S.A.	Evergreen Marine (Asia) Pte. Ltd.	3	Operating revenue	12,804,626	"	2.04	
2	Evergreen Marine (Asia) Pte. Ltd.	Evergreen Marine (Hong Kong) Ltd.	3	Operating cost	16,251,207	"	2.59	
2	Evergreen Marine (Asia) Pte. Ltd.	Evergreen Shipping Agency (Colombia) S.A.S	3	Operating cost	106,674	"	0.02	
2	Evergreen Marine (Asia) Pte. Ltd.	Evergreen Marine (UK) Limited	3	Operating cost	4,884,543	"	0.78	
2	Evergreen Marine (Asia) Pte. Ltd.	Evergreen Shipping Agency (India) Pvt. Ltd.	3	Operating cost	358,701	"	0.06	
2	Evergreen Marine (Asia) Pte. Ltd.	Evergreen Shipping Agency (Thailand) Co., Ltd.	3	Operating cost	536,283	"	0.09	

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 (Asia) Pte. Ltd.	Evergreen Shipping Agency (Europe) GmbH	3	Operating cost	\$ 875,873	Note 4	0.14
2	Evergreen Marine (Asia) Pte. Ltd.	Evergreen Shipping Agency (Vietnam) Corp.	3	Operating cost	1,030,830	"	0.16
2	Evergreen Marine (Asia) Pte. Ltd.	Everport Terminal Services Inc.	3	Operating cost	6,968,730	"	1.11
2	Evergreen Marine (Asia) Pte. Ltd.	Evergreen Shipping Agency (Japan) Corporation	3	Operating cost	830,974	"	0.13
2	Evergreen Marine (Asia) Pte. Ltd.	Evergreen Marine Corp. (Malaysia) SDN BHD	3	Operating cost	636,823	"	0.10
2	Evergreen Marine (Asia) Pte. Ltd.	Evergreen Shipping Agency Mexico S.A de C.V.	3	Operating cost	170,579	"	0.03
2	Evergreen Marine (Asia) Pte. Ltd.	Evergreen Shipping Agency (Argentina) S.A.	3	Operating cost	138,200	"	0.02
2	Evergreen Marine (Asia) Pte. Ltd.	Evergreen Shipping (Spain) S.L.	3	Operating cost	169,402	"	0.03
2	Evergreen Marine (Asia) Pte. Ltd.	Evergreen Shipping Agency (Brazil) S.A.	3	Operating cost	176,674	"	0.03
2	Evergreen Marine (Asia) Pte. Ltd.	Evergreen Shipping Agency (Argentina) S.A.	3	Agency's account - debit	130,909	"	0.01
2	Evergreen Marine (Asia) Pte. Ltd.	Unigreen Marine S.A.	3	Agency's account - debit	448,804	"	0.05
2	Evergreen Marine (Asia) Pte. Ltd.	Evergreen Shipping Agency (Europe) GmbH	3	Agency's account - credit	333,797	"	0.04
2	Evergreen Marine (Asia) Pte. Ltd.	Evergreen Shipping Agency (Japan) Corporation	3	Agency's account - credit	128,647	"	0.01
2	Evergreen Marine (Asia) Pte. Ltd.	Evergreen Shipping Agency (Korea) Corporation	3	Operating cost	300,613	"	0.05
2	Evergreen Marine (Asia) Pte. Ltd.	Evergreen Shipping Agency (Italy) S.p.A.	3	Operating cost	202,141	"	0.03
2	Evergreen Marine (Asia) Pte. Ltd.	Evergreen Shipping Agency (Philippines) Corporation	3	Operating cost	214,711	"	0.03
3	Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine (UK) Limited	3	Operating cost	337,355	"	0.05
3	Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine (Asia) Pte. Ltd.	3	Operating cost	400,938	"	0.06
3	Evergreen Marine (Hong Kong) Ltd.	Evergreen Shipping Agency (Thailand) Co., Ltd.	3	Operating cost	163,560	"	0.03
3	Evergreen Marine (Hong Kong) Ltd.	Everport Terminal Services Inc.	3	Operating cost	1,085,825	"	0.17
3	Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine Corp. (Malaysia) SDN BHD	3	Operating cost	114,006	"	0.02
3	Evergreen Marine (Hong Kong) Ltd.	Evergreen Shipping Agency (China) Co., Ltd.	3	Operating cost	1,468,817	"	0.23
3	Evergreen Marine (Hong Kong) Ltd.	Evergreen Shipping Agency (China) Co., Ltd.	3	Accounts Payable	449,513	"	0.05
3	Evergreen Marine (Hong Kong) Ltd.	Evergreen Shipping Agency (Vietnam) Corp.	3	Operating cost	182,419	"	0.03
3	Evergreen Marine (Hong Kong) Ltd.	Evergreen Shipping Agency (Japan) Corporation	3	Operating cost	170,136	"	0.03

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	
4	Peony Investment S.A.	Clove Holding Ltd.	3	Other receivables	235,974	Note 4	0.03

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.

Evergreen Marine Corporation (Taiwan) Ltd.
Information on investees (not including investee company of Mainland China)
For the year ended December 31, 2022

Expressed in thousands of shares/thousands of TWD

Table 8

Investor	Investee (Note 1 - Note 2)	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2022			Net profit (loss) of the investee For the year ended December 31, 2022 (Note 2(2))	Investment income (loss) recognised by the Company For the year ended December 31, 2022 (Note 2(3))	Footnote	
				Balance as of December 31, 2022	Balance as of December 31, 2021	Number of shares	Ownership (%)	Book value				
Evergreen Marine Corporation	Peony Investment S.A.	Republic of Panama	Investment activities	\$ 14,578,518	\$ 14,578,518	4,765	100.00	\$ 78,600,454	\$ 13,343,970	\$ 13,089,620	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	84,137	35,359	19,447	" (Note)	
	Everport Terminal Services Inc.	U.S.A	Terminal services	3,060	3,060	1	94.43	4,358,902	931,750	879,840	" (Note)	
	Evergreen Marine (Hong Kong) Ltd.	Hong Kong	Marine transportation and shipping agency	6,405,063	6,405,063	6,320	79.00	57,078,652	50,133,756	38,056,530	" (Note)	
	Evergreen Shipping Agency (Israel) Ltd.	Israel	Shipping agency	9,235	9,235	1,062	59.00	47,549	131,528	77,601	" (Note)	
	Evergreen Marine (Asia) Pte. Ltd.	Singapore	Marine transportation	1,529,750	1,529,750	50,000	100.00	233,475,369	257,812,284	257,847,333	" (Note)	
	Chang Yang Development Co., Ltd.	Taiwan	Development, rental, sale of residential and commercial buildings	320,000	320,000	58,542	40.00	567,589	162,551	65,021	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	11,744,176	3,526,415	1,433,569	"	
	Evergreen Security Corporation	Taiwan	General security guards services	217,037	25,000	12,622	62.25	357,910	39,307	19,191	Subsidiary of the Company (Note)	
	EVA Airways Corporation	Taiwan	International passengers and cargo transportation	11,276,823	11,276,823	776,541	14.49	12,758,113	7,091,299	1,053,199	Investee accounted for using equity method	
	Taipei Port Container Terminal Corporation	Taiwan	Container distribution and cargo stevedoring	1,446,196	1,446,196	144,799	27.85	1,801,637	385,282	107,286	"	
	Ever Ecove Corporation	Taiwan	Waste treatment and combined heat and power	305,000	305,000	30,500	19.06	353,548	283,191	53,983	"	
	VIP Greenport Joint Stock Company	Vietnam	Terminal services	178,750	178,750	13,750	21.74	326,743	316,095	68,716	"	
	Evergreen Steel Corp.	Taiwan	Repairment of containers, Rolled steel, Manufacturing, processing, repairing and trading of steel structures - trailers and components	3,819,754	-	79,248	19.00	4,167,120	2,594,676	76,273	"	
	Peony Investment S.A.	Clove Holding Ltd.	British Virgin Islands	Investment holding company	1,607,745	1,607,745	10	100.00	3,338,543	281,842	281,842	Indirect subsidiary of the Company (Note)
	Evergreen Shipping Agency (Europe) GmbH	Germany	Shipping agency	254,428	254,428	-	100.00	480,677	24,779	24,779	" (Note)	
	Evergreen Shipping Agency (Korea) Corporation	South Korea	Shipping agency	74,223	74,223	121	100.00	165,981	328,338	328,338	" (Note)	
Greencompass Marine S.A.	Republic of Panama	Marine transportation	10,815,333	10,815,333	3,535	100.00	36,920,734	1,825,239	1,825,239	" (Note)		

Investor	Investee (Note 1 - Note 2)	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2022			Net profit (loss) of the investee For the year ended December 31, 2022 (Note 2(2))	Investment income (loss) recognised by the Company For the year ended December 31, 2022 (Note 2(3))	Footnote
				Balance as of December 31, 2022	Balance as of December 31, 2021	Number of shares	Ownership (%)	Book value			
Peony Investment S.A.	Evergreen Shipping Agency (India) Pvt. Ltd.	India	Shipping agency	\$ 36,001	\$ 36,001	\$ 100	99.999	\$ 175,160	\$ 435,322	\$ 435,318	Indirect subsidiary of the Company (Note)
	Evergreen Argentina S.A.	Argentina	Leasing	4,283	4,283	150	95.00	31,373	(6,799)	(6,459)	" (Note)
	PT. Multi Bina Pura Internasional	Indonesia	Loading and discharging operations of container yards and inland transportation	260,851	260,851	18	95.03	500,465	92,367	87,776	" (Note)
	PT. Multi Bina Transport	Indonesia	Container repair, cleaning and inland transportation	24,607	24,607	2	17.39	12,775	(5,156)	(897)	" (Note)
	Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Malaysia	Container manufacturing	835,086	835,086	42,120	84.44	1,267,545	188,099	158,830	" (Note)
	Evergreen Shipping (Spain) S.L.	Spain	Shipping agency	206,373	206,373	6	100.00	255,398	285,184	285,184	" (Note)
	Evergreen Shipping Agency (Italy) S.p.A.	Italy	Shipping agency	71,959	71,959	0.55	55.00	191,956	258,197	142,008	" (Note)
	Evergreen Marine (UK) Limited	U.K	Marine transportation	4,102,870	4,102,870	765	51.00	14,862,865	2,448,801	1,248,889	" (Note)
	Evergreen Shipping Agency (Australia) Pty. Ltd.	Australia	Shipping agency	52,268	52,268	1	100.00	249,881	235,606	235,606	" (Note)
	Evergreen Shipping Agency (Russia) Ltd.	Russia	Shipping agency	25,945	25,945	-	51.00	41,120	83,941	42,810	" (Note)
	Evergreen Shipping Agency (Thailand) Co., Ltd.	Thailand	Shipping agency	68,625	68,625	680	85.00	254,354	651,256	553,567	" (Note)
	Evergreen Agency (South Africa) (Pty) Ltd.	South Africa	Shipping agency	17,776	17,776	5,500	55.00	67,312	91,769	50,473	" (Note)
	Evergreen Shipping Agency (Vietnam) Corp.	Vietnam	Shipping agency	37,662	37,662	-	100.00	1,356,353	1,306,044	1,306,044	" (Note)
	PT. Evergreen Shipping Agency Indonesia	Indonesia	Shipping agency	29,769	29,769	0.441	49.00	324,065	480,661	235,524	Investee company of Peony accounted for using equity method
	Lunatta Investment (Netherlands) N.V.	Curacao	Investment holding company	1,454,464	1,454,464	460	50.00	837,618	99,710	49,855	"
	Balsam Investment (Netherlands) N.V.	Curacao	Investment holding company	12,779,116	12,779,116	0.451	49.00	6,294,924	10,793,348	5,288,741	"
	Evergreen Shipping Agency Co. (U.A.E.) LLC	United Arab Emirates	Shipping agency	63,699	63,699	-	49.00	119,237	341,738	167,452	"
	Greenpan Properties Sdn. Bhd.	Malaysia	Renting estate and storehouse company	13,035	13,035	1,500	30.00	(19,745)	3,855	1,156	"

Investor	Investee (Note 1 - Note 2)	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2022			Net profit (loss) of the investee For the year ended December 31, 2022 (Note 2(2))	Investment income (loss) recognised by the Company For the year ended December 31, 2022 (Note 2(3))	Footnote
				Balance as of December 31, 2022	Balance as of December 31, 2021	Number of shares	Ownership (%)	Book value			
Peony Investment S.A.	Evergreen Marine Corp. (Malaysia) SDN.BHD.	Malaysia	Shipping agency	\$ 288,027	\$ 288,027	500	100.00	\$ 370,466	\$ 746,779	Indirect subsidiary of the Company (Note)	
	Evergreen Marine (Hong Kong) Ltd.	Hong Kong	Marine transportation and shipping agency	81,077	81,077	80	1.00	741,568	500,285	Subsidiary of the Company (Note)	
Clove Holding Ltd.	Is Depot Services Snd. Bhd.	Malaysia	Depot services	34,083	34,083	286	28.65	71,492	5,664	Investee company of Peony accounted for using equity method	
	Colon Container Terminal, S.A.	Republic of Panama	Inland container storage and loading	699,402	699,402	22,860	40.00	3,065,149	242,508	Investee company of Clove Holding Ltd. accounted for using equity method	
Everport Terminal Services Inc.	Everport Terminal Services Inc.	U.S.A	Terminal services	198,988	198,988	0.059	5.57	416,836	51,911	Indirect subsidiary of the Company (Note)	
	Whitney Equipment LLC.	U.S.A	Equipment Leasing Company	6,119	6,119	-	100.00	366,134	58,165	" (Note)	
PT. Multi Bina Pura International	PT. Multi Bina Transport	Indonesia	Container repair cleaning and inland transportation	101,007	101,007	7.55	72.95	53,592	(3,761)	" (Note)	
	Colon Container Terminal S.A.	Republic of Panama	Inland container storage and loading	477,282	477,282	5,144	9.00	710,093	54,563	Investee company of Evergreen Marine (Hong Kong) Limited accounted for using equity method	
Evergreen Marine (Hong Kong) Limited	Evergreen Marine (Latin America), S.A.	Republic of Panama	Management consultancy	19,934	19,934	600	100.00	19,968	1,569	Indirect subsidiary of the Company (Note)	
	Evergreen Shipping Service (Cambodia) Co., Ltd.	Cambodia	Shipping agency	6,119	6,119	200	100.00	79,989	72,499	" (Note)	
	Evergreen Shipping Agency (Peru) S.A.C.	Peru	Shipping agency	8,493	8,493	900	60.00	87,945	160,809	" (Note)	
	Evergreen Shipping Agency (Colombia) S.A.S	Colombia	Shipping agency	10,740	10,740	80	75.00	75,280	178,408	" (Note)	
	Evergreen Shipping Agency Mexico S.A. de C.V.	Mexico	Shipping agency	7,013	7,013	44	60.00	188,634	170,238	" (Note)	
	Evergreen Shipping Agency (Chile) SPA.	Chile	Shipping agency	9,754	9,754	2	60.00	43,786	92,303	" (Note)	
	Evergreen Shipping Agency (Greece) Societe Anonyme.	Greece	Shipping agency	8,269	8,269	2	60.00	147,509	109,911	" (Note)	
	Evergreen Shipping Agency (Israel) Ltd.	Israel	Shipping agency	156	156	18	1.00	806	1,315	" (Note)	
	Evergreen Shipping Agency (Brazil) Ltd.	Brazil	Shipping agency	7,568	7,568	120	60.00	80,000	140,572	" (Note)	

Investor	Investee (Note 1 - Note 2)	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2022			Net profit (loss) of the investee For the year ended December 31, 2022 (Note 2(2))	Investment income (loss) recognised by the Company For the year ended December 31, 2022 (Note 2(3))	Footnote
				Balance as of December 31, 2022	Balance as of December 31, 2021	Number of shares	Ownership (%)	Book value			
Evergreen Marine (Hong Kong) Limited	Evergreen Shipping Agency Lanka (Private) Ltd.	Sri Lanka	Shipping agency	\$ 3,708	\$ 3,708	2,160	40.00	\$ 3,524	\$ 70,124	28,050	Investee company of Evergreen Marine (Hong Kong) Limited accounted for using equity method
	Evergreen Shipping Agency Philippines Corporation	Philippines	Shipping agency	150,767	150,767	10,000	100.00	237,461	261,097	261,097	Indirect subsidiary of the Company (Note)
	Evergreen Shipping Agency (Argentina) S.A.	Argentina	Shipping agency	2,936	2,936	9,000	60.00	148,997	285,309	171,185	" (Note)
	Unigreen Marine, S.A.	Republic of Panama	Shipping agency	14,705	14,705	3	100.00	59,259	89,871	89,871	" (Note)
	Evergreen Shipping Agency Saudi Co. (L.L.C.)	Saudi Arabia	Shipping agency	18,612	18,612	180	60.00	63,851	138,268	82,961	" (Note)
	Evergreen Shipping Agency (Turkey) Corporation	Turkey	Shipping agency	5,398	2,015	24	60.00	99,925	175,556	105,334	" (Note)
	Evergreen Shipping Agency (Japan) Corporation	Japan	Shipping agency	475,277	-	90	100.00	1,380,481	927,551	927,551	" (Note)
	EVERGREEN-SHIPPING AGENCY (ECUADOR) S.A. (ECCU)	Ecuador	Shipping agency	5,507	-	180	60.00	17,862	20,054	12,032	" (Note)
	Evergreen Business Process Inc.	U.S.A	Computer system services and terminal logistics	61,190	-	2,000	100.00	77,472	15,857	15,857	" (Note)
	Evergreen International Myanmar Co., Ltd.	Myanmar	Shipping agency	2,337	-	105	70.00	2,337	44,578	-	" (Note)

Note: 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, 2022' 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, 2022' 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, 2022' 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, 2022

Expressed in thousands of TWD

Table 9

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to January 1, 2022	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income (loss) of the investee for the year ended December 31, 2022	Ownership held by the Company (direct or indirect (%))	Investment income (loss) recognised by the Company for the year ended December 31, 2022 (Note 2(2)B)	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Ningbo Victory Container Co., Ltd.	Inland container transportation, container storage, loading, discharging, repair and related activities	\$ 549,061	(2)	\$ 219,106	\$ -	\$ -	\$ 219,106	\$ 63,657	40.00	\$ 25,208	\$ 335,058	\$ -	
Qingdao Evergreen Container Storage & Transportation Co., Ltd.	Inland container transportation, storage, loading, discharging, repair, cleaning and related activities	186,720	(2)	43,348	-	-	43,348	187,557	40.00	75,023	168,061	-	
Kingtrans Intl Logistics (Tianjin) Co., Ltd.	Inland container transportation, storage, loading, discharging, repair, cleaning and related activities	342,375	(2)	289,590	-	-	289,590	68,334	46.20	31,571	228,229	-	(Note)
Ever Shine (Shanghai) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	1,908,829	(2)	2,492,280	-	-	2,492,280	(14,919)	80.00	(85,073)	3,019,978	-	(Note)
Ever Shine (Ningbo) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	188,916	(2)	275,719	-	-	275,719	878	80.00	759	150,941	-	(Note)
Ever Shine (Shenzhen) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	269,520	(2)	479,745	-	-	479,745	3,563	80.00	(5,295)	389,297	-	(Note)
Ever Shine (Qingdao) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	218,528	(2)	391,077	-	-	391,077	32	80.00	(2,711)	245,171	-	(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, 2022	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income (loss) of the investee for the year ended December 31, 2022	Ownership held by the Company (direct or indirect) (%)	Investment income (loss) recognised by the Company for the year ended December 31, 2022 (Note 2(2)B)	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Evergreen Shipping Agency (China) Co., Ltd.	Agency services dealing with port formalities	\$ 30,126	(2)	\$ 90,556	\$ -	\$ -	\$ 90,556	\$ 75,705	52.00	\$ 15,456	\$ 41,645	\$ -	(Note)

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	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 Corporation	\$ 4,281,421	\$ 4,868,796	\$ 349,530,021

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, 2022' 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, 2022

Table 10

Name of major shareholders	Shares	
	Name of shares held	Ownership (%)
Evergreen International S.A.(EIS)	156,714,726	7.40%
Chang, Kuo-Hua	63,938,462	3.02%
Cathy united bank is entrusted by Chang, Kuo-Hua trust property account	63,920,000	3.02%

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.

VI. 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, 2022 and 2021, 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 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, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect 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 Standards on Auditing of 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 is 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.

Key audit matters for the parent company only financial statements for the year ended December 31,2022 are stated as follows:

Accuracy and cut-off of freight revenue

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(23) for details of sales revenue, Note 6(8) for details of investments accounted for using equity method, and Table 7 for information on investees accounted for using equity method.

The Company, its directly held subsidiaries, Peony Investment S.A. and Evergreen Marine (Asia) Pte. Ltd., which are recognised in investments accounted for using equity method, and its 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, considering the number of days delayed in shipping routes due to port congestion 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 audits of other 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\$ 53,183,389 thousand and NT\$ 39,219,549 thousand, constituting 8.13% and 9.57% of the total assets as of December 31, 2022 and

2021, 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\$ 7,365,951 thousand and NT\$ 14,169,123 thousand, constituting 2.09% and 5.94% of the total comprehensive income (loss) as of December 31, 2022 and 2021, 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 Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect 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 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgement and 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.

Lai, Chung-Hsi

Chou, Hsiao-Tzu

For and on behalf of PricewaterhouseCoopers, Taiwan

March 14, 2023

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, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2022		December 31, 2021	
		AMOUNT	%	AMOUNT	%
Current assets					
Cash and cash equivalents	6(1)	\$ 126,835,759	19	\$ 19,310,785	5
Financial assets at fair value through profit or loss - current		-	-	44,999	-
Current financial assets at amortised cost	6(3)	9,791,047	2	20,500,935	5
Current financial assets for hedging	6(4)	6,543,287	1	23,026,075	6
Current contract assets	6(23)	179,682	-	988,691	-
Notes receivable - net	6(5)	3,066	-	136	-
Accounts receivable - net	6(5)	4,607,879	1	6,089,641	1
Accounts receivable, net - related parties	6(5) and 7	476,350	-	98,507	-
Other receivables		256,867	-	86,517	-
Other receivables - related parties	7	35,270	-	45,212	-
Current income tax assets		-	-	29,012	-
Inventories	6(6)	1,473,262	-	916,874	-
Prepayments		342,809	-	261,555	-
Other current assets	6(7) and 7	2,492,147	-	2,252,589	1
Current Assets		153,037,425	23	73,651,528	18
Non-current assets					
Non-current financial assets at fair value through other comprehensive income	6(2)	1,030,843	-	1,625,940	-
Non-current financial assets at amortised cost	6(3) and 8	295,918	-	261,315	-
Non-current financial assets for hedging	6(4)	1,918,021	-	1,488,664	-
Investments accounted for using equity method	6(8) and 7	405,702,461	62	262,139,567	64
Property, plant and equipment - net	6(9), 7 and 8	65,146,023	10	43,790,376	11
Right-of-use assets	6(10) and 7	17,047,039	3	18,829,781	5
Investment property - net	6(12) and 8	699,052	-	1,810,503	1
Intangible assets		19,701	-	8,810	-
Deferred income tax assets	6(31)	436,326	-	450,314	-
Other non-current assets	6(13) and 7	9,143,921	2	5,862,948	1
Non-current assets		501,439,305	77	336,268,218	82
Total assets		\$ 654,476,730	100	\$ 409,919,746	100

(Continued)

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2022		December 31, 2021	
		AMOUNT	%	AMOUNT	%
Current liabilities					
Financial liabilities at fair value through profit or loss - current		\$ 10,460	-	\$ -	-
Current financial liabilities for hedging	6(10) and 7	1,821,342	-	1,031,678	-
Current contract liabilities	6(23)	1,431,570	-	3,304,976	1
Accounts payable		9,253,310	2	5,641,233	1
Accounts payable - related parties	7	351,602	-	149,973	-
Other payables		4,299,953	1	4,640,530	1
Other payables - related parties	7	96,166	-	28,687	-
Current income tax liabilities		52,948,536	8	8,136,437	2
Current lease liabilities	6(10) and 7	372,822	-	1,109,676	-
Other current liabilities	6(14)(15)(16) and 7	4,298,544	1	10,186,929	3
Current Liabilities		<u>74,884,305</u>	<u>12</u>	<u>34,230,119</u>	<u>8</u>
Non-current liabilities					
Non-current financial liabilities for hedging	6(10) and 7	15,054,334	2	10,477,195	3
Corporate bonds payable	6(15)	4,806,154	1	6,772,950	2
Long-term loans	6(16)	3,831,442	1	14,008,465	3
Non-current provisions		5,353	-	4,839	-
Deferred income tax liabilities	6(31)	1,566,307	-	10,593,057	3
Non-current lease liabilities	6(10) and 7	97,164	-	4,931,430	1
Other non-current liabilities	6(17)(18)	2,017,642	-	2,117,155	-
Non-current liabilities		<u>27,378,396</u>	<u>4</u>	<u>48,905,091</u>	<u>12</u>
Total Liabilities		<u>102,262,701</u>	<u>16</u>	<u>83,135,210</u>	<u>20</u>
Equity					
Capital					
Common stock	6(19)	21,164,201	3	52,908,484	13
Capital surplus					
Capital surplus	6(20)	15,968,043	3	15,762,185	4
Retained earnings					
Legal reserve	6(21)	32,019,129	5	8,122,482	2
Special reserve		1,145,770	-	581,406	-
Unappropriated retained earnings		465,562,042	71	250,555,749	61
Other equity interest					
Other equity interest	6(22)	16,354,844	2	(1,145,770)	-
Total equity		<u>552,214,029</u>	<u>84</u>	<u>326,784,536</u>	<u>80</u>
Significant Contingent Liabilities And Unrecognised Contract Commitments	9				
Significant Events After The Balance Sheet Date	11				
Total liabilities and equity		<u>\$ 654,476,730</u>	<u>100</u>	<u>\$ 409,919,746</u>	<u>100</u>

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, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Items	Notes	Year ended December 31			
		2022		2021	
		AMOUNT	%	AMOUNT	%
Operating revenue	6(23) and 7	\$ 123,069,839	100	\$ 93,885,535	100
Operating costs	6(29)(30) and 7	(52,988,282)	(43)	(43,137,123)	(46)
Gross profit		<u>70,081,557</u>	<u>57</u>	<u>50,748,412</u>	<u>54</u>
Operating expenses	6(29)(30) and 7				
Selling expenses		(3,374,315)	(3)	(1,984,683)	(2)
General and administrative expenses		(11,120,354)	(9)	(7,230,364)	(8)
Expected credit (losses) gains	12(2)	(68)	-	126	-
Total operating expenses		(14,494,737)	(12)	(9,214,921)	(10)
Other gains - net	6(24) and 7	<u>178,489</u>	-	<u>1,837</u>	-
Operating profit		<u>55,765,309</u>	<u>45</u>	<u>41,531,654</u>	<u>44</u>
Non-operating income and expenses					
Interest income	6(25)	963,099	1	115,507	-
Other income	6(26)	269,957	-	292,399	-
Other gains and losses	6(27)	12,525,900	10	(42,476)	-
Finance costs	6(28) and 7	(604,059)	-	(789,354)	(1)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method		<u>312,847,608</u>	<u>254</u>	<u>218,272,441</u>	<u>233</u>
Total non-operating income and expenses		<u>326,002,505</u>	<u>265</u>	<u>217,848,517</u>	<u>232</u>
Profit before income tax		<u>381,767,814</u>	<u>310</u>	<u>259,380,171</u>	<u>276</u>
Income tax expense	6(31)	(47,567,153)	(39)	(20,365,311)	(21)
Profit for the year		<u>\$ 334,200,661</u>	<u>271</u>	<u>\$ 239,014,860</u>	<u>255</u>
Other comprehensive income (loss)					
Components of other comprehensive income that will not be reclassified to profit or loss					
Losses on remeasurements of defined benefit plans	6(18)	(\$ 36,144)	-	(\$ 69,115)	-
Unrealised gains (losses) on valuation of investments in equity instruments measured at fair value through other comprehensive income	6(2)(22)	(595,097)	(1)	313,582	-
Share of other comprehensive loss of associates and joint ventures accounted for using equity method, components of other comprehensive (loss) income that will not be reclassified to profit or loss		(376,870)	-	1,792,720	2
Income tax related to components of other comprehensive (loss) income that will not be reclassified to profit or loss		<u>5,872</u>	-	<u>15,679</u>	-
Components of other comprehensive (loss) income that will not be reclassified to profit or loss		(1,002,239)	(1)	2,052,866	2
Components of other comprehensive income that will be reclassified to profit or loss					
Other comprehensive income (loss), before tax, exchange differences on translation	6(22)	19,725,553	16	(2,346,629)	(3)
Gains (losses) on hedging instrument	6(4)(10)(22)	(359,174)	-	(42,909)	-
Share of other comprehensive loss of associates and joint ventures accounted for using equity method, components of other comprehensive (loss) income that will be reclassified to profit or loss	6(22)	(425,546)	-	(283,838)	-
Income tax relating to the components of other comprehensive income	6(22)	<u>67,547</u>	-	<u>7,757</u>	-
Components of other comprehensive income (loss) that will be reclassified to profit or loss		<u>19,008,380</u>	<u>16</u>	<u>(2,665,619)</u>	<u>(3)</u>
Other comprehensive income (loss) for the year		<u>\$ 18,006,141</u>	<u>15</u>	<u>(\$ 612,753)</u>	<u>(1)</u>
Total comprehensive income for the year		<u>\$ 352,206,802</u>	<u>286</u>	<u>\$ 238,402,107</u>	<u>254</u>
Basic earnings per share (in dollars)	6(32)				
Basic earnings per share		<u>\$ 87.07</u>		<u>\$ 45.57</u>	
Diluted earnings per share		<u>\$ 86.22</u>		<u>\$ 45.22</u>	

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, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Retained Earnings					Other equity interest			Total equity
		Common stock	Capital surplus	Legal reserve	Special 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	
Year 2021										
Balance at January 1, 2021		\$ 48,980,353	\$ 12,433,364	\$ 5,714,940	\$ -	\$ 27,734,460	(\$ 4,328,344)	\$ 1,864,774	\$ 1,862,164	\$ 94,281,711
Profit for the year	6(21)	-	-	-	-	239,014,860	-	-	-	239,014,860
Other comprehensive income (loss)	6(21)(22)	-	-	-	-	(90,912)	(2,404,662)	2,143,778	(260,957)	(612,753)
Total comprehensive income (loss)		-	-	-	-	238,923,948	(2,404,662)	2,143,778	(260,957)	238,402,107
Appropriation of 2020 earnings	6(21)	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	2,407,542	-	(2,407,542)	-	-	-	-
Special reserve		-	-	-	581,406	(581,406)	-	-	-	-
Cash dividends		-	-	-	-	(13,156,234)	-	-	-	(13,156,234)
Adjustments to share of changes in equity of subsidiaries, associates and joint ventures	6(20)(21)(22)	-	153,764	-	-	42,523	-	(42,523)	-	153,764
Other changes in capital surplus	6(20)	-	(62)	-	-	-	-	-	-	(62)
Due to recognition of equity component of Convertible Bonds	6(15)(20)	-	289,166	-	-	-	-	-	-	289,166
Conversion of Convertible Bonds	6(19)(20)	3,928,131	2,885,953	-	-	-	-	-	-	6,814,084
Balance at December 31, 2021		\$ 52,908,484	\$ 15,762,185	\$ 8,122,482	\$ 581,406	\$ 250,555,749	(\$ 6,733,006)	\$ 3,986,029	\$ 1,601,207	\$ 326,784,536
Year 2022										
Balance at January 1, 2022		\$ 52,908,484	\$ 15,762,185	\$ 8,122,482	\$ 581,406	\$ 250,555,749	(\$ 6,733,006)	\$ 3,986,029	\$ 1,601,207	\$ 326,784,536
Profit for the year	6(21)	-	-	-	-	334,200,661	-	-	-	334,200,661
Other comprehensive income (loss)	6(21)(22)	-	-	-	-	347,354	20,223,384	(1,349,593)	(1,215,004)	18,006,141
Total comprehensive income (loss)		-	-	-	-	334,548,015	20,223,384	(1,349,593)	(1,215,004)	352,206,802
Capital reduction	6(19)	(31,746,301)	-	-	-	-	-	-	-	(31,746,301)
Appropriation of 2021 earnings	6(21)	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	23,896,647	-	(23,896,647)	-	-	-	-
Special reserve		-	-	-	564,364	(564,364)	-	-	-	-
Cash dividends		-	-	-	-	(95,238,884)	-	-	-	(95,238,884)
Adjustments to share of changes in equity of subsidiaries, associates and joint ventures	6(20)(21)(22)	-	189,766	-	-	158,173	-	(158,173)	-	189,766
Other changes in capital surplus	6(20)	-	(20)	-	-	-	-	-	-	(20)
Conversion of Convertible Bonds	6(19)(20)	2,018	16,112	-	-	-	-	-	-	18,130
Balance at December 31, 2022		\$ 21,164,201	\$ 15,968,043	\$ 32,019,129	\$ 1,145,770	\$ 465,562,042	\$ 13,490,378	\$ 2,478,263	\$ 386,203	\$ 552,214,029

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, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 381,767,814	\$ 259,380,171
Adjustments			
Adjustments to reconcile profit (loss)			
Financial assets and liabilities at fair value through profit or loss	6(27)	55,510	(28,472)
Depreciation	6(27)(29)	6,771,304	5,378,873
Amortization	6(29)	24,526	22,051
Expected credit gain (loss)	12(2)	68	(126)
Interest expense	6(28)	604,059	789,354
Interest income	6(25)	(963,099)	(115,507)
Dividend income	6(26)	(91,473)	(69,198)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method		(312,847,608)	(218,272,441)
Loss on disposal of investments	6(27)	(33,605)	(11,191)
Gain from bargain purchase	6(26)	(2,516)	-
(Gains) losses arising from lease modification	6(27)	-	(3,802)
Net loss (gain) on disposal of property, plant and equipment	6(24)	(178,489)	1,837
Changes in operating assets and liabilities			
Changes in operating assets			
Current contract assets		809,009	(186,214)
Notes receivable		(2,931)	(107)
Accounts receivable		1,481,696	(2,813,798)
Accounts receivable - related parties		(377,844)	(29,457)
Other receivables		(52,443)	(39,825)
Other receivables - related parties		9,942	16,417
Inventories		(556,388)	(393,548)
Prepayments		(81,255)	(11,774)
Other current assets		(239,557)	758,645
Changes in operating liabilities			
Current contract liabilities		(1,873,405)	2,810,183
Accounts payable		3,612,077	711,308
Accounts payable - related parties		201,629	(160,815)
Other payables		1,121,677	1,154,994
Other payables - related parties		74,159	4,351
Other current liabilities		360,795	(915,692)
Other non-current liabilities		(142,637)	732,912
Cash inflow generated from operations		79,451,015	48,709,129
Interest received		845,192	97,278
Interest paid		(594,935)	(823,825)
Income tax paid		(11,664,696)	(3,864,698)
Net cash flows from operating activities		68,036,576	44,117,884

(Continued)

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease in financial assets at amortised cost		\$ 10,709,888	(\$ 16,329,725)
Decrease (increase) in financial assets at amortised cost-non-current		(34,603)	28,336
Increase in financial assets for hedging		-	(28,524,568)
Decrease in financial assets for hedging		17,081,743	3,691,280
Acquisition of investments accounted for using equity method		(4,011,791)	(1,385,000)
Acquisition of property, plant and equipment	6(33)	(16,918,146)	(3,526,200)
Proceeds from disposal of property, plant and equipment		217,556	6,300
Acquisition of intangible assets		(30,801)	(10,230)
Increase in other non-current assets	6(33)	(12,373,437)	(6,399,396)
Increase in guarantee deposits paid		(3,623)	(1,528)
Decrease in guarantee deposits paid		9,559	1,870
Cash dividends received		192,544,553	33,744,954
Net cash flows from (used in) investing activities		187,190,898	(18,703,907)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term loans		50,000	-
Decrease in short-term loans		(50,000)	-
Increase in long-term loans	6(34)	11,287,114	3,688,406
Decrease in long-term loans	6(34)	(25,713,318)	(15,820,554)
Increase in corporate bonds payable	6(34)	-	5,043,721
Decrease in corporate bonds payable	6(34)	(4,000,000)	(4,000,000)
Payments of lease liabilities	6(10)(34)	(2,298,586)	(2,422,007)
Increase in guarantee deposits received	6(34)	10,259	1,391
Decrease in guarantee deposits received	6(34)	(2,764)	(843)
Cash dividends paid		(95,238,884)	(13,156,234)
Capital reduction	6(19)	(31,746,301)	-
Other financing activities	6(20)	(20)	(62)
Net cash flows used in financing activities		(147,702,500)	(26,666,182)
Net increase (decrease) in cash and cash equivalents		107,524,974	(1,252,205)
Cash and cash equivalents at beginning of year		19,310,785	20,562,990
Cash and cash equivalents at end of year		\$ 126,835,759	\$ 19,310,785

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, 2022 AND 2021

(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 14, 2023.

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”) came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by FSC and became effective from 2022 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 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

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

(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 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

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 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.

B. Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'

The amendments require an entity to recognise deferred tax assets and liabilities on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

(3) 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 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
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

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 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 ~ 55 years
Loading and unloading equipment	5 ~ 20 years
Ships (Except for docking repair, ballast water, lashing gears equipment and scrubber)	8 ~ 25 years
Ships (Docking repair)	2 ~ 5 years
Ships (Ballast water, lashing gears equipment and scrubber)	6 ~10 years
Transportation equipment	6 ~ 10 years
Lease improvements	2.6 ~ 13 years
Other equipment	2 ~ 5 years

The above docking repair, ballast water, lashing gears equipment 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;
- (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 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 ~ 52.9 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., Evergreen Marine (Asia) Pte. Ltd. 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, 2022</u>	<u>December 31, 2021</u>
Cash on hand and petty cash	\$ 77,912	\$ 26,135
Checking accounts and demand deposits	5,197,102	6,540,523
Time deposits	121,560,745	12,744,127
	<u>\$ 126,835,759</u>	<u>\$ 19,310,785</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

Items	December 31, 2022	December 31, 2021
Non-current items:		
Listed (TSE and OTC) stocks	\$ 490,801	\$ 490,801
Unlisted stocks	91,058	91,058
	581,859	581,859
Valuation adjustment	448,984	1,044,081
	\$ 1,030,843	\$ 1,625,940

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 \$1,030,843 and \$1,625,940 at December 31, 2022 and 2021, 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, 2022	Year ended December 31, 2021
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ 595,097)	\$ 313,582
Income tax recognised in other comprehensive income	(\$ 1,357)	\$ 1,856
Cumulative gains reclassified to retained earnings due to derecognition	\$ -	\$ -
Dividend income recognised in profit or loss held at end of period	\$ 91,473	\$ 69,198

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

Items	December 31, 2022	December 31, 2021
Current items:		
Time deposits with maturity over three months	\$ 9,305,274	\$ 18,254,973
Restricted reserve account	485,773	2,195,962
Financial bonds	-	50,000
	\$ 9,791,047	\$ 20,500,935
Non-current items:		
Pledged time deposits	\$ 245,918	\$ 211,315
Financial bonds	50,000	50,000
	\$ 295,918	\$ 261,315

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

	Year ended December 31, 2022	Year ended December 31, 2021
Interest income	\$ 275,610	\$ 55,782

B. As at December 31, 2022 and 2021, 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 \$10,086,965 and \$20,762,250, 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).

E. The aforementioned restricted reserve account pertains to a bank account that was opened for specific purposes.

(4) Hedging financial assets

To hedge the impact of expected variable exchange rate risk arising from US dollar denominated equipment payable, the Company designated US dollar denominated restricted time deposits as the hedging instruments for hedging the highly probable foreign exchange variation of future US dollar denominated equipment payable 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 acquisition of property, plant and equipment when the hedged items are occurred. Details of relevant transactions are as follows:

	December 31, 2022		
Hedged items	Designated as hedging instruments	Contract period	Book value
Expected US dollar denominated equipment payable	US dollar denominated restricted time deposits	2021.7.27~2024.6.30	\$ 8,461,308

	December 31, 2021		
Hedged items	Designated as hedging instruments	Contract period	Book value
Expected US dollar denominated equipment payable	US dollar denominated restricted time deposits	2021.7.27~2023.4.30	\$ 24,514,739

A. Time deposits designated as hedges (recorded as financial assets for hedging)

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash flow hedges:		
<u>Exchange rate risk</u>		
Time deposits designated as hedges		
Current assets	\$ 6,543,287	\$ 23,026,075
Non-current assets	<u>1,918,021</u>	<u>1,488,664</u>
	<u>\$ 8,461,308</u>	<u>\$ 24,514,739</u>

B. Other equity - cash flow hedge reserve

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
At January 1	(\$ 314,473)	\$ -
(Less)Add : Reclassified to property, plant and equipment as the hedged item has affected profit or loss	(673,696)	4,076
Add(Less) : Gain(Loss) on hedge effectiveness -amount recognised in other comprehensive income	<u>1,702,009</u>	<u>(318,549)</u>
At December 31	<u>\$ 713,840</u>	<u>(\$ 314,473)</u>

C. As of December 31, 2022, there were no ineffective portions to be recognised in profit or loss for the unwritten-off cash flow hedge transactions.

D. The above restricted time deposits designated as hedges pertain to an account that was used exclusively for specific purposes.

(5) Notes and accounts receivable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Notes receivable	\$ 3,066	\$ 136
Less: Allowance for bad debts	<u>-</u>	<u>-</u>
	<u>\$ 3,066</u>	<u>\$ 136</u>
Accounts receivable (including related parties)	\$ 5,084,297	\$ 6,188,148
Less: Allowance for bad debts	<u>(68)</u>	<u>-</u>
	<u>\$ 5,084,229</u>	<u>\$ 6,188,148</u>

A. The ageing analysis of accounts receivable (including overdue receivables) and notes receivable are as follows:

	<u>December 31, 2022</u>		<u>December 31, 2021</u>	
	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>
Not impaired	\$ 4,471,517	\$ 3,066	\$ 4,846,542	\$ 136
Up to 30 days	609,638	-	1,341,606	-
31 to 180 days	<u>3,142</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 5,084,297</u>	<u>\$ 3,066</u>	<u>\$ 6,188,148</u>	<u>\$ 136</u>

The above ageing analysis was based on past due date.

B. As of December 31, 2022, December 31, 2021 and January 1, 2021, the balances of receivables (including notes receivable) from contracts with customers amounted to \$5,087,295, \$6,188,284 and \$3,344,807, respectively.

C. The Company has no notes and accounts receivable held by the Company pledged to others.

D. As at December 31, 2022 and 2021, 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 \$3,066 and \$136, respectively; and the amount that best represents the Company's accounts receivable (including notes receivable) were \$5,087,295 and \$6,188,148, respectively.

E. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(6) Inventories

	<u>December 31, 2022</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Ship fuel	<u>\$ 1,473,262</u>	<u>\$ -</u>	<u>\$ 1,473,262</u>
	<u>December 31, 2021</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book value</u>
Ship fuel	<u>\$ 916,874</u>	<u>\$ -</u>	<u>\$ 916,874</u>

(7) Other current assets

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Shipowner's accounts	\$ 371,789	\$ 161,642
Agent accounts	538,229	1,314,729
Temporary debits	<u>1,582,129</u>	<u>776,218</u>
	<u>\$ 2,492,147</u>	<u>\$ 2,252,589</u>

A. Shipowner's accounts

Temporary accounts, between Evergreen Line, constituted by the Company, Evergreen International S.A., Evergreen Marine (Asia) Pte. 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

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.

(8) Investments accounted for using equity method

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subsidiary of the Company:		
Peony Investment S.A.	\$ 78,471,347	\$ 73,525,827
Evergreen Marine (Asia) Pte. Ltd.	233,475,369	89,347,158
Evergreen Marine (Hong Kong) Ltd.	57,078,652	69,185,247
Everport Terminal Services Inc.	4,358,902	3,108,885
Evergreen Shipping Agency (Israel) Ltd.	47,549	75,414
Taiwan Terminal Services Co., Ltd.	84,137	63,410
Evergreen Security Corporation	357,910	-
Associates of the Company:		
EVA Airways Corporation	12,758,113	12,812,215
Evergreen International Storage and Transport Corporation	11,853,845	11,073,547
Evergreen Steel Corporation	4,167,120	-
Taipei Port Container Terminal Corporation	1,801,637	1,694,351
Charng Yang Development Co., Ltd.	567,589	561,169
Evergreen Security Corporation	-	113,084
Ever Ecove Corporation	353,548	299,567
VIP Greenport Joint Stock Company	326,743	279,693
	<u>\$ 405,702,461</u>	<u>\$ 262,139,567</u>

A. The fair value of the Company's associates which have quoted market price was as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Evergreen International Storage and Transport Corporation	\$ 11,973,243	\$ 12,619,281
EVA Airways Corporation	21,859,632	21,704,324
Evergreen Steel Corporation	4,089,197	-
	<u>\$ 37,922,072</u>	<u>\$ 34,323,605</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, 2022.

(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, and the capital injection was completed on June 8, 2021. The company is primarily engaged in container shipping.

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, 2022	December 31, 2021		
Evergreen International Storage and Transport Corporation	TW	40.36%	40.36%	With a right over 20% to vote	Equity method
EVA Airways Corporation	TW	14.49%	15.11%	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, 2022	December 31, 2021
Current assets	\$ 11,037,247	\$ 11,651,185
Non-current assets	31,010,608	30,154,095
Current liabilities	(2,911,030)	(3,735,556)
Non-current liabilities	(9,316,302)	(10,338,771)
Total net assets	<u>\$ 29,820,523</u>	<u>\$ 27,730,953</u>
Share in associate's net assets	\$ 11,876,204	\$ 11,106,696
Unrealized income with affiliated companies	(22,349)	(33,149)
Carrying amount of the associate	<u>\$ 11,853,855</u>	<u>\$ 11,073,547</u>
	EVA Airways Corporation	
	December 31, 2022	December 31, 2021
Current assets	\$ 84,726,886	\$ 65,182,413
Non-current assets	234,804,901	260,131,637
Current liabilities	(77,623,220)	(46,637,622)
Non-current liabilities	(145,668,529)	(185,969,070)
Total net assets	<u>\$ 96,240,038</u>	<u>\$ 92,707,358</u>
Share in associate's net assets	<u>\$ 12,758,113</u>	<u>\$ 12,812,215</u>

Statement of comprehensive income

	Evergreen International Storage and Transport Corporation	
	Year ended	Year ended
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Revenue	\$ 17,586,956	\$ 8,880,226
Profit for the period from continuing operations	\$ 3,670,632	\$ 1,083,357
Other comprehensive (loss)income, net of tax	(1,200,701)	3,541,734
Total comprehensive income	<u>\$ 2,469,931</u>	<u>\$ 4,625,091</u>
Dividends received from associates	<u>\$ 172,277</u>	<u>\$ 129,208</u>

	EVA Airways Corporation	
	Year ended	Year ended
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Revenue	\$ 138,068,607	\$ 103,872,359
Profit for the period from continuing operations	\$ 7,823,616	\$ 6,680,261
Other comprehensive (loss)income, net of tax	(5,462,661)	2,222,183
Total comprehensive income	<u>\$ 2,360,955</u>	<u>\$ 8,902,444</u>
Dividends received from associates	<u>\$ 459,475</u>	<u>\$ -</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, 2022 and 2021, the carrying amount of the Company's individually immaterial associates amounted to \$7,224,952 and \$2,947,864, respectively.

	Year ended	Year ended
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Profit for the period from continuing operations	\$ 3,741,796	\$ 1,013,273
Other comprehensive loss, net of tax	(2,946,416)	(8,681)
Total comprehensive income	<u>\$ 795,380</u>	<u>\$ 1,004,592</u>

G. Considering that Evergreen Steel Corp. generates stable profits from its main business and the outlook of the environmental protection and green energy industry in which Evergreen Steel Corp. reinvests is promising, on November 4, 2022, the Board of Directors of the Company resolved to acquire the equity interest in Evergreen Steel Corp. through stock exchange market to purchase 79,248 thousand shares at a price of \$48.20 per share and acquire 19% equity interests in the entity and the transaction price amounted to \$3,819,754.

- H. On March 15, 2022, the Board of Directors of the Company resolved to acquire 31% equity interests in ESRC from the associate, EVA. Together with 31.25% equity interests previously held by the Company, the Company held a total of 62.25% equity interests in ESRC after the merger and obtained control over ESRC. The transaction date was April 1, 2022 and the transaction amount was \$192,038.
- I. The Company's share interest in EVA Airways Corporation decreased to 14.49% as of December 31, 2022 due to the conversions from corporate bonds to stocks during the year ended December 31, 2022.
- 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 14.49% 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.
- M. The Company is the single largest shareholder of EGST with a 19.00% 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 EGST, thus, the Company has no control, but only has significant influence, over the investee.

(9) 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, 2022</u>										
Cost	\$ 573,271	\$ 407,591	\$ 6,144,864	\$ 292,454	\$ 15,011,148	\$ 40,879,468	\$ 238,050	\$ 794,860	\$ 80,211	\$ 64,421,917
Accumulated depreciation	-	(240,848)	(4,810,260)	(215,565)	(4,212,463)	(10,292,985)	(209,063)	(630,372)	(19,985)	(20,631,541)
	<u>\$ 573,271</u>	<u>\$ 166,743</u>	<u>\$ 1,334,604</u>	<u>\$ 76,889</u>	<u>\$ 10,798,685</u>	<u>\$ 30,586,483</u>	<u>\$ 28,987</u>	<u>\$ 164,488</u>	<u>\$ 60,226</u>	<u>\$ 43,790,376</u>
<u>2022</u>										
Opening net book amount as at January 1	\$ 573,271	\$ 166,743	\$ 1,334,604	\$ 76,889	\$ 10,798,685	\$ 30,586,483	\$ 28,987	\$ 164,488	\$ 60,226	\$ 43,790,376
Additions	-	-	113,589	46,230	14,378,647	127,123	27,266	1,266	26,492	14,720,613
Disposals	-	-	(6)	(5)	(47,279)	-	(18)	-	-	(47,308)
Reclassifications	852,008	249,737	87,451	50,508	-	9,602,706	53,698	17,642	40,664	10,954,414
Depreciation	-	(17,120)	(141,291)	(62,861)	(2,040,833)	(1,947,786)	(18,853)	(38,440)	(4,888)	(4,272,072)
Closing net book amount as at December 31	<u>\$ 1,425,279</u>	<u>\$ 399,360</u>	<u>\$ 1,394,347</u>	<u>\$ 110,761</u>	<u>\$ 23,089,220</u>	<u>\$ 38,368,526</u>	<u>\$ 91,080</u>	<u>\$ 144,956</u>	<u>\$ 122,494</u>	<u>\$ 65,146,023</u>
<u>At December 31, 2022</u>										
Cost	\$ 1,425,279	\$ 996,253	\$ 6,293,167	\$ 385,141	\$ 29,032,390	\$ 50,609,297	\$ 295,722	\$ 813,768	\$ 147,367	\$ 89,998,384
Accumulated depreciation	-	(596,893)	(4,898,820)	(274,380)	(5,943,170)	(12,240,771)	(204,642)	(668,812)	(24,873)	(24,852,361)
	<u>\$ 1,425,279</u>	<u>\$ 399,360</u>	<u>\$ 1,394,347</u>	<u>\$ 110,761</u>	<u>\$ 23,089,220</u>	<u>\$ 38,368,526</u>	<u>\$ 91,080</u>	<u>\$ 144,956</u>	<u>\$ 122,494</u>	<u>\$ 65,146,023</u>

	Land	Buildings	Loading and unloading equipment	Computer and communication equipment	Transportation equipment	Ships	Office equipment	Leasehold improvements	Others	Total
<u>At January 1, 2021</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>2021</u>	<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>
Opening net book amount as at January 1	\$ 576,740	\$ 175,069	\$ 1,470,060	\$ 99,465	\$ 6,088,846	\$ 28,733,999	\$ 14,436	\$ 202,918	\$ 64,148	\$ 37,425,681
Additions	-	-	-	36,668	5,648,696	34,820	7,371	-	135	5,727,690
Disposals	(3,469)	(492)	-	(8)	(12,586)	-	(13)	-	-	(16,568)
Reclassifications	-	-	16,322	-	-	3,379,371	15,511	-	-	3,411,204
Depreciation	-	(7,834)	(151,778)	(59,236)	(926,271)	(1,561,707)	(8,318)	(38,430)	(4,057)	(2,757,631)
Closing net book amount as at December 31	<u>\$ 573,271</u>	<u>\$ 166,743</u>	<u>\$ 1,334,604</u>	<u>\$ 76,889</u>	<u>\$ 10,798,685</u>	<u>\$ 30,586,483</u>	<u>\$ 28,987</u>	<u>\$ 164,488</u>	<u>\$ 60,226</u>	<u>\$ 43,790,376</u>
<u>At December 31, 2021</u>										
Cost	\$ 573,271	\$ 407,591	\$ 6,144,864	\$ 292,454	\$ 15,011,148	\$ 40,879,468	\$ 238,050	\$ 794,860	\$ 80,211	\$ 64,421,917
Accumulated depreciation	-	(240,848)	(4,810,260)	(215,565)	(4,212,463)	(10,292,985)	(209,063)	(630,372)	(19,985)	(20,631,541)
	<u>\$ 573,271</u>	<u>\$ 166,743</u>	<u>\$ 1,334,604</u>	<u>\$ 76,889</u>	<u>\$ 10,798,685</u>	<u>\$ 30,586,483</u>	<u>\$ 28,987</u>	<u>\$ 164,488</u>	<u>\$ 60,226</u>	<u>\$ 43,790,376</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.

(10) 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, 2022</u>	<u>December 31, 2021</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 284,734	\$ 606,791
Buildings	175,303	-
Ships	16,583,002	18,222,990
Offices	4,000	-
	<u>\$ 17,047,039</u>	<u>\$ 18,829,781</u>

	<u>Year ended</u> <u>December 31, 2022</u>	<u>Year ended</u> <u>December 31, 2021</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 710,934	\$ 693,552
Buildings	75,305	45,249
Ships	1,702,636	1,863,388
Offices	651	-
	<u>\$ 2,489,526</u>	<u>\$ 2,602,189</u>

- D. For the years ended December 31, 2022 and 2021, the additions to right-of-use assets were \$255,259 and \$958, respectively.
- E. The information on profit and loss accounts relating to lease contracts is as follows:

	<u>Year ended</u> <u>December 31, 2022</u>	<u>Year ended</u> <u>December 31, 2021</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 342,364	\$ 437,223
Expense on short-term lease contracts	2,774	2,090
Expense on leases of low-value assets	6,801	4,162
Gain arising from lease modifications	-	3,802

- F. For the years ended December 31, 2022 and 2021, the Company's total cash outflow for leases were \$2,650,525 and \$2,865,482, respectively.
- G. As of December 31, 2022, 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 \$962,432.

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, 2022			
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>16,875,676</u>
December 31, 2021			
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>11,508,873</u>

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

	December 31, 2022	December 31, 2021
Cash flow hedges:		
<u>Exchange rate risk</u>		
Lease liability contracts designated as hedges		
Current liabilities	\$ 1,821,342	\$ 1,031,678
Non-current liabilities	15,054,334	10,477,195
	<u>\$ 16,875,676</u>	<u>\$ 11,508,873</u>

(b) Other equity - cash flow hedge reserve

	2022	2021
At January 1	\$ 1,286,356	\$ 1,014,792
Add: : Profit on hedge effectiveness-amount recognised in other comprehensive income	(1,346,524)	171,392
Less : Reclassified from equity to exchange gain for the period loss	(40,963)	100,172
Less : Reclassified to freight revenue as the hedged item has affected profit or loss	-	-
At December 31	<u>(\$ 101,131)</u>	<u>\$ 1,286,356</u>

(c) For the years ended December 31, 2022 and 2021, 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, 2022 and 2021 are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current lease liabilities	\$ 296,313	\$ 1,084,541
Current lease liabilities - related parties	76,509	25,135
Non-current lease liabilities	19,915	4,916,641
Non-current lease liabilities - related parties	77,249	14,789
	<u>\$ 469,986</u>	<u>\$ 6,041,106</u>

(11) Leasing arrangements – lessor

A. For the years ended December 31, 2022 and 2021, the Company recognised rent income in the amounts of \$401,591 and \$194,774, 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, 2022</u>		<u>December 31, 2021</u>
2022	\$ 326,388	2021	\$ 319,650
2023	178,986	2022	261,002
2024	504	2023	124,189
2025	504	2024	504
After 2026	252	2025	756
	<u>\$ 506,634</u>		<u>\$ 706,101</u>

(12) Investment property

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>At January 1, 2022</u>			
Cost	\$ 1,395,800	\$ 969,229	\$ 2,365,029
Accumulated depreciation	-	(554,526)	(554,526)
	<u>\$ 1,395,800</u>	<u>\$ 414,703</u>	<u>\$ 1,810,503</u>
<u>2022</u>			
Opening net book amount as at January 1	\$ 1,395,800	\$ 414,703	\$ 1,810,503
Reclassifications	(852,008)	(249,737)	(1,101,745)
Depreciation	-	(9,706)	(9,706)
Closing net book amount as at December 31	<u>\$ 543,792</u>	<u>\$ 155,260</u>	<u>\$ 699,052</u>
<u>At December 31, 2022</u>			
Cost	\$ 543,792	\$ 380,567	\$ 924,359
Accumulated depreciation	-	(225,307)	(225,307)
	<u>\$ 543,792</u>	<u>\$ 155,260</u>	<u>\$ 699,052</u>
	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>At January 1, 2021</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>2021</u>			
Opening net book amount as at January 1	\$ 1,395,800	\$ 433,756	\$ 1,829,556
Depreciation	-	(19,053)	(19,053)
Closing net book amount as at December 31	<u>\$ 1,395,800</u>	<u>\$ 414,703</u>	<u>\$ 1,810,503</u>
<u>At December 31, 2021</u>			
Cost	\$ 1,395,800	\$ 969,229	\$ 2,365,029
Accumulated depreciation	-	(554,526)	(554,526)
	<u>\$ 1,395,800</u>	<u>\$ 414,703</u>	<u>\$ 1,810,503</u>

A. Rental income from the investment property and direct operating expenses arising from the investment property are shown below:

	Year ended December 31, 2022	Year ended December 31, 2021
Rental income from investment property	\$ 53,477	\$ 101,871
Direct operating expenses arising from the investment property that generated rental income during the year	\$ 9,706	\$ 19,053
Direct operating expenses arising from the investment property that did not generate rental income during the year	\$ -	\$ -

B. The fair value of the investment property held by the Company as at December 31, 2022 and 2021 was \$1,386,224 and \$3,557,854, 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.

(13) Other current assets

	December 31, 2022	December 31, 2021
Prepayments for equipment	\$ 5,416,233	\$ 5,845,591
Prepayment for real estate	3,716,268	-
Guarantee deposits paid	11,420	17,357
	<u>\$ 9,143,921</u>	<u>\$ 5,862,948</u>

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, 2022	Year ended December 31, 2021
Amount capitalised	\$ 7,500	\$ 44,927
Interest rate	0.11%~1.23%	0.86%~1.03%

B. Movement in prepayments for equipment for the years ended December 31, 2022 and 2021 are as follows:

	Year ended December 31, 2022	Year ended December 31, 2021
At January 1	\$ 5,845,591	\$ 2,799,647
Additions	9,432,311	6,457,148
Reclassification to property, plant and equipment	(9,861,669)	(3,411,204)
At December 31	<u>\$ 5,416,233</u>	<u>\$ 5,845,591</u>

C. The above prepayment for real estate was resolved by the Board of Directors on December 22, 2022 to purchase the real estate with the amount of \$4,743,000 from the other related party, Evergreen International Corp., of which the real estate is located in Luzhu District, Taoyuan City, including Land No.672, 673 and 679, Nanxing Section, Land No.401, 401-1, 402 ~ 405, 548, 549, 549-1, 550, 551 and 551-1, Nanrong Section, Building serial No. 582, Nanxing Section and Building serial No. 176 and 176-1, Nanrong Section. The transfer of real estate was completed on February 17, 2023.

(14) Other current liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Long-term liabilities - current portion	\$ 543,710	\$ 4,792,891
Corporate bonds- current portion	2,000,000	4,000,000
Shipowner's accounts	822,472	888,479
Agency accounts	338,316	209,667
Others	594,046	295,892
	<u>\$ 4,298,544</u>	<u>\$ 10,186,929</u>

(15) Corporate bonds payable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Domestic unsecured convertible bond	\$ 4,981,000	\$ 4,999,900
Domestic secured corporate bonds	2,000,000	6,000,000
Less: Discount on bonds payable	(174,846)	(226,950)
Less: Current portion (recorded as other current liabilities)	(2,000,000)	(4,000,000)
	<u>\$ 4,806,154</u>	<u>\$ 6,772,950</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 of US\$1 to NT\$28.9910 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.

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. On May 18, 2021, the Company issued the fourth unsecured convertible bonds (the "Fourth Convertible Bonds"), totaling \$5,000,000 at 101% of the face value. The major terms of the issuance are set forth below:

(a) Period: 5 years (May 18, 2021 to May 18, 2026)

(b) Coupon rate: 0% fixed per annum

(c) Principal repayment:

Except for the Fourth Convertible Bonds previously redeemed, repurchased and retired by the Company, or converted by the bondholders of the Fourth Convertible Bonds (the "bondholders"), the Company will redeem the Fourth Convertible Bonds on the maturity date at the price of the face value plus 0.0% gross yield per annum of the face value.

(d) Conversion period:

Except for the Fourth Convertible Bonds previously redeemed or repurchased, or the stop transfer period as specified in the terms of the bond indenture for the Fourth Convertible Bonds (the "bond indenture") or the laws/regulations, the bondholders have the right to ask for the conversion of the Fourth Convertible Bonds into the common stocks newly issued by the Company during the period from the date after 3 months of the issuance of the Fourth Convertible Bonds.

(e) Conversion price:

The conversion price of the Fourth Convertible Bonds is NT\$95 (in dollars), 111.76% of the reference price. The reference price refers to the closing price of the Company's common stocks on the Taiwan Stock Exchange on a prior trading day of the pricing date, which was NT\$85 (in dollars).

i. As a result of the distribution of cash dividends, the conversion price shall be adjusted based on the formula in accordance with Article 11 of the Fourth Convertible Bonds' Regulations Governing issuance and conversion whereby the conversion price of the Fourth Convertible Bonds has been changed from NT\$93.67 (in dollars) to NT\$81.96 (in dollars) since July 5, 2022.

ii. As a result of capital reduction, the conversion price shall be adjusted based on the formula in accordance with Article 11 of the Fourth Convertible Bonds' Regulations Governing issuance and conversion whereby the conversion price of the Fourth Convertible Bonds has been changed from NT\$81.96 (in dollars) to NT\$189.90 (in dollars) since July 18, 2022.

(f) Put options:

The bondholders have no right to require the Company to redeem the Fourth Convertible Bonds, in whole or in part, unless the following events occur:

Except for the Fourth Convertible Bonds previously redeemed, repurchased and retired, or converted, the bondholders have the right to require the Company to redeem the Fourth 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 as the interests (the "early redemption amount").

(g) Redemption:

The Company may redeem the Fourth Convertible Bonds early when one of the following conditions is met:

i. The Company may redeem the Fourth Convertible Bonds, in whole, at the early redemption amount if the closing price of the Company's common shares is above than the conversion price by 30% for 30 consecutive trading days during the period from the date after 3 months of the bonds issue to 40 days before the maturity date.

ii. The Company may redeem the Fourth Convertible Bonds, in whole, at the early redemption amount if the amount of the Company's outstanding shares is lower than the conversion price by 10% of the original total issuance amount during the period from the date after 3 months of the bonds issue to 40 days before the maturity date.

F. Regarding the issuance of convertible bonds, the equity conversion options were separated from the liability component in accordance with IAS 32. As of December 31, 2022, the domestic unsecured convertible bonds amounting to \$288,067 were recognised in 'capital surplus—share options'. In addition, the call options and redemption embedded in convertible bonds were not 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 closely related to those of the host contracts.

(16) Long-term loans

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Secured bank loans	\$ 4,394,596	\$ 15,109,491
Unsecured bank loans	-	3,970,784
Less: Unrealized foreign exchange gain	49,840	(192,527)
Less: Deferred expenses - hosting fee credit	(69,284)	(86,392)
	4,375,152	18,801,356
Less: Current portion (recorded as other current liabilities)	(543,710)	(4,792,891)
	<u>\$ 3,831,442</u>	<u>\$ 14,008,465</u>
Maturity range	2026.06~2031.09	2022.08~2031.11
Interest rate	1.14%~5.12%	0.93%~1.58%

The above loans were borrowed in NTD and USD. Please refer to Note 8 for details of the collaterals pledged for the above long-term loans.

(17) Other non-current liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accrued pension liabilities	\$ 1,997,349	\$ 2,104,357
Guarantee deposits received	20,293	12,798
	<u>\$ 2,017,642</u>	<u>\$ 2,117,155</u>

(18) 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, 2022</u>	<u>December 31, 2021</u>
Present value of defined benefit obligations	(\$ 2,824,204)	(\$ 2,783,121)
Fair value of plan assets	<u>826,855</u>	<u>678,764</u>
Net defined benefit liability	<u>(\$ 1,997,349)</u>	<u>(\$ 2,104,357)</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, 2022</u>			
Balance at January 1	(\$ 2,783,121)	\$ 678,764	(\$ 2,104,357)
Current service cost	(21,692)	-	(21,692)
Interest (expense) income	(19,030)	4,709	(14,321)
Reduced or paid off gain	<u>94</u>	<u>-</u>	<u>94</u>
	<u>(2,823,749)</u>	<u>683,473</u>	<u>(2,140,276)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	52,460	52,460
Change in demographic assumptions	(72,146)	-	(72,146)
Change in financial assumptions	153,276	-	153,276
Experience adjustments	<u>(169,734)</u>	<u>-</u>	<u>(169,734)</u>
	<u>(88,604)</u>	<u>52,460</u>	<u>(36,144)</u>
Pension fund contribution		137,472	137,472
Paid settlement	7,326	-	7,326
Paid pension	<u>80,823</u>	<u>(46,550)</u>	<u>34,273</u>
Balance at December 31	<u>(\$ 2,824,204)</u>	<u>\$ 826,855</u>	<u>(\$ 1,997,349)</u>

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
<u>Year ended December 31, 2021</u>			
Balance at January 1	(\$ 1,933,690)	\$ 626,521	(\$ 1,307,169)
Current service cost	(11,541)	-	(11,541)
Interest (expense) income	(5,634)	1,866	(3,768)
Past service cost	(840,805)	-	(840,805)
	<u>(2,791,670)</u>	<u>628,387</u>	<u>(2,163,283)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	9,379	9,379
Change in demographic assumptions	(2,827)	-	(2,827)
Change in financial assumptions	72,692	-	72,692
Experience adjustments	(148,359)	-	(148,359)
	<u>(78,494)</u>	<u>9,379</u>	<u>(69,115)</u>
Pension fund contribution	-	112,924	112,924
Paid pension	87,043	(71,926)	15,117
Balance at December 31	<u>(\$ 2,783,121)</u>	<u>\$ 678,764</u>	<u>(\$ 2,104,357)</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, 2022 and 2021 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, 2022	Year ended December 31, 2021
Discount rate	<u>1.30%</u>	<u>0.70%</u>
Future salary increases	<u>2.00%</u>	<u>2.00%</u>

Assumptions regarding future mortality rate was estimated based on the 6th 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	
	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>	<u>Increase 0.25%</u>	<u>Decrease 0.25%</u>
<u>December 31, 2022</u>				
Effect on present value of defined benefit obligation	(\$ <u>63,077</u>)	<u>\$ 65,324</u>	<u>\$ 46,147</u>	(\$ <u>44,782</u>)
<u>December 31, 2021</u>				
Effect on present value of defined benefit obligation	(\$ <u>64,861</u>)	<u>\$ 67,225</u>	<u>\$ 45,008</u>	(\$ <u>43,642</u>)

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, 2023 amount to \$161,219.

(g) As of December 31, 2022, the weighted average duration of the retirement plan is 9 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	\$ 175,169
1~2 years	178,398
2~5 years	455,822
Over 5 years	<u>2,381,362</u>
	<u>\$ 3,190,751</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, 2022 and 2021 were \$166,597 and \$120,236, respectively.

(19) Capital stock

- A. As of December 31, 2022, the Company's authorized capital was \$70,000,000, and the paid-in capital was \$21,164,201, divided into 2,116,420 thousand shares of common stocks with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.
- B. To adjust the capital structure, the shareholders of the Company during their meeting on May 30, 2022 resolved a capital reduction to return capital in cash to shareholders. The registration of the capital reduction was approved by the Taiwan Stock Exchange in accordance with the Letter No. Tai-Zheng-Shang-Yi-Zi-1111802818, dated July 1, 2022. Total capital reduction amounted to \$31,746,301, cancelling a total of 3,174,630 thousand shares, and the capital reduction ratio was 60%. The effective date of the capital reduction was July 18, 2022. All proceeds from share issuance have been collected by August 4, 2022. The effective date of the replacement of shares due to the capital reduction was September 16, 2022.
- C. The Company's domestic convertible bonds with a face value of \$18,800 thousands dollars had been converted into ordinary share capital of \$2,007 (201 thousand shares) with a par value of NT\$10 (in dollars) per share during the year ended December 31, 2022, which resulted in 'capital surplus, additional paid-in capital arising from bond conversion' of \$17,114. All proceeds from share issuance have been collected by April 19, 2022.
- D. The Company's domestic convertible bonds with a face value of \$100 thousands dollars had been converted into ordinary share capital of \$11 (1 thousand shares) with a par value of NT\$10 (in dollars) per share during the year ended December 31, 2022, which resulted in 'capital surplus, additional paid-in capital arising from bond conversion' of \$91. All proceeds from share issuance have been collected by August 4, 2022.
- E. The Company's domestic convertible bonds with a face value of \$100 thousands dollars had been converted into ordinary share capital of \$10 (1 thousand shares) with a par value of NT\$10 (in dollars) per share during the year ended December 31, 2022, which resulted in 'capital surplus, additional paid-in capital arising from bond conversion' of \$90. All proceeds from share issuance have been collected by December 1, 2021.
- F. The Company bonds totaling USD 246,600 thousands dollars (face value) had been converted into \$3,928,121 of ordinary shares (392,812 thousand shares) with a par value of \$10 (in dollars) per share during the year ended December 31, 2021, which resulted in 'capital surplus, additional paid-in capital arising from bond conversion' of \$3,198,159. All proceeds from share issuance have been collected by July 23, 2021.
- G. 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.

H. On December 31, 2022 and 2021, the numbers of the Company's shares held by its associate accounted for using equity method, EITC, were 10,284 and 25,254 thousand shares, respectively.

I. On December 31, 2022 and 2021, the numbers of the Company's shares held by its associate accounted for using equity method, EVA, were 223 and 557 thousand shares, respectively.

J. On December 31, 2022, the numbers of the Company's shares held by its associate accounted for using equity method, EGST, were 18,190 thousand shares, respectively.

(20) 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, 2022				
	Share premium	Employee stock options exercised	Adjustments to share of changes in equity of associates and joint ventures	Donated assets	Others
At January 1	\$ 13,056,017	\$ 400,116	\$ 2,298,332	\$ 446	\$ 7,274
Expired unclaimed dividends	-	-	-	-	(20)
Proceeds from issuance of convertible bonds	-	-	-	-	-
Conversion of convertible bonds	17,205	(1,093)	-	-	-
Recognition of change in equity of associates in proportion to the Company's ownership	-	-	189,766	-	-
At December 31	\$ 13,073,222	\$ 399,023	\$ 2,488,098	\$ 446	\$ 7,254

Year ended December 31, 2021

	Share premium	Employee stock options exercised	Adjustments to share of changes in equity of associates and joint ventures	Donated assets	Others
At January 1	\$ 9,857,768	\$423,246	\$ 2,144,568	\$ 446	\$ 7,336
Expired unclaimed dividends	-	-	-	-	(62)
Proceeds from issuance of overseas convertible bonds	-	289,166	-	-	-
Conversion of overseas convertible bonds	3,198,249	(312,296)	-	-	-
Recognition of change in equity of associates in proportion to the Company's ownership	-	-	153,764	-	-
At December 31	<u>\$ 13,056,017</u>	<u>\$400,116</u>	<u>\$ 2,298,332</u>	<u>\$ 446</u>	<u>\$ 7,274</u>

(21) Retained earnings

	Year ended December 31, 2022	Year ended December 31, 2021
At January 1	\$ 250,555,749	\$ 27,734,460
Profit for the year	334,200,661	239,014,860
Distribution of earnings	(119,699,895)	(16,145,182)
Remeasurement on post employment benefit obligations, net of tax	347,354	(90,912)
Adjustments to share of changes in equity of associates and joint ventures	158,173	42,523
At December 31	<u>\$ 465,562,042</u>	<u>\$ 250,555,749</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 2020 earnings was adopted by the stockholders on July 21, 2021 is as follows:

	Year ended December 31, 2021	Year ended December 31, 2021
	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	2.48660241

F. The appropriation of 2021 earnings was adopted by the stockholders on May 30, 2022 is as follows:

	Year ended December 31, 2021	Year ended December 31, 2021
	Amount	Dividend per share (in dollars)
Accrual of legal reserve	\$ 23,896,647	
Accrual of special reserve	\$ 564,364	
Appropriate cash dividends to shareholders	\$ 95,238,884	17.99999637

G. The appropriation of 2022 earnings was adopted by the Board of Directors on March 14, 2023 as follows:

	Year ended December 31, 2022	Year ended December 31, 2022
	Amount	Dividend per share (in dollars)
Accrual of legal reserve	\$ 33,470,619	
Accrual of special reserve	\$ 1,145,770	
Appropriate cash dividends to shareholders	\$ 148,149,406	\$ 70

As of March 14, 2023, the above-mentioned 2022 earnings appropriation had not been resolved by the stockholders.

(22) Other equity items

	<u>Unrealised gains (losses) on valuation</u>	<u>Hedging reserve</u>	<u>Currency translation</u>	<u>Total</u>
At January 1, 2022	\$ 3,986,029	\$ 1,601,207	(\$ 6,733,006)	(\$ 1,145,770)
Revaluation – gross	(595,097)	-	-	(595,097)
Revaluation – tax	(1,357)	-	-	(1,357)
Revaluation – associates	(753,139)	-	-	(753,139)
Revaluation transferred to retained earnings – gross	-	-	-	-
Revaluation transferred to retained earnings – associates	(158,173)	-	-	(158,173)
Cash flow hedges:				
– Fair value gain in the period				
– Parent	-	(359,174)	-	(359,174)
– Parent – tax	-	71,835	-	71,835
– Associates	-	(927,665)	-	(927,665)
Currency translation differences:				
– Parent	-	-	19,725,553	19,725,553
– Parent – tax	-	-	(4,288)	(4,288)
– Associates	-	-	502,119	502,119
At December 31, 2022	<u>\$ 2,478,263</u>	<u>\$ 386,203</u>	<u>\$ 13,490,378</u>	<u>\$ 16,354,844</u>

	Unrealised gains (losses) on valuation	Hedging reserve	Currency translation	Total
At January 1, 2021	\$ 1,884,774	\$ 1,862,164	(\$ 4,328,344)	(\$ 581,406)
Revaluation – gross	313,582	-	-	313,582
Revaluation – tax	1,856	-	-	1,856
Revaluation – associates	1,828,340	-	-	1,828,340
Revaluation transferred to retained earnings – associates	(42,523)	-	-	(42,523)
Cash flow hedges:				
– Fair value gain in the period				
– Parent	-	(42,909)	-	(42,909)
– Parent – tax	-	8,582	-	8,582
– Associates	-	(226,630)	-	(226,630)
Currency translation differences:				
– Parent	-	-	(2,346,629)	(2,346,629)
– Parent – tax	-	-	(825)	(825)
– Associates	-	-	(57,208)	(57,208)
At December 31, 2021	<u>\$ 3,986,029</u>	<u>\$ 1,601,207</u>	<u>(\$ 6,733,006)</u>	<u>(\$ 1,145,770)</u>

(23) Operating revenue

	Year ended December 31, 2022	Year ended December 31, 2021
Revenue from contracts with customers	\$ 122,729,676	\$ 93,800,133
Other - ship rental income	340,163	85,402
	<u>\$ 123,069,839</u>	<u>\$ 93,885,535</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, 2022	Asia	America	Europe	Others	Total
Revenue from external customer contracts	\$21,706,404	\$35,369,634	\$39,323,216	\$17,734,092	\$114,133,346
Inter-segment revenue	<u>6,894,922</u>	<u>10,433</u>	<u>123,061</u>	<u>1,567,914</u>	<u>8,596,330</u>
Total segment revenue	<u>\$28,601,326</u>	<u>\$35,380,067</u>	<u>\$39,446,277</u>	<u>\$19,302,006</u>	<u>\$122,729,676</u>

Year ended					
December 31, 2021	Asia	America	Europe	Others	Total
Revenue from external customer contracts	\$16,824,710	\$28,101,449	\$33,517,589	\$10,374,937	\$88,818,685
Inter-segment revenue	3,607,723	1,023,720	343,227	6,778	4,981,448
Total segment revenue	<u>\$20,432,433</u>	<u>\$29,125,169</u>	<u>\$33,860,816</u>	<u>\$10,381,715</u>	<u>\$93,800,133</u>

B. Contract assets and liabilities

The Company has recognised the following revenue-related contract assets and liabilities:

	December 31, 2022	December 31, 2021	January 1, 2021
Contract assets:			
Contract assets relating to marine freight income	\$ 179,682	\$ 988,691	\$ 802,464
Contract liabilities:			
Contract liabilities – unearned marine freight income	\$ 1,431,570	\$ 3,304,976	\$ 494,792

Revenue recognised that was included in the contract liability balance at the beginning of the period:

	Year ended December 31, 2022	Year ended December 31, 2021
Marine freight income	\$ 3,304,976	\$ 494,792

(24) Other gains-net

	Year ended December 31, 2022	Year ended December 31, 2021
Gains (losses) on disposal of property, plant and equipment	\$ 178,489	(\$ 1,837)

(25) Interest income

	Year ended December 31, 2022	Year ended December 31, 2021
Interest income from bank deposits	\$ 687,489	\$ 59,725
Interest income from financial assets measured at amortised cost	275,610	55,782
	<u>\$ 963,099</u>	<u>\$ 115,507</u>

(26) Other income

	Year ended <u>December 31, 2022</u>	Year ended <u>December 31, 2021</u>
Rental revenue	\$ 61,429	\$ 109,372
Dividend income	91,473	69,198
Gain reconisid in bargain purchase transaction	2,516	-
Other income – others	<u>114,539</u>	<u>113,829</u>
	<u>\$ 269,957</u>	<u>\$ 292,399</u>

(27) Other gains and losses

	Year ended <u>December 31, 2022</u>	Year ended <u>December 31, 2021</u>
Net currency exchange gains	\$ 12,631,222	\$ 23,772
(Losses) gains on financial assets at fair value through profit or loss	(55,510)	28,472
Gains on disposal of investments	33,605	11,191
Gains arising from lease modifications	-	3,802
Depreciation charges on investment property	(9,706)	(19,053)
Other non-operating expenses	<u>(73,711)</u>	<u>(90,660)</u>
	<u>\$ 12,525,900</u>	<u>(\$ 42,476)</u>

(28) Finance costs

	Year ended <u>December 31, 2022</u>	Year ended <u>December 31, 2021</u>
Interest expense:		
Bank borrowings	\$ 187,594	\$ 284,005
Corporate bonds	81,601	113,053
Lease liabilities	<u>342,364</u>	<u>437,223</u>
	611,559	834,281
Less: Capitalisation of qualifying assets	<u>(7,500)</u>	<u>(44,927)</u>
Finance costs	<u>\$ 604,059</u>	<u>\$ 789,354</u>

(29) Expenses by nature

	Year ended <u>December 31, 2022</u>	Year ended <u>December 31, 2021</u>
Employee benefit expense	\$ 15,252,811	\$ 9,699,818
Depreciation charges on property, plant and equipment	4,272,072	2,757,631
Depreciation charges on right-of-use assests	2,489,526	2,602,189
Amortisation charges on intangible assets	24,526	22,051
Stevedorage	11,204,857	11,490,606
Inland haulage and canal due	11,742,501	7,634,945
Bunker fuel	9,135,347	6,258,007
Operating lease payments	624,363	413,850
Commission	6,359,545	6,164,700
Port charge	1,455,163	1,293,175
Ship supplies and lubricant oil	544,884	344,902
Professional service and data service expenses	1,311,511	1,036,194
Other operating costs and expenses	3,065,913	2,633,976
	<u>\$ 67,483,019</u>	<u>\$ 52,352,044</u>

(30) Employee benefit expense

	Year ended <u>December 31, 2022</u>	Year ended <u>December 31, 2021</u>
Wages and salaries	\$ 14,170,198	\$ 8,159,872
Labor and health insurance fees	512,468	304,396
Pension costs	202,516	976,350
Directors' remuneration	42,053	35,175
Other personnel expenses	325,576	224,025
	<u>\$ 15,252,811</u>	<u>\$ 9,699,818</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, 2022, employees' compensation and directors' remunerations were accrued based on 0.5% and 0.04% at \$1,918,479 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, 2021, employees' compensation and directors' remunerations were accrued at \$1,303,466 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.

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.

(31) Income tax

A. Income tax expense

(a) Components of income tax expense:

	<u>Year ended</u> <u>December 31, 2022</u>	<u>Year ended</u> <u>December 31, 2021</u>
Current tax:		
Current tax on profits for the year	\$ 52,179,839	\$ 11,631,620
Tax on undistributed earnings	4,567,481	-
Prior year income tax overestimation	(241,514)	-
Land value increment tax included in current tax	-	166
Total current tax	<u>56,505,806</u>	<u>11,631,786</u>
Deferred tax:		
Origination and reversal of temporary differences	(8,938,653)	8,733,525
Total deferred tax	(8,938,653)	8,733,525
Income tax expense	<u>\$ 47,567,153</u>	<u>\$ 20,365,311</u>

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	<u>Year ended</u> <u>December 31, 2022</u>	<u>Year ended</u> <u>December 31, 2021</u>
Changes in fair value of available -for-sale financial assets	\$ 1,357	(\$ 1,856)
Currency translation differences	4,288	825
Remeasurement of defined benefit obligations	(7,229)	(13,823)
Cash flow hedges	(71,835)	(8,582)
Share of other comprehensive income of associates	(165)	(15,701)
	<u>(\$ 73,584)</u>	<u>(\$ 39,137)</u>

(c)The income tax charged/(credited) to equity during the period is as follows:

	Year ended <u>December 31, 2022</u>	Year ended <u>December 31, 2021</u>
Reduction in capital surplus caused by recognition of foreign investees based on the shareholding ratio	(\$ <u>525</u>)	(\$ <u>115</u>)

B. Reconciliation between income tax expense and accounting profit

	Year ended <u>December 31, 2022</u>	Year ended <u>December 31, 2021</u>
Tax calculated based on profit before tax and statutory tax rate	\$ 76,353,563	\$ 51,876,001
Land value increment tax included in current tax	-	166
Expenses disallowed by tax regulation	38,364,548	3,318,399
Tax exempt income by tax regulation	(71,475,338)	(34,829,255)
Effect from investment tax credits	(1,587)	-
Prior year income tax overestimation	(241,514)	-
Tax on undistributed earnings	<u>4,567,481</u>	<u>-</u>
Income tax expense	<u>\$ 47,567,153</u>	<u>\$ 20,365,311</u>

C. Amounts of deferred tax assets or liabilities as a result of temporary differences, loss carryforward and investment tax credits are as follows:

		2022			
		Recognised	Recognised	Recognised	
		in profit	in other	in equity	December 31
— Deferred tax assets:	January 1	or loss	comprehensive	income	in equity
Temporary differences:					
Bad debts expense	\$ 1,764	\$ 72	\$ -	\$ -	\$ 1,836
Deferred profit from disposal of loading and unloading equipment	9,336	(1,648)	-	-	7,688
Unrealized expense	18,343	8,989	-	-	27,332
Pension fund contribution	301,550	(28,630)	-	-	272,920
Remeasurements of defined benefit obligation	119,321	-	7,229	-	126,550
	<u>450,314</u>	<u>(21,217)</u>	<u>7,229</u>	<u>-</u>	<u>436,326</u>
— Deferred tax liabilities:					
Temporary differences:					
Gain on valuation of financial assets	(\$ 1,051)	\$ -	(\$ 1,357)	\$ -	(\$ 2,408)
Equity-accounted investment income	(10,295,249)	8,896,173	(4,123)	525	(\$ 1,402,674)
Unrealized exchange gain	(102,381)	63,697	-	-	(38,684)
Cash flow hedges	(194,376)	-	71,835	-	(122,541)
	<u>(10,593,057)</u>	<u>8,959,870</u>	<u>66,355</u>	<u>525</u>	<u>(1,566,307)</u>
	<u>(\$10,142,743)</u>	<u>\$ 8,938,653</u>	<u>\$ 73,584</u>	<u>\$ 525</u>	<u>(\$ 1,129,981)</u>

	2021				
	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	\$ 1,789	(\$ 25)	\$ -	\$ -	\$ 1,764
Deferred profit from disposal of loading and unloading equipment	11,022	(1,686)	-	-	9,336
Unrealized expense	15,850	2,493	-	-	18,343
Pension fund contribution	155,936	145,614	-	-	301,550
Remeasurements of defined benefit obligation	<u>105,498</u>	<u>-</u>	<u>13,823</u>	<u>-</u>	<u>119,321</u>
	<u>290,095</u>	<u>146,396</u>	<u>13,823</u>	<u>-</u>	<u>450,314</u>
— Deferred tax liabilities:					
Temporary differences:					
Gain on valuation of financial assets	(\$ 2,906)	\$ -	\$ 1,855	\$ -	(\$ 1,051)
Equity-accounted investment income	(1,465,428)	(8,844,812)	14,876	115	(\$ 10,295,249)
Unrealized exchange gain	(67,272)	(35,109)	-	-	(102,381)
Cash flow hedges	<u>(202,959)</u>	<u>-</u>	<u>8,583</u>	<u>-</u>	<u>(194,376)</u>
	<u>(1,738,565)</u>	<u>(8,879,921)</u>	<u>25,314</u>	<u>115</u>	<u>(10,593,057)</u>
	<u>(\$ 1,448,470)</u>	<u>(\$ 8,733,525)</u>	<u>\$ 39,137</u>	<u>\$ 115</u>	<u>(\$ 10,142,743)</u>

- E. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2022 and 2021, the amounts of temporary difference unrecognised as deferred tax liabilities were \$339,599,815 and \$164,046,155, respectively.
- F. As of December 31, 2022, the Company's income tax returns through 2019 have been assessed and approved by the Tax Authority.

(32) Earnings per share

	<u>Year ended December 31, 2022</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	\$ 334,200,661	3,838,511	\$ 87.07
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	334,200,661	3,838,511	
Assumed conversion of all dilutive potential ordinary shares			
Euro-Convertible bonds	51,283	26,230	
Employees' compensation	-	11,770	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all shares	\$ 334,251,944	3,876,511	\$ 86.22
	<u>Year ended December 31, 2021</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	\$ 239,014,860	5,244,562	\$ 45.57
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	239,014,860	5,244,562	
Assumed conversion of all dilutive potential ordinary shares			
Euro-Convertible bonds	40,735	33,343	
Employees' compensation	-	9,146	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all shares	\$ 239,055,595	5,287,051	\$ 45.22

(33) Supplemental cash flow information

Investing activities with partial cash payments

A. Property, plant and equipment

	Year ended December 31, 2022	Year ended December 31, 2021
Purchase of property, plant and equipment	\$ 14,720,613	\$ 5,727,690
Add: Opening balance of payable on equipment	2,207,185	9,771
Less: Ending balance of payable on equipment	(9,652)	(2,207,185)
Less: Reclassification as the hedged item has affected profit or loss	-	(4,076)
Cash paid during the year	<u>\$ 16,918,146</u>	<u>\$ 3,526,200</u>

B. Prepayment for equipment (recorded as other non-current assets)

	Year ended December 31, 2022	Year ended December 31, 2021
Purchase of prepayments for equipment	\$ 13,148,579	\$ 6,457,148
Add: Opening balance of payable on prepayments for equipment	17,309	4,484
Less: Ending balance of payable on prepayments for equipment	(784,951)	(17,309)
Capitalisation of qualifying assets	(7,500)	(44,927)
Cash paid during the year	<u>\$ 12,373,437</u>	<u>\$ 6,399,396</u>

(34) 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-gross
At January 1, 2022	\$ 10,772,950	\$ 18,801,356	\$ 12,798	\$ 17,549,979	\$ 47,137,083
Changes in cash flow from financing activities	(4,000,000)	(14,426,204)	7,495	(2,298,586)	(20,717,295)
Remeasurement of lease liabilities	-	-	-	451,525	451,525
Additions to lease liabilities	-	-	-	255,258	255,258
Changes in other non-cash items	33,204	-	-	-	33,204
Impact of changes in foreign exchange rate	-	-	-	1,387,486	1,387,486
At December 31, 2022	<u>\$ 6,806,154</u>	<u>\$ 4,375,152</u>	<u>\$ 20,293</u>	<u>\$ 17,345,662</u>	<u>\$ 28,547,261</u>

	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-gross
At January 1, 2021	\$ 16,779,043	\$ 30,933,503	\$ 12,250	\$ 18,412,039	\$ 66,136,835
Changes in cash flow from financing activities	1,043,721	(12,132,147)	548	(2,422,007)	(13,509,885)
Remeasurement of lease liabilities	-	-	-	1,834,356	1,834,356
Deductions to lease liabilities	-	-	-	958	958
Changes in other non-cash items	(7,049,814)	-	-	(3,802)	(7,053,616)
Impact of changes in foreign exchange rate	-	-	-	(271,565)	(271,565)
At December 31, 2021	<u>\$ 10,772,950</u>	<u>\$ 18,801,356</u>	<u>\$ 12,798</u>	<u>\$ 17,549,979</u>	<u>\$ 47,137,083</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 (Asia) Pte. Ltd. (EMA)	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 Corp. (Malaysia)	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
Evergreen Shipping Agency (Australia) Pty. Ltd. (EAU)	Indirect subsidiary

Names of related parties	Relationship with the Company
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
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
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) S.A. (EBR)	Indirect subsidiary
Evergreen Shipping Agency (Argentina) S.A. (EAR)	Indirect subsidiary
Evergreen Shipping Agency Saudi Co, (L.L.C.) (ESAU)	Indirect subsidiary
Evergreen Shipping Agency (Turkey) Corporation (ETR)	Indirect subsidiary
Evergreen Business Process Inc.(EBPI)	Indirect subsidiary
Evergreen Shipping Agency (Ecuador) S.A. (EECU)	Indirect subsidiary
Evergreen Shipping Agency Philippines Corporation (EGP)	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

Names of related parties	Relationship with the Company
Chang 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
Evergreen Security Corp.(ESRC)	Associate (A subsidiary since April 1, 2022)
Evergreen Shipping Agency Lanka (Private) Limited (ELK)	Associate
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
Evergreen Steel Corp. (EGST)	Other related party (A associate since November 4, 2022)
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
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
Central Reinsurance Corporation (CRC)	Other related party
Evergreen Logistics Corp. (ELC)	Other related party

Names of related parties	Relationship with the Company
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 (A subsidiary since January 1, 2022)
Evergreen International Myanmar Co., Ltd. (EIM)	Other related party (A subsidiary since December 26, 2022)
Chestnut Estate B.V. (Chestnut)	Other related party
Advanced Business Process, Inc.(ABPI)	Other related party
Unigreen Marine S.A.(UMS)	Other related party (An Subsidiary since July 1, 2021)
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
Evergreen Logistics (Thailand) Co., Ltd.(ELCTH)	Other related party
Evergreen Logistics Vietnam Company Ltd.(ELCVN)	Other related party
Evergreen Logistics Malaysia Sdn. Bhd.(ELCMY)	Other related party
Evergreen Logistics (India) Pvt. Bhd.(ELCIN)	Other related party
Evergreen International Logistics (HK) Limited. (EILCHK)	Other related party
Round-The-Word Logistics Corp. (M) Sdn. Bhd. (RTWMY)	Other related party
PT. Evergreen Logistics Indonesia (ELCID)	Other related party
ALLY Holding Ltd (ALLY)	Other related party
Evergreen International Logistics (Shanghai) Co., Ltd. (EILCSH)	Other related party
Evergreen Logistics (Cambodia) Co., Ltd. (ELCKH)	Other related party
Evergreen International Logistics (Korea) Co., Ltd. (ELCKR)	Other related party

Names of related parties	Relationship with the Company
Ever Reward Logistics Corporation (ERLY)	Other related party
Round The Word Logistics (U.S.A.) Corp. (RTWL)	Other related party
EVERCONCORD, S.A. (ECC)	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, 2022.	

(2) Significant related party transactions and balances

A. Sales of services:

	Year ended December 31, 2022	Year ended December 31, 2021
Sales of services:		
Subsidiaries	\$ 8,253,211	\$ 4,964,759
Associates	698,881	387,626
Other related parties	3,389,420	2,615,410
	<u>\$ 12,341,512</u>	<u>\$ 7,967,795</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:

	Year ended December 31, 2022	Year ended December 31, 2021
Purchases of services:		
Subsidiaries	\$ 11,710,040	\$ 8,730,835
Associates	1,778,487	1,372,592
Other related parties	2,143,670	3,300,523
	<u>\$ 15,632,197</u>	<u>\$ 13,403,950</u>

Services are purchased from subsidiaries, associates and other related parties under general conditions.

C. Receivables from related parties:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts receivable:		
Subsidiaries	\$ 327,763	\$ 54,105
Associates	45,398	21,995
Other related parties	<u>103,189</u>	<u>22,407</u>
	<u>\$ 476,350</u>	<u>\$ 98,507</u>
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Other receivables:		
Subsidiaries		
— GMS	\$ 21,025	\$ 22,094
— EGH	6,029	14,455
— Others	932	38
Associates	4,333	4,679
Other related parties		
— EIC	2,687	3,844
— Others	<u>264</u>	<u>102</u>
	<u>\$ 35,270</u>	<u>\$ 45,212</u>

The receivables from associate and 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, 2022</u>	<u>December 31, 2021</u>
Accounts payable:		
Subsidiaries	\$ 130,790	\$ 120,575
Associates	214,144	19,758
Other related parties	<u>6,668</u>	<u>9,640</u>
	<u>\$ 351,602</u>	<u>\$ 149,973</u>
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Other payables:		
Subsidiaries	\$ 2,856	\$ -
Associates	2,657	4,348
Other related parties	<u>90,653</u>	<u>24,339</u>
	<u>\$ 96,166</u>	<u>\$ 28,687</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, 2022</u>	<u>December 31, 2021</u>
Subsidiaries	\$ 41,889	\$ 224,724
Associates	-	20,468
Other related parties		
– EIC	3	648,058
– EGA	234,490	254,309
	<u>\$ 276,382</u>	<u>\$ 1,147,559</u>

(b) Credit balance of agency accounts

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subsidiaries		
– EGV	\$ 86,199	\$ 6,990
– EES	-	33,571
– EGP	19,550	38,671
– EEU	46,140	43,031
– EGJ	45,913	14,644
– Others	62,882	6,762
Associates	7,402	4,886
	<u>\$ 268,086</u>	<u>\$ 148,555</u>

F. Shipowner's accounts:

(a) Debit balance of shipowner's accounts

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subsidiaries		
– EMU	\$ 77,630	\$ 121,690
– GMS	109	18,516
Associates		
– ITS	114,667	14,757
Other related parties		
– EIS	172,095	-
– GESA	7,288	6,679
	<u>\$ 371,789</u>	<u>\$ 161,642</u>

(b) Credit balance of shipowner's accounts

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subsidiaries		
— EGH	\$ 47,473	\$ 424,655
— EMA	747,258	42,544
Other related parties		
— EMS	27,741	274,885
— EIS	-	146,395
	<u>\$ 822,472</u>	<u>\$ 888,479</u>

G. Property transactions:

(a) Acquisition of property, plant and equipment:

	<u>Year ended December 31, 2022</u>	<u>Year ended December 31, 2021</u>
Subsidiaries	\$ 2,690,420	\$ -
Associates	-	66
Other related parties	91,998	367
	<u>\$ 2,782,418</u>	<u>\$ 433</u>

The transaction price was determined based on the market price and the mutual agreement.

(b) Disposal of property, plant and equipment:

	<u>Year ended December 31, 2022</u>		<u>Year ended December 31, 2021</u>	
	<u>Disposal proceeds</u>	<u>Gain on disposal</u>	<u>Disposal proceeds</u>	<u>Gain on disposal</u>
Associates	\$ -	\$ -	\$ 25	\$ 20
Subsidiaries	-	-	6	5
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31</u>	<u>\$ 25</u>

The transaction price was determined based on the market price and the mutual agreement.

(c) Prepayment for real estate:

On December 22, 2022, the Company's Board of Directors resolved to purchase the real estate with the amount of \$4,743,000 from the other related parties, Evergreen International Corp., of which the real estate is located in Luzhu District, Taoyuan City, including Land No.672, 673 and 679, Nanxing Section, Land No.401, 401-1, 402 ~ 405, 548, 549, 549-1, 550, 551 and 551-1, Nanrong Section, Building serial No. 582, Nanxing Section and Building serial No. 176 and 176-1, Nanrong Section. The transfer of real estate was completed on February 17, 2023, The transaction price was determined based on the market price and the mutual agreement.

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 leased buildings from other related parties for the year ended December 31, 2022 and increased 'right-of-use asset' by \$ 5,469.

(c) Lease liabilities

i Outstanding balance:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Associates	\$ 3,802	\$ -
Other related parties	149,956	39,925
	<u>\$ 153,758</u>	<u>\$ 39,925</u>

ii Interest expense

	<u>Year ended December 31, 2022</u>	<u>Year ended December 31, 2021</u>
Associates	\$ 46	\$ -
Other related parties	2,554	2,639
	<u>\$ 2,600</u>	<u>\$ 2,639</u>

I. Endorsements and guarantees provided to related parties:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subsidiaries	\$ 125,537,369	\$ 125,825,786
Associates	-	577,426
	<u>\$ 125,537,369</u>	<u>\$ 126,403,212</u>

J. On March 15, 2022, the Board of Directors, approved to acquire 31% equity interests of ESRC from the associates, EVA. The transaction date was April 1, 2022, and the transaction price amounted to \$192,038.

(3) Key management compensation

	<u>Year ended December 31, 2022</u>	<u>Year ended December 31, 2021</u>
Salaries and other short-term employee benefits	\$ 299,654	\$ 203,839
Post-employment benefits	3,258	2,562
	<u>\$ 302,912</u>	<u>\$ 206,401</u>

8. PLEDGED ASSETS

The Company's assets pledged as collateral are as follows:

Pledged assets	Book value		Purpose
	December 31, 2022	December 31, 2021	
Financial assets at amortised cost			
- Pledged time deposits	\$ 245,918	\$ 211,315	Guarantee
Property, plant and equipment			
-Land	1,285,781	514,312	Long-term loan
-Buildings	378,874	158,912	"
-Ships	10,295,747	26,072,296	"
-Loading and unloading equipment	-	901,779	"
Investment property			
-Land	514,312	1,285,781	Long-term loan
-Buildings	151,550	397,281	"
	<u>\$ 12,872,182</u>	<u>\$ 29,541,676</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

- A. As of December 31, 2022 and 2021, 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 \$30,137,285 and \$27,558,204, respectively, and the unutilized credits was \$25,692,850 and \$8,670,457, respectively.
- B. As of December 31, 2022 and 2021, the amount of guaranteed notes issued by the Company for loans borrowed was \$84,418,235 and \$68,672,805, respectively.
- C. To meet its operational needs, the Company signed the loading and unloading equipment purchase contracts. As of December 31, 2022, the total price of the contracts, wherein the equipment have not yet been delivered, amounted to USD 388,405, of which USD199,905 remain unpaid.
- D. To meet its operational needs, the Company signed the transportation equipment purchase contracts. As of December 31, 2022, the total price of the contracts, wherein the equipment have not yet been delivered, amounted to USD 92,143, of which USD 43,439 remain unpaid.
- E. To meet its operational needs, the Company signed the land, property plant and equipment purchase contracts. As of December 31, 2022, the total price of the contracts, wherein the equipment have not yet been delivered, amounted to TWD 4,743,000, of which TWD948,600 remain unpaid.
- F. For the Company's lease contracts which were entered into but not yet completed construction, as of December 31, 2022, the expected minimum lease payment in the future was \$14,495,000.

G. As of December 31, 2022, 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(10).

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 14, 2023, please refer to Note 6(21).

(2) On December 22, 2022, the Company's Board of Directors resolved to acquire 14,636 thousand shares (shareholding ratio of 10%) of CYD from the other related party, EIC. The transaction date was January 1, 2023 and the transaction amount was \$450,000.

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, 2022</u>	<u>December 31, 2021</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	\$ -	\$ 44,999
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	\$ 1,030,843	\$ 1,625,940
Financial assets at amortised cost		
Cash and cash equivalents	\$ 126,835,759	\$ 19,310,785
Financial assets at amortised cost	10,086,965	20,762,250
Notes receivables	3,066	136
Accounts receivable	5,084,229	6,188,148
Other accounts receivable	292,137	131,729
Guarantee deposits paid	11,420	17,357
	<u>\$ 142,313,576</u>	<u>\$ 46,410,405</u>
Financial assets for hedging	<u>\$ 8,461,308</u>	<u>\$ 24,514,739</u>
<u>Financial liabilities</u>		
Financial liabilities measured at fair value through profit or loss		
Financial liability held for trading	\$ 10,460	\$ -
Financial liabilities at amortised cost		
Accounts payable	\$ 9,604,912	\$ 5,791,206
Other accounts payable	4,396,119	4,669,217
Bonds payable (including current portion)	6,806,154	10,772,950
Lease liabilities (including current portion)	469,986	6,041,106
Long-term borrowings (including current portion)	4,375,152	18,801,356
Guarantee deposits received	20,293	12,798
	<u>\$ 25,672,616</u>	<u>\$ 46,088,633</u>
Financial liabilities for hedging (including current portion)	<u>\$ 16,875,676</u>	<u>\$ 11,508,873</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:

	December 31, 2022		
	Foreign currency amount (In Thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,293,624	30.5950	\$ 39,578,426
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,715,836	30.5950	\$ 52,496,002

	December 31, 2021		
	Foreign currency amount (In Thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,934,171	27.6545	\$ 53,488,532
EUR:NTD	9,873	31.3837	309,851
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,575,654	27.6545	\$ 43,573,924

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, 2022 and 2021 amounted to \$12,631,222 and \$23,772 respectively.

v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	Year ended December 31, 2022		
	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%	\$ 311,171	\$ 84,613
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 356,203	\$ 168,757

	Year ended December 31, 2021		
	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%	\$ 289,738	\$ 245,147
EUR:NTD	1%	3,099	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 320,650	\$ 115,089

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 \$10,209 and \$16,174 for the years ended December 31, 2022 and 2021, 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, 2022 and 2021, the Company's borrowings at variable rate were denominated in the NTD and USD.
- ii. At December 31, 2022 and 2021, 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, 2022 and 2021 would have been \$35,555 and \$151,102 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, 2022 and 2021, 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, 2022 and 2021, the loss rate methodology is as follows:

	Notes receivable Total book value	Expected loss rate	Loss allowance
<u>At December 31, 2022</u>			
Not past due	\$ 3,066	0.0001%	\$ -
	Accounts receivable (including related parties)		
	Total book value	Expected loss rate	Loss allowance
<u>At December 31, 2022</u>			
Not past due	\$ 4,471,517	0.0001%	\$ 5
Up to 30 days	609,638	0.0101%	62
31 to 180 days	3,142	0.0201%~0.0251%	1
	<u>\$ 5,084,297</u>		<u>\$ 68</u>
	Contract assets		
	Total book value	Expected loss rate	Loss allowance
<u>At December 31, 2022</u>			
Not past due	\$ 179,683	0%	\$ -
	Notes receivable		
	Total book value	Expected loss rate	Loss allowance
<u>At December 31, 2021</u>			
Not past due	\$ 136	0%	\$ -
	Accounts receivable (including related parties)		
	Total book value	Expected loss rate	Loss allowance
<u>At December 31, 2021</u>			
Not past due	\$ 4,846,542	0%	\$ -
Up to 30 days	1,341,606	0%	-
	<u>\$ 6,188,148</u>		<u>\$ -</u>
	Contract assets		
	Total book value	Expected loss rate	Loss allowance
<u>At December 31, 2021</u>			
Not past due	\$ 988,691	0%	\$ -

- 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:

	2022		
	Notes receivable	Accounts receivable	Contract assets
At January 1	\$ -	\$ -	\$ -
Reversal of impairment loss	-	68	-
At December 31	\$ -	\$ 68	\$ -

	2021		
	Notes receivable	Accounts receivable	Contract assets
At January 1	\$ -	(\$ 113)	(\$ 13)
Reversal of impairment loss	-	113	13
At December 31	\$ -	\$ -	\$ -

(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, 2022	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	\$8,528,648	\$ 724,662	\$ -	\$ -	\$ -	\$9,253,310
Accounts payable - related parties	351,602	-	-	-	-	351,602
Other payables	4,286,515	13,438	-	-	-	4,299,953
Other payables - related parties	96,166	-	-	-	-	96,166
Bonds payable	-	2,017,200	4,981,000	-	-	6,998,200
Long-term loans (including current portion)	57,034	579,023	625,493	1,612,344	1,907,972	4,781,866
Lease payable and financial liabilities for hedging(including current portion)	712,911	1,778,135	2,188,059	8,058,193	6,014,784	18,752,082

Non-derivative financial liabilities:

December 31, 2021	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Accounts payable	\$5,153,149	\$ 488,084	\$ -	\$ -	\$ -	\$5,641,233
Accounts payable - related parties	149,973	-	-	-	-	149,973
Other payables	4,598,650	41,880	-	-	-	4,640,530
Other payables - related parties	28,687	-	-	-	-	28,687
Bonds payable	-	4,059,200	2,017,200	4,999,900	-	11,076,300
Long-term loans (including current portion)	473,867	4,512,754	5,403,539	5,684,986	3,278,169	19,353,315
Lease payable and financial liabilities for hedging(including current portion)	657,037	1,787,854	2,076,122	8,238,737	6,370,658	19,130,408

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(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, accounts payable and other payables are approximate to their fair values.

	December 31, 2022		
	Book value	Fair value	Fair value
			Level 2	Level 3
Financial liabilities:			
Bonds payable (including current portion)	\$ 6,806,154	\$ 4,806,154	\$ 2,005,640
Long-term loans (including current portion)	4,375,151	-	4,781,866
	<u>\$ 11,181,305</u>	<u>\$ 4,806,154</u>	<u>\$ 6,787,506</u>
	December 31, 2021		
	Book value	Fair value	Fair value
			Level 2	Level 3
Financial liabilities:			
Bonds payable (including current portion)	\$ 10,772,950	\$ 4,772,950	\$ 6,049,253
Long-term loans (including current portion)	18,801,356	-	19,353,315
	<u>\$ 29,574,306</u>	<u>\$ 4,772,950</u>	<u>\$ 25,402,568</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, 2022	Level 1	Level 2	Level 3	Total
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income	\$ 847,730	\$ -	\$ 183,113	\$ 1,030,843
Liabilities:				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivatives instrument	\$ -	\$ 10,460	\$ -	\$ 10,460

December 31, 2021	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Derivatives instrument	\$ -	\$ 44,999	\$ -	\$ 44,999
Financial assets at fair value through other comprehensive income				
Equity securities	<u>1,478,541</u>	<u>-</u>	<u>147,399</u>	<u>1,625,940</u>
	<u>\$ 1,478,541</u>	<u>\$ 44,999</u>	<u>\$ 147,399</u>	<u>\$ 1,670,939</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, 2022 and 2021, 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, 2022 and 2021:

	2022	2021
At January 1	\$ 147,399	\$ 180,389
Gains and losses recognised in other comprehensive income (Note)	35,714	(32,990)
At December 31	\$ 183,113	\$ 147,399

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, 2022 and 2021, 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, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 176,341	Market comparable companies	Price to earnings ratio multiple	28.62~35.89	The higher the multiple and control premium, the higher the fair value
			Price to book ratio multiple	0.92~3.66	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, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 140,627	Market comparable companies	Price to earnings ratio multiple	20.01~40.52	The higher the multiple and control premium, the higher the fair value
			Price to book ratio multiple	0.80~3.38	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, 2022				
				Recognised in profit or loss	Recognised in other comprehensive income	
	Input	Change	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%	\$ -	\$ -	\$ 1,763	\$ 1,763

				December 31, 2021			
				Recognised in profit or loss		Recognised in other comprehensive income	
		Input	Change	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%	\$ -	\$ -	\$ 1,406	\$ 1,406

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: Please refer to table 4.
- 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 5.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 6.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

(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 8.

(3) Information on investments in Mainland China

- A. Basic information: Please refer to table 9.
- 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 10.

14. SEGMENT INFORMATION

None.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
STATEMENT OF CASH AND CASH EQUIVALENTS(1)
DECEMBER 31, 2022

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

Item	Description	Amount	
		Subtotal	Total
Cash			\$ 77,912
	Cash on hand	\$ 162	
	Petty cash		
	TWD	23,146	
	USD	1,785	56,715
	Less : Unrealised losses	(2,111)	
Cash in banks			
Checking accounts			49,779
NTD demand deposits			4,072,363
Foreign demand deposits			1,074,960
	EUR	2,333	75,996
	GBP	15	559
	INR	94	35
	JPY	22,697	5,188
	USD	32,457	984,926
	VND	6,680	9
	Less : Unrealised gains or losses	8,247	
NTD time deposits	Interest rate:0.73%~1.55%		115,400,000
Foreign time deposits	Interest rate:4.20%~5.30%		6,160,745
	USD	201,364	6,133,882
	Less : Unrealised losses	26,863	
			<u>\$ 126,835,759</u>

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
STATEMENT OF ACCOUNTS RECEIVABLE(1)
DECEMBER 31, 2022

(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.	\$ 751,149	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.	
	Ikea Freight Service AB	592,624		
	COSCO Container Lines Co.,Ltd.	498,546		
	Orient Overseas Container Line Limited	267,289		
	Others	2,543,955		
	Less : Unrealised losses	(45,618)		
	Less : Allowance for bad debts	(66)		
		<u>4,607,879</u>		
Related parties				
	Evergreen Marine (Asia) Pte. Ltd.	238,968		2) The amount of individual client included in others does not exceed 5% of the account balance.
	Evergreen Marine (UK) Ltd.	77,750		
	Evergreen Marine (Hong Kong) Ltd.	69,994		
	Evergreen International Storage and Transport Corp.	25,767	3) The amount of individual client included in others does not exceed 5% of the account balance.	
	Others	63,873		
	Less : Allowance for bad debts	(2)		
		<u>476,350</u>		
		<u>\$ 5,084,229</u>		

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.

STATEMENT OF OTHER RECEIVABLES(1)

DECEMBER 31, 2022

(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	\$ 149,689	
Tax refund receivable		102,379	The amount of individual client included in others does not exceed 5% of the account balance.
Others		<u>4,799</u>	
		<u>256,867</u>	
Related parties			
Greencompass Marine S.A.		21,025	
Evergreen Marine (Hong Kong) Ltd.		6,029	
Evergreen International Storage and Transport Corp.		3,208	
Evergreen International Corp.		2,687	The amount of individual client included in others does not exceed 5% of the account balance.
Others		<u>2,321</u>	
		<u>35,270</u>	
		<u>\$ 292,137</u>	

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.

STATEMENT OF SHIP FUEL(1)

DECEMBER 31, 2022

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

Item	Description	Cost (in thousands)	Net Realisable Value	Footnote
Fuel	GLOR	USD 4,128	\$ 126,299	1)Fuel inventories of each ship are recorded at cost and retranslated at the exchange rates prevailing at the balance sheet date.
	ARTX	USD 3,678	112,519	
	LUCD	USD 3,392	103,768	
	ARMS	USD 3,142	96,121	
	TYOT	USD 3,035	92,847	
	GIVE	USD 2,939	89,931	
	LUNR	USD 2,843	86,973	
	GREE	USD 2,697	82,520	
	TPET	USD 2,533	77,492	
	Others	USD 19,767	604,792	
		<u>USD 48,154</u>	<u>\$ 1,473,262</u>	2)The amount of individual client included in others does not exceed 5% of the account balance.

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EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
STATEMENT OF OTHER CURRENT ASSETS(1)
DECEMBER 31, 2022

(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
	Evergreen Shipping Agency (America) Corporation	\$ 234,490	
	Arabian Gulf Marine Trading Co.	139,327	
	Others	<u>164,412</u>	2) The amount of individual client included in others does not exceed 5% of the account balance.
		<u>538,229</u>	
Shipowner's accounts			
	Evergreen International S.A.	172,095	
	Italia Marittima S.p.A.	114,667	
	Evergreen Marine (UK) Limited	77,630	
	Gaining Enterprise S.A.	7,288	
	Greencompass Marine S.A.	<u>109</u>	
		371,789	
Others	Temporary payments for others	<u>1,582,129</u>	
		<u>\$ 2,492,147</u>	

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
STATEMENT OF CHANGES IN INVESTMENT ACCOUNTED FOR USING EQUITY METHOD(1)
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Investees	Balance at January 1, 2022		Additions in Investment		Decrease in Investment		Balance at December 31, 2022		Market Value or Net Assets Value		Collateral	Footnote
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Ownership	Amount	Price (NTD)	Total Amount		
Peony Investment S.A.	4,765	\$ 73,525,827	-	\$ 20,412,961	-	\$ 15,467,441	100.00	\$ 78,471,347	\$ -	\$ 78,976,087	No	
Everport Terminal Services Inc.	1	3,108,885	-	1,250,017	-	-	94.43	4,358,902	-	4,358,902	"	
Taiwan Terminal Services Co., Ltd.	5,500	63,410	-	20,727	-	-	55.00	84,137	-	84,137	"	
Chang Yang Development Co., Ltd.	58,542	561,169	-	65,020	-	58,600	40.00	567,589	-	801,055	"	
Evergreen International Storage and Transport Corporation	430,692	11,073,547	-	952,575	-	172,277	40.36	11,853,845	27.80	11,973,243	"	
Evergreen Security Corporation	6,336	113,084	6,286	257,448	-	12,622	62.25	357,910	-	357,910	"	
EVA Airways Corporation	776,541	12,812,215	-	405,373	-	459,475	14.49	12,758,113	28.15	21,859,632	"	
Evergreen Steel Corp.	-	-	79,248	4,167,120	-	-	19.00	4,167,120	51.60	4,089,197	"	
Taipei Port Container Terminal Corporation	144,799	1,694,351	-	107,286	-	-	27.85	1,801,637	-	1,800,088	"	
Ever Ecove Corporation	30,500	299,567	-	53,981	-	-	19.06	353,548	-	353,549	"	
VIP Greenport Joint Stock Company	13,750	279,693	-	90,156	-	43,106	21.74	326,743	-	326,743	"	
Evergreen Marine (Hong Kong) Ltd.	6,320	69,185,247	-	42,596,754	-	54,703,349	79.00	57,078,652	-	57,078,652	"	
Evergreen Shipping Agency (Israel) Ltd.	1,062	75,414	-	74,969	-	102,834	59.00	47,549	-	47,549	"	
Evergreen Marine (Asia) Pte. Ltd.	50,000	89,347,158	-	265,561,586	-	121,433,375	100.00	233,475,369	-	233,475,369		
		<u>\$ 262,139,567</u>		<u>\$ 336,015,973</u>		<u>\$ 192,453,079</u>		<u>\$ 405,702,461</u>				

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
STATEMENT OF CHANGES IN SHIPS(L)
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Item	Balance at January 1, 2022	Increased in this period	Transferred in this period	Decreased in this period	Balance at December 31, 2022	Footnote
Ships:						
LOYL	\$ 3,462,569	-	-	-	\$ 3,462,569	
LUCD	3,179,321	1,762	241,073	-	3,422,156	
LOGC	3,378,999	9,842	4,723	-	3,393,564	
LIVN	3,234,121	12,716	217,414	-	3,464,251	
LBRA	3,435,103	5,855	-	-	3,440,958	
LUNR	3,333,764	1,159	237,966	-	3,572,889	
LRIC	3,574,411	-	-	-	3,574,411	
PRMT	581,458	-	4,917	-	586,375	
PRBT	538,815	56	5,917	-	544,788	
PRSP	504,356	9,987	5,748	-	520,091	
BLMY	1,275,202	1,927	-	-	1,277,129	
BLOM	1,259,843	-	-	-	1,259,843	
BEMY	1,260,558	-	-	-	1,260,558	
BASS	1,255,693	1,179	-	-	1,256,872	
BEFT	1,258,525	9,598	-	-	1,268,123	
BORD	1,284,855	9,766	-	-	1,294,621	
BEDY	1,246,542	-	-	-	1,246,542	
BENG	1,281,707	8,827	-	-	1,290,534	
BLES	1,292,586	48,622	-	-	1,341,208	
BLNK	1,304,510	3,213	-	-	1,307,723	
CRTE	742,922	-	-	-	742,922	
COZY	732,345	2,614	-	-	734,959	
CONY	729,814	-	-	-	729,814	
CRER	731,449	-	153	-	731,602	
ARMS	-	(167,088)	4,525,941	-	4,358,853	
ARTX	-	167,088	4,358,854	-	4,525,942	
	<u>\$ 40,879,468</u>	<u>\$ 127,123</u>	<u>\$ 9,602,706</u>	<u>\$ -</u>	<u>\$ 50,609,297</u>	

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
STATEMENT OF CHANGES IN SHIPS(D) (Cont.)
FOR THE YEAR ENDED DECEMBER 31, 2022

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

Item	Balance at January 1, 2022	Increased in this period	Decreased in this period	Balance at December 31, 2022	Footnote
Accumulated depreciation					
LOYL	\$ 1,008,927	\$ 138,394	\$ -	1,147,321	
LUCD	964,816	122,719	-	1,087,535	
LOGC	1,056,255	140,121	-	1,196,376	
LIVN	1,070,751	123,724	-	1,194,475	
LBRA	1,147,793	143,061	-	1,290,854	
LUNR	879,865	128,704	-	1,008,569	
LRIC	879,018	149,835	-	1,028,853	
PRMT	567,951	7,910	-	575,861	
PRBT	518,586	13,802	-	532,388	
PRSP	492,368	10,191	-	502,559	
BLMY	204,851	52,211	-	257,062	
BLOM	167,267	50,291	-	217,558	
BEMY	176,040	51,160	-	227,200	
BASS	186,735	51,048	-	237,783	
BEFT	170,075	53,251	-	223,326	
BORD	148,281	53,648	-	201,929	
BEDY	178,459	50,747	-	229,206	
BENG	159,583	56,139	-	215,722	
BLES	131,206	62,512	-	193,718	
BLNK	119,890	52,856	-	172,746	
CRTE	28,484	37,050	-	65,534	
COZY	18,570	36,928	-	55,498	
CONY	11,230	36,421	-	47,651	
CRER	5,984	36,517	-	42,501	
ARMS	-	160,896	-	160,896	
ARTX	-	127,650	-	127,650	
	<u>\$ 10,292,985</u>	<u>\$ 1,947,786</u>	<u>\$ -</u>	<u>\$ 12,240,771</u>	
Net Amount	<u>\$ 30,586,483</u>			<u>\$ 38,368,526</u>	

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.

STATEMENT OF ACCOUNTS PAYABLE(1)

DECEMBER 31, 2022

(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.		\$ 670,474	
Estimated expense payable		615,873	The amount of individual client included in others does not exceed 5% of the account balance.
Others		7,911,675	
Add: Unrealised losses		<u>55,288</u>	
		<u>9,253,310</u>	
Related parties			
Taiwan Terminal Services Co., Ltd.		110,679	
Taipei Port Container Terminal Corp.		126,187	
Evergreen International Storage and Transport Corporation		87,605	The amount of individual client included in others does not exceed 5% of the account balance.
Others		<u>27,131</u>	
		<u>351,602</u>	
		<u>\$ 9,604,912</u>	

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.

STATEMENT OF OTHER PAYABLES(1)

DECEMBER 31, 2022

(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		\$ 748,229	
Accrued expenses		2,745,026	
Interest payable		18,745	
Payable on equipment		787,953	
		<u>\$ 4,299,953</u>	
Related parties			
Evergreen Logistics Corp.		66,420	
Evergreen International Corp.		13,654	
Ever Accord Construction Corp.		6,650	
Others		9,442	
		<u>96,166</u>	
		<u>\$ 4,396,119</u>	
			The amount of individual client included in others does not exceed 5% of the account balance.

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EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
STATEMENT OF OTHER CURRENT LIABILITIES(1)
DECEMBER 31, 2022

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

Item	Description	Amount	Footnote
Agency accounts			
	Evergreen Shipping Agency (Vietnam) Corporation	\$ 86,199	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 (Europe) GmbH	46,140	
	Evergreen Shipping Agency (Japan) Corporation	45,913	
	Greenpak Shipping (Private) Limited	41,713	
	Evergreen Marine Corp. (Malaysia) SDN BHD	25,267	
	Evergreen Shipping Agency (Australia) Pty. Ltd.	24,191	
	Evergreen Shipping Agency Philippines Corporation	19,550	
	Others	49,343	
		<u>338,316</u>	
Shipowner's accounts			
	Evergreen Marine (Asia) Pte Ltd.	747,258	
	Evergreen Marine (Hong Kong) Ltd.	47,473	
	Evergreen Marine (Singapore) Pte. Ltd.	27,741	
		<u>822,472</u>	
Unearned Receipts	Base station revenue	589,713	
Receipts under custody	Withholding tax	4,333	
Bonds payable - current portion		2,000,000	
Long-term liabilities - current portion		543,710	
		<u>\$ 4,298,544</u>	

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
STATEMENT OF CORPORATE BONDS PAYABLE(1)

DECEMBER 31, 2022

(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, 2022	Amount		Book Value	Repayment	Collateral	Footnote
								Unamortised Premiums	(Discounts)				
Fourteenth domestic secured corporate bonds	Bank of Taiwan	107.06.27	112.06.27	0.00	2,000,000	-	2,000,000	-	-	2,000,000	Note 1	"	Note 2
Fourth unsecured domestic convertible bonds		110.05.18	-	-	5,000,000 (	19,000)	4,981,000 (	174,846)		4,806,154	Note 3	None	
Less: current portion										(2,000,000)			
Non-current portion										\$ 4,806,154			

Note 1 : Except for conversion, proceeds and redemption, the principal of the Bonds shall be repaid in lump sum at maturity.

Please refer to Note 6(15) for details of principal repayment and interest payment.

Note 2 : The Bonds are secured and are guaranteed by First Commercial Bank.

Note 3 : The Bonds are fourth unsecured domestic overseas convertible bonds. Please refer to Note 6(15) for details of principal repayment and interest payment.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
STATEMENT OF LONG-TERM LOANS(L)

DECEMBER 31, 2022

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

Creditor	Description	Amount	Term of Contract	Rate(%)	Collateral	Footnote
Long-term bank loans:						
Hua Nan Commercial Bank	Secured bank loans	\$ 3,452,586	111.05.18~118.05.19		Ships	
Bank of China	"	461,103	108.02.28~115.06.29		"	
Banco Santander, S.A.	"	480,907	110.09.28~120.09.23	1.14%-5.12%	"	Including USD loans
		4,394,596				
Add: Unrealised losses		49,840				
Less: Deferred expenses - hosting fee credit		(69,284)				
		4,375,152				
Less: current portion		(543,710)				
Non-current portion		\$ 3,831,442				

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
STATEMENT OF LEASE LIABILITIES(1)
DECEMBER 31, 2022

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

Item	Term of Contract (year)	Discount Rate(%)	Balance at December 31, 2022
Land	14.7~15.3	1.4950%	\$ 290,322
Buildings	3	1.1000%	175,631
Ships	3~15	0.9800%~3.5688%	16,875,676
Offices	5	1.1300%	4,034
Total			<u>\$ 17,345,663</u>

Note : Please refer to Note 6(10) for details of lease liabilities.

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07 Review of Financial Conditions, Financial Performance, and Risk Management

Chapter

I. Comparison of Financial Positions in the Last Two Years

Unit: TWD thousand

Item	Year	2021	2022	Difference	
				Amount	%
Current Assets		283,114,993	483,935,294	200,820,301	70.93%
Non-current assets		327,911,127	403,576,763	75,665,636	23.08%
Total Assets		611,026,120	887,512,057	276,485,937	45.25%
Current Liabilities		109,092,860	164,879,242	55,786,382	51.14%
Non-current liabilities		144,611,670	140,082,780	(4,528,890)	-3.13%
Total Liabilities		253,704,530	304,962,022	51,257,492	20.20%
Common stock		52,908,484	21,164,201	(31,744,283)	-60.00%
Capital surplus		15,762,185	15,968,043	205,858	1.31%
Retained Earnings		259,259,637	498,726,941	239,467,304	92.37%
Other equity interest		(1,145,770)	16,354,844	17,500,614	-1,527.41%
Equity attributable to owners of the parent		326,784,536	552,214,029	225,429,493	68.98%
Non-controlling interest		30,537,054	30,336,006	(201,048)	-0.66%
Total equity		357,321,590	582,550,035	225,228,445	63.03%

The main reasons for the major changes (those with a change of more than 20% and a change of TWD 300 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 from operating revenue.
- (2) The increase in non-current assets was due to the increase in property, plant and equipment and investments accounted for using equity method.
- (3) The increase in current liabilities was due to the increase in accounts payable and current lease liabilities.
- (4) The decrease in common stock was due to capital reduction by returning share capital in cash.
- (5) The increase of retained earnings was due to the net income of the parent company.
- (6) The increase in other equity was mainly due to the appreciation of the exchange rate of USD:TWD, and the recognition of exchange differences on translation of foreign financial statements.

II. Comparison of Financial Performance in the Last Two Years

Unit: TWD thousand

Item	Year	2021	2022	Difference	
				Amount	%
Operating revenue		489,406,832	627,283,761	137,876,929	28.17%
Operating costs		187,412,073	228,841,382	41,429,309	22.11%
Gross profit		301,994,759	398,442,379	96,447,620	31.94%
Unrealized profit from sales		(76,729)	(13,192)	63,537	-82.81%
Realized profit on from sales		16,407	20,953	4,546	27.71%
Gross profit		301,934,437	398,450,140	96,515,703	31.97%
Operating expenses		17,310,529	24,764,546	7,454,017	43.06%
Other gains - net		238,289	1,122,717	884,428	371.16%
Operating profit (loss)		284,862,197	374,808,311	89,946,114	31.58%
non-operating income and expenses		3,372,379	24,616,167	21,243,788	629.93%
Profit (loss) before income tax		288,234,576	399,424,478	111,189,902	38.58%
Income tax expense		25,124,517	53,251,513	28,126,996	111.95%
Profit (loss)		263,110,059	346,172,965	83,062,906	31.57%
Owners of the parent		239,014,860	334,200,661	95,185,801	39.82%
Non-controlling interest		24,095,199	11,972,304	(12,122,895)	-50.31%
Other comprehensive income (loss)		(991,351)	20,583,926	21,575,277	-2,176.35%
Comprehensive income (loss)		262,118,708	366,756,891	104,638,183	39.92%
Owners of the parent		238,402,107	352,206,802	113,804,695	47.74%
Non-controlling interest		23,716,601	14,550,089	(9,166,512)	-38.65%

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 high freight rates that resulted in an increase of 28.17% compared to last year. And the average fuel cost rised, which caused operating costs to grow 22.11% compared to last year.
- (2) The decrease in unrealized sales benefits was due to the decrease of sales of Peony's container manufacturing companies on affiliated companies.
- (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 increase in other gains and loss was due to the increase of net gain on disposal of property, plant and equipment.

(5) The increase in net non-operating expenses was due to the increase of net exchange gain and interest income.

III. 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
107,792,396	422,429,577	(138,361,267)	391,860,706	-	-

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 acquisition of the financial asset and 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
391,860,706	54,610,044	(197,802,867)	248,667,883	-	-

Analysis of cash flow deviation:

A. Cash balance at the beginning of the period: Cash and cash equivalents for Dec. 31, 2022.

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, purchase of fixed assets and distribution of cash dividend.

IV. 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				
		2022	2023	2024	2025	2026
2022	1,084,998	739,201	7,329	-	-	-
2023	247,900	37,185	173,530	-	-	-
2024	1,958,205	74,370	346,689	1,298,688	-	-
2025	1,314,405	-	70,069	236,663	831,557	-
2026	352,291	18,200	-	26,294	79,393	194,346

(2) Machinery: The Company will purchase nineteen units of ship to shore container gantry cranes and Fifty-six units of automation rail mounted gantry cranes. The total transaction price is USD 388,867 thousand. Until March 2023, it has paid USD 188,685 thousand.

(3) Containers Procurement: The Company purchased 30,800 containers from Dong Fang International Container (Hong Kong) Ltd. in 2022. The transaction price totaled USD 195,440 thousand. Purchased 16,000 containers from Guangdong FUWA Equipment Manufacturing Co., Ltd. in 2022. The transaction price totaled USD 105,950 thousand. Purchased 21,300 containers from Evergreen Heavy Industrial Corp (M) Berhad in 2022. The transaction price totaled USD 105,662 thousand. Purchased 7,250 containers from CXIC Group Container Company Limited. in 2022. The transaction price totaled USD 43,409 thousand. Purchased 3,500 containers from Singamas Management Services Limited in 2022. The transaction price totaled USD 22,907 thousand. Purchase 1,500 containers from Maersk Container Industry AS in 2023. The transaction price totaled USD 22,875 thousand.

The Company will purchase 9,800 containers from Evergreen Heavy Industrial Corp (M) Berhad in 2023. The total transaction price is USD 38,584 thousand. Purchase 4,500 containers from Dong Fang International Container (Hong Kong)

Ltd. in 2023. The transaction price totaled USD 34,850 thousand. Purchased 12,500 containers from Singamas Management Services Limited in 2023. The transaction price totaled USD 34,300 thousand. Purchased 1,000 containers from CIMC (Group) Co., Ltd. in 2023. The transaction price totaled USD 7,800 thousand.

- (4) Container vessels and leasehold improvements (scrubber): Evergreen Marine (Asia) Co., Ltd., a subsidiary of the Company, is expected to acquire the right of use assets of 9 ships and the 7 leasehold improvements (scrubber) from the related party Evergreen Marine (Singapore) Pte., with a total transaction price of approximately USD 798,705 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.

V. 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 312,847,608 thousand in Parent company only balance sheet of 2022.

VI. 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:

Content	2022 (thousand TWD ; %)
Net interest	3,124,466
Net interest represented percentage of annual revenue	0.50%
Net interest represented percentage of earnings before tax	0.78%

The Group's interest rate risk arises from long-term borrowings at variable rates,

which 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.

At December 31, 2022, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the year ended December 31, 2022 would have been \$271,247 lower/higher, respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

B. Corresponding measure

For the purpose of improve financial structure, increase long term working capital and decrease interest risk. EMC issued 2 billions secured corporate bonds with 5 years tenor on June 27, 2018 with fixed rate. Also issued 5 billions domestic unsecured convertible bonds (coupon rate 0%) with 5 years tenor on May 18, 2021.

It can fix 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 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	Domestic Unsecured Convertible Corporate Bonds
Total price	TWD 5,000,000,000
Coupon rate	0.00%
Tenor	5 years
Repayment method	Unless previously redeemed, repurchased and cancelled or converted, the Bonds will be redeemed in lump sum by cash at their principal amount upon maturity.
Issue date	May 18, 2021
Fundraising situation	Completed

(2) Foreign exchange rates

A. The impact of exchange rates fluctuation to net income :

Item	2022 (TWD thousand, %)
Net foreign currency exchange gains	12,401,950
Ratio of net foreign exchange gains and operating revenue and net currency exchange gains	1.9771%
Ratio of net foreign exchange gains and profit (loss) before income tax and net currency exchange gains	3.1050%

For the year ended December 31, 2022, net currency exchange gains was TWD 12,401,950 thousand, it was estimated 1.9771% of operating revenue and 3.1050% of profit (loss) before income tax respectively.

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 December 31, 2022 amounted to TWD 39,619,592 thousand and TWD 49,112,195 thousand, respectively. From the monetary items of financial assets side, if the exchange rate of USD: TWD had increased/decreased by 1%, net currency exchange gains would have increased/decreased by TWD 307,613 thousand; if the exchange rate of EUR:USD had increased/decreased by 1%, net currency exchange gains would have increased/decreased by TWD 1,449 thousand; if the exchange rate of GBP:USD had increased/decreased by 1%, net currency exchange gains would have increased/decreased by TWD 2,520 thousand; from the monetary items of financial liabilities side, if the exchange rate of USD: NTD had increased/decreased by 1%, net currency exchange gains would have increased/decreased by TWD 299,932 thousand; if the exchange rate of RMB:USD had increased/decreased by 1%, net currency exchange gains would have increased/decreased by TWD 13,090 thousand; if the exchange rate of EUR:USD had increased/decreased by 1%, net currency exchange gains would have increased/decreased by TWD 2,166 thousand; if the exchange rate of HKD:USD had increased/decreased by 1%, net currency exchange gains would have increased/decreased by TWD 4,462 thousand; if the exchange rate of GBP:USD had increased/decreased by 1%, net currency exchange gains would have increased/decreased by TWD 2,715 thousand.

B. Corresponding measure

As the freight income is mainly in USD, therefore we pay attention to the exchange rate fluctuation all the time and do the following actions:

- a. Use professional financial information system and keep close contact with

financial institution to get the most update exchange rate information and act proactively.

- b. Use the same currency of revenue to pay the expense if possible in order to do the natural hedge to prevent the exchange rate risk.
- c. Open foreign currency accounts to buy or sell the foreign currencies.

(3) Inflation

Economies around the world have been grappling with a multitude of shocks, such as Russia's invasion of Ukraine, China's persistent zero-Covid measures, which have sent inflation soaring and weakened activity. According to The International Monetary Fund's projection on January 2023, global GDP growth will slow from 6% in 2021 to 3.4% in 2022. The global economy likely faces a decade of sluggish growth.

Looking forward to 2023, the impact of the COVID-19 pandemic on the economy has gradually diminished. Benefiting from the slowdown of inflation, global economy might have growth gradually, and it's expected to recover momentum in progress. World Bank, IMF and OECD forecast that the global economic growth rate will be around 1.7% to 2.9% in 2023, which is lower than that in 2022, due to the rise for the rates to fight inflation by central banks globally and effect on Russian-Ukrainian war.

On the other hand, after peaking in 2022, inflation to ease over the forecast horizon is expected. Based on IMF forecast on January, 2023, IMF forecasted that the 2023 global inflation rate would fall to around 6.6 percent, which is still above pre-pandemic (2017–2019) levels (around 3.5%). Besides, according to press from European Commission, almost one year after Russia launched its war of aggression against Ukraine, headline inflation is forecast to fall to 6.4% in 2023 in the EU due to energy market back to normal gradually. OPEC has raised its 2023 global oil demand growth forecast in its February reports, due to China's relaxation of COVID-19 restrictions. At the same time, International Energy Agency (IEA) also raised its forecast for oil demand growth in 2023 on February. However, the current risk is that the central banks of various countries will raise interest rates to combat inflation, and the uncertainty of Russian-Ukrainian war to affect global economy. As inflationary pressures persist, monetary tightening is set to continue, weighing on business activity and exerting a drag on investment.

Since our service route includes all over the world, we signed the contract with our suppliers to reduce the volatility of main operation costs, such as port charge, stevedoring and cargo claim. Furthermore, we charge fuel surcharges to customers and regularly review market conditions so as to reduce the risk of fuel prices volatility.

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 lending 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) Administrator Account Management System Implement Project
- (2) Digital File Protection System Improvement Project
- (3) Information Security Forensics Service and Penetration Testing Tool Implement Project
- (4) Information Security Protection Vulnerability Scanning System Procurement Project
- (5) Red Team Assessment

The company is expected to invest about TWD 31.86 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 2022.

5. The Impacts of Changes in Technology and the Industry on Corporate Finance and Business Operations, and Corresponding Measures:

Information and Communication 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 implementation and devoted resources of Information Security Committee, please refer to page 189~page 194.

The Information Security Architecture of the Company is shown below:



6. The Impacts of Changes in Corporate Image on Corporate Risk Management, and Corresponding Measures:

The Company has set up internal control system, as well as established comprehensive emergency response plans, with holding simulation exercises from time to time, in order to respond to various emergencies and avoid the corporate image from being affected.

Ever since the outbreak of the COVID-19 pandemic, Evergreen instigated a carefully designed contingency measures. Evergreen's global network of offices and agencies 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 and operation aspect. 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 2022, Ever Forward ran aground after leaving Baltimore, MD in the United States. Right after the incident, Evergreen activated the emergency response system and

appointed salvage experts for designing refloating plans. Upon approval by the competent authorities, dredging was conducted to increase the ship's buoyance and some containers were off-loaded to reduce weight. After continued efforts by the rescue team, Ever Forward was successfully refloated and resumed her voyage after completing inspection of seaworthiness.

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 risks assessment and corresponding measures

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 22, 2022.

(2) Evaluation of market and operational risks and corresponding measures

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

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

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) 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 Risks	Project Department	To formulate the Company's operating policies, evaluate the cost effectiveness, design service strings and fleet, supervise business operations, and stipulate management system related to trade secret and copyright.
Market & Operational 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.

Risk Management	In-charge Department	Functions
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.

15.The Implementation of Intellectual Property Management and In-charge Organizer

The Company has set up an Intellectual Property Management Policies, Objectives and Plans to support the Company's operational strategies in accelerating the development in E-Commerce and intelligent transportation mode, strengthen its leadership and enhance its brand images. The Intellectual Property Management Committee of the Company will regularly review and adjust these Intellectual Property Management Policies, Objectives and Plans and annually submit the implementation reports to the Company's Board of Directors.

The Intellectual Property Management Achievements of the Company in 2022 are as follows, which have been reported to the Company's Board of Directors on December 22, 2022:

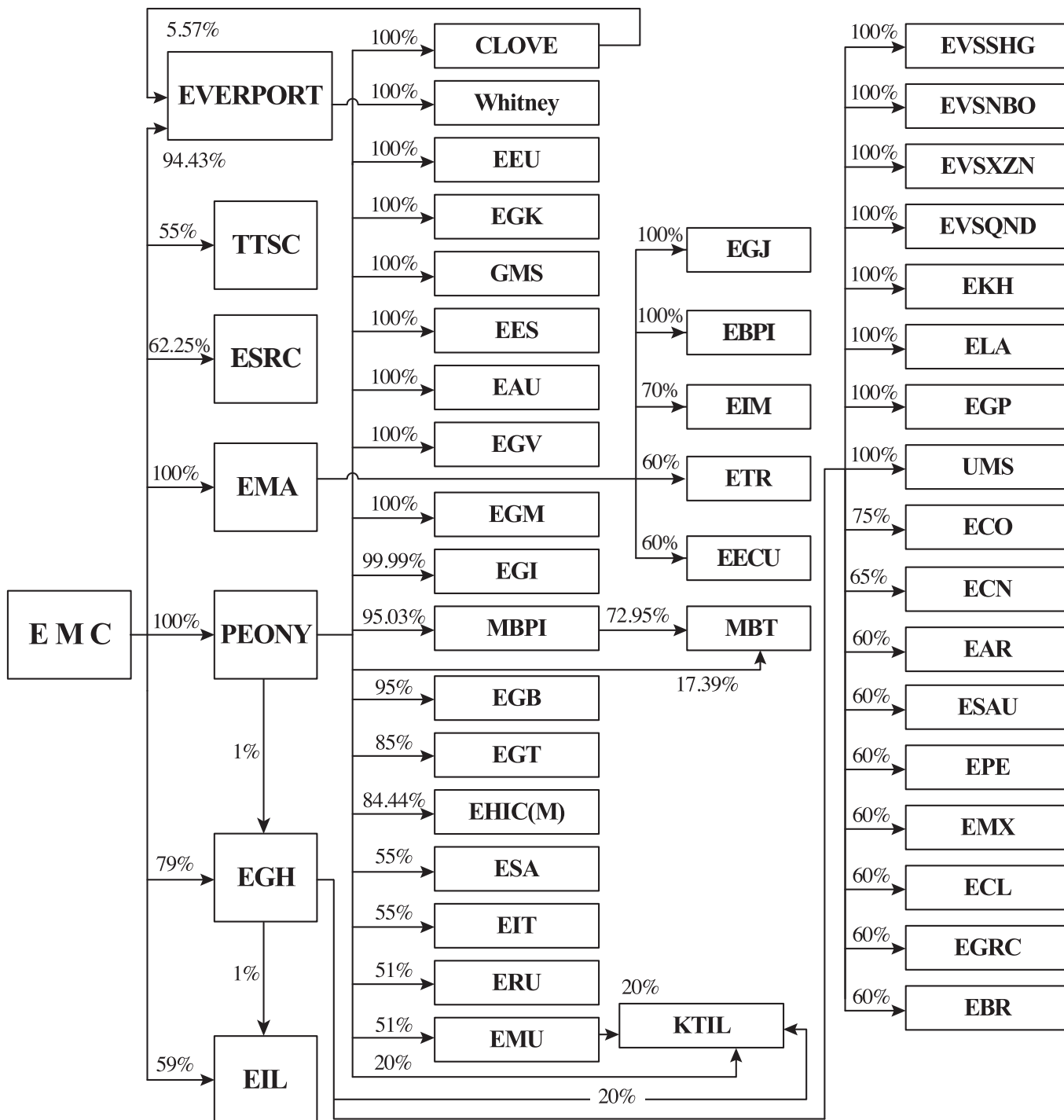
Management plan	Implementation
Trade Secrets and Copyrights	<ol style="list-style-type: none"> 1. Discussing and formulating the Trade Secrets Management Plan 2. Keeping tracking and improving the Trade Secrets Management System of PDCA (Plan-Do-Check-Action) 3. Encouraging knowledge management and the outputs of relevant business of the departments.
Trademarks	<ol style="list-style-type: none"> 1. Applying and protecting the trademarks in the countries and regions where the service is provided or will be provided in the future. 2. Selecting the excellent suppliers to represent and to protect the company's trademarks. 3. We have obtained 191 trademark rights; meanwhile, 13 applications are under filing process.
Patents	<ol style="list-style-type: none"> 1. Applying the patents of business-related innovations, designs, and inventions in the countries and regions where our service is provided. 2. Reporting the cases of patents. 3. We have obtained 4 patent rights; meanwhile, 3 applications are under filing process.
Training	Appointing employees to attend the training courses on trademarks and patents laws compliance held by Taiwan Intellectual Property Training Academy.

VII.Other important issues: None.

I Summary of Affiliated Companies

1. Subsidiaries business report

(1) EMC Subsidiaries Chart



EMC	: Evergreen Marine Corporation (Taiwan) Ltd.
PEONY	: Peony Investment S.A.
EMA	: Evergreen Marine (Asia) Pte. Ltd.
EVERPORT	: Everport Terminal Services Inc.
EGH	: Evergreen Marine (Hong Kong) Ltd.
ESRC	: Evergreen Security Corp. 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 .
EAU	: Evergreen Shipping Agency (Australia) Pty. Ltd.
EGV	: Evergreen Shipping Agency (Vietnam) Company Limited
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
EGJ	: Evergreen Shipping Agency (Japan) Corporation
EBPI	: Evergreen Business Process Inc.
EIM	: Evergreen International Myanmar Co., Ltd.
ETR	: Evergreen Shipping Agency (Turkey) Corporation
EECU	: Evergreen Shipping Agency (Ecuador) S.A.
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 Service (Cambodia) Co., Ltd.
 ELA : Evergreen Marine (Latin America), S. A.
 EGP : Evergreen Shipping Agency Philippines Corporation
 UMS : Unigreen Marine, S. A.
 ECO : Evergreen Shipping Agency (Colombia) S.A.S.
 ECN : Evergreen Shipping Agency (China) Co., Ltd.
 EAR : Evergreen Shipping Agency (Argentina) S.A.
 ESAU : Evergreen Shipping Agency Saudi Co. (L.L.C.)
 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, 2022)

Expressed in thousands of local currency

Company	Date Founded	Location	Capital	Main Business Activities
Peony Investment S.A.	04/01/1993	2 nd Floor, Humboldt Tower, East 53rd Street, Marbella, Panama City, Republic of Panama	USD 476,500	Investment holding company
Evergreen Marine (Asia) Pte. Ltd.	22/03/2021	200 Cantonment Road #12-01 Southpoint Singapore 089763	USD 50,000	Container shipping
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 Security Corp. Ltd.	27/04/1998	4-5F., No. 111, Songjiang Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	TWD 202,752	Security services
Evergreen Shipping Agency (Israel) Ltd.	24/06/2019	Habankim 8 street, HAIFA, 3326301	ILS 1,800	Shipping agency
Taiwan Terminal Services Corp. Ltd.	27/11/1997	No. 6, Qijin 1st 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

Company	Date Founded	Location	Capital	Main Business Activities
Greencompass Marine S.A.	16/08/1993	2 nd Floor, Humboldt Tower, East 53rd Street, Marbella, Panama City, Republic 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
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 Str., Ward 25, Binh Thanh Dist., HCMC, Vietnam	USD 1,120	Shipping agency
Evergreen Marine Co. (Malaysia) SDN. BHD.	24/06/2000	Tower 3A, Level 12, UOA Business Park, No. 1 Jalan Pengaturcara U1/51A, Seksyen U1, 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	Jalan Raya Cakung Cilincing KM. 4 RT 02/RW 05 Kel. Rorotan Kec. Cilincing, Jakarta Utara 14140 Indonesia	IDR 50,013,120	Cargo loading and discharging, inland transportation
PT. Multi Bina Transport	01/01/1994	Jalan Raya Cakung Cilincing KM. 4 RT 02/RW 05 Kel. Rorotan Kec. Cilincing, Jakarta Utara 14140 Indonesia	IDR 10,350,000	Repairs and cleaning of containers, inland transportation
Evergreen Argentina S.A.	31/10/1997	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 10110	THB 40,000	Shipping agency

Company	Date Founded	Location	Capital	Main Business Activities
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 Shipping Agency (Japan) Corporation	13/04/1972	No.15-13, Takanawa 2-Chome, Minato-Ku, Tokyo, Tokyo, Japan	JPY 180,000	Shipping agency
Evergreen Business Process Inc.	07/03/2022	Princeton South Corporate Ctr, Ste 160, 100 Charles Ewing Blvd, Ewing, NJ 08628, USA	USD 2,000	Computer System Backup Service
Evergreen International Myanmar Co., Ltd.	08/06/2015	Room NO. 10-01, 10th Floor, International Commercial Centre, Corner of Strand Road and Botahtaung Pagoda Road, Botahtaung Township, Yangon Region, Myanmar 11161	MMK 190,950	Shipping agency
Evergreen Shipping Agency (Turkey) Corporation	22/10/2021	Esentepe, Kore Şehitleri Cad. & Yüzbaşı Kaya Aldogan Sokak No:8, 34394 Şişli/İstanbul, Turkey	TRY 4,000	Shipping agency
Evergreen Shipping Agency (Ecuador) S.A.	03/06/2022	Junin 114 Y Malecon, Edificio Torres Del Rio 5th Floor	USD 300	Shipping agency
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
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

Company	Date Founded	Location	Capital	Main Business Activities
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	5/F B.S.J. Building, No.31 Donghai West Road, Shinan District, Qingdao, Zip Code: 266071	USD 7,300	Management consultancy, self-owned property leasing
Evergreen Shipping Agency (Cambodia) Co., Ltd.	18/10/2017	The Gateway Office Tower, Level 20 (Unit 20-10 to 20-13) Russian Federation Blvd, Phum 10, Sangkat Phsar Depou 1, Khan Tuol Kouk, Phnom Penh	KHR 800,000	Shipping agency
Evergreen Marine (Latin America), S.A.	18/07/2012	Evergreen Building 7th 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 BDO Equitable Tower Condominium, 8751 Paseo de Roxas, Makati City, Philippines 1226	PHP 100,000	Shipping agency

Company	Date Founded	Location	Capital	Main Business Activities
Unigreen Marine, S.A.	17/04/1995	Evergreen Building 11th Floor, 5th B Ave And 78 East Street, San Francisco, Panama City, Panama	USD 300	Shipping agency
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 (Argentina) S.A.	07/10/2020	Peru 359, 13 Floor (Zip Code: C1067AAG), Buenos Aires, Argentina	ARS 15,000	Shipping agency
Evergreen Shipping Agency Saudi CO. (L.L.C.)	24/05/2021	Building No: 5220. Najd Street, Al Mazruiyah Dist. P O Box : 1008, Dammam 31431 Saudi Arabia	SAR 3,000	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, 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, 2022.

USD : TWD=1:30.5950	1:29.7965	IDR : TWD=1:0.0020	1:0.0020	RMB : TWD=1:4.3934	1:4.4214
MYR : TWD=1:6.9259	1:6.7635	GBP : TWD=1:36.8748	1:36.6546	EUR : TWD=1:32.6068	1:31.2791
KRW : TWD=1:0.0243	1:0.0230	INR : TWD=1:0.3696	1:0.3787	ARS : TWD=1:0.1731	1:0.2271
AUD : TWD=1:20.6849	1:20.6404	RUB : TWD=1:0.4079	1:0.4280	SGD : TWD=1:22.7624	1:21.6042
THB : TWD=1:0.8846	1:0.8488	VND : TWD=1:0.0013	1:0.0013	ZAR : TWD=1:1.8045	1:1.8168
PLN : TWD=1:6.9764	1:6.6686	CHF : TWD=1:33.1402	1:31.1842	ILS : TWD=1:8.6963	1:8.8654
PEN : TWD=1:8.0779	1:7.7672	COP : TWD=1:0.0063	1:0.0070	MXN : TWD=1:1.5689	1:1.4816
CLP : TWD=1:0.0357	1:0.0340	HKD : TWD=1:3.9232	1:3.8050	BRL : TWD=1:5.7874	1:5.7651
PHP : TWD=1:0.5481	1:0.5458	SAR : TWD=1:8.1374	1:7.9352	TRY : TWD=1:1.6352	1:1.7906
JPY : TWD=1:0.2309	1:0.2261	MMK: TWD=1:0.0146	1:0.0154		

(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.

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, 2022)

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-Heui	President: Ronald Charles Neal	USD 105,900
	Evergreen Business Process Inc.	Chang, Yen-I Hsieh, Huey-Chuan Wu, Kuang-Hui	President: Chang, Yen-I	USD 2,000,000
British Virgin Islands	Clove Holding Ltd.	Chang, Yen-I Ko, Lee-Ching		USD 10,000
China	Kingtrans Intl. Logistics (Tianjin) Co., Ltd.	Chang, Yen-I Tsai, Bein-Hui Yu, Ming-Chiang Chao, Chien-Hsin Chen, Wei-Hsun	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, Yen-I Hsieh, Huey-Chuan Chang, Shin-Yie	President: Hsieh, Huey-Chuan Supervisor: Ko, Lee-Ching	USD 58,850,000

Country	Company	Director	President and Supervisor	Capital
China	Ever Shine (Shenzhen) Enterprise Management Consulting Co., Ltd.	Chang, Yen-I 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
	Evergreen Shipping Agency (China) Co., Ltd.	Chang, Shin-Yie Chao, Chien-Hsin Tang, Mu-Fan Huang, Jian Han, Yu-Sen	President: Chang, Shin-Yie Supervisor: Wu, Kuang-Hui	RMB 6,857,143
Indonesia	PT. Multi Bina Pura International	Chang, Yen-I Hsieh, Huey-Chuan Chan, Cheng-Chi Yang, Tsung Yu Ossin Dicky Widjaja	President: yang, Tsung Yu Supervisor: wu, Kuang-Hui, Gunadi Widjaja	IDR 50,013,120,000
	PT. Multi Bina Transport	Chang, Yen-I Hsieh, Huey-Chuan Chan, Cheng-Chi Yang, Tsung Yu Ossin Dicky Widjaja	President: yang, Tsung Yu Supervisor: Gunadi Widjaja	IDR 10,350,000,000
Malaysia	Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Chang, Yen-I Wu, Kuang-Hui Dato' Dr. Kenny Ong Kean Lee Lu, Shim-Min Liao, Te-Chin	President: Lu, Shim-Min Supervisor: Tan, Meng Huat	MYR 65,640,550
	Evergreen Marine Corp. (Malaysia) SDN. BHD.	Chang, Yen-I Yen, Chia-Cheng Hsu, Chang-I	President: Yen, Chia-Cheng	MYR 500,000
Panama	Peony Investment S.A.	Chang, Kuo-Hua Chang, Yen-I 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
	Unigreen Marine, S.A.	Chang, Yen-I Hsieh, Huey-Chuan	President: Lo, Yu-Lin	USD 300,000

Country	Company	Director	President and Supervisor	Capital
United Kingdom	Evergreen Marine (UK) Limited	Chang, Kuo-Cheng Chen, Wei-Hsun Maurice Storey	President: Huang, Hsin-Yen	GBP 1,500,000
Germany	Evergreen Shipping Agency (Europe) GmbH	Chang, Yen-I Hsieh, Huey-Chuan	President: Lin, Sheng-Chia	EUR 61,335.03
South Korea	Evergreen Shipping Agency (Korea) Corporation	Chang, Yen-I Hsieh, Huey-Chuan Lee, Chyang-Min	President: Lee, Chyang-Min Supervisor: Wu, Kuang-Hui	KRW 606,000,000
India	Evergreen Shipping Agency (India) Pvt. Ltd.	Chang, Yen-I Chuang, Chao-Wei Lin, Hsin-Tsung	President: Chuang, Chao-Wei	INR 1,000,000
Argentina	Evergreen Argentina S.A.	Tsai, Chi-Sheng (Alternate Director: Lin, Jia-Wei)		ARS 1,580,000
	Evergreen Shipping Agency (Argentina) S.A.	Chang, Yen-I Tsai, Chi-Sheng (Alternate Director: Jao, Chao-Chi) Pedro Luis Kelly (Alternate Director: Fabian Eduardoi Perez Fernandes)	President: Tsai, Chi-Sheng	ARS 1,500,000
Spain	Evergreen Shipping Spain, S.L.	Chang, Yen-I 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 Huang, Wei Alessandro Andreani Antonio Maneschi	President: Huang, Wei	EUR 2,000,000
Australia	Evergreen Shipping Agency (Australia) Pty. Ltd.	Chang, Yen-I Hsieh, Huey-Chuan Liu, Te-Yao	President: Liu, Te-Yao	AUD 1,000
Russia	Evergreen Shipping Agency (Russia) Ltd.	Chang, Yen-I Hsieh, Huey-Chuan Liu, Day-Tzong Komarov Alexander Ivanovitch, Oktisuk Dmitry Vasilyevich	President: Liu, Day-Tzong	RUB 6,000,000

Country	Company	Director	President and Supervisor	Capital
Thailand	Evergreen Shipping Agency (Thailand) Co., Ltd.	Chang, Yen-I Lin, Chih-Ying Nivat Changariyavong	President: Lin, Chih-Ying	THB 40,000,000
South Africa	Evergreen Agency (South Africa) (Pty) Ltd.	Chang, Yen-I 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 Hwang, Ming-Ling	President: Hwang, Ming-Ling Supervisor: Wu, Kuang-Hui	TWD 100,000,000
	Evergreen Security Corp. Ltd.	Chen, Wei-Min Chang, Ming-Yuh Tai, Jiin-Chyuan	Supervisor: Wu, Kuang-Hui	TWD 202,752,000
Vietnam	Evergreen Shipping Agency (Vietnam) Company Limited	Chang, Yen-I Hsieh, Huey-Chuan Lin, Chien-Nan	President: Lin, Chien-Nan	USD 1,120,000
Hong Kong	Evergreen Marine (Hong Kong) Limited	Chang, Yen-I Hsieh, Huey-Chuan 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: María Loreto Giacaman Von Der Weth)	President: Yang, Chin-Chung	CLP 350,000,000
Colombia	Evergreen Shipping Services (Colombia) S.A.S.	Chang, Yen-I Hsieh, Huey-Chuan Huang, Pao-Jen Carlos Andres Leañó Bermudez	President: Huang, Pao-Jen	CAPITAL- COP 106,668,000 PREMIUM- COP 1,333,332,000

Country	Company	Director	President and Supervisor	Capital
Mexico	Evergreen Shipping Agency Mexico, S.A. de C.V.	Chang, Yen-I (Alternate Director: Wu, Chun-Yi) Hsieh, Huey-Chuan (Alternate Director: Wang, Wen-Tai) Jesus Cutberto Parra Mendoza (Alternate Director: Otoniel Cutberto Parra Nicolín)	President: Wu, Chun-Yi Supervisor: Isaac Martinez Cortina	MXN 7,400,000
Peru	Evergreen Shipping Agency (Peru) S.A.C.	Chang, Yen-I (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
Cambodia	Evergreen Shipping Services (Cambodia) Co., Ltd.	Chang, Yen-I Hsieh, Huey-Chuan Pan, Shih-Ming	President: Pan, Shih-Ming	KHR 800,000,000
Greece	Evergreen Shipping Agency (Greece) Anonimi Eteria	Chang, Yen-I 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 Lin, Yuan-Cheng	President: Lo, Yu-Lin	USD 600,000
Brazil	Evergreen Shipping Agency (Brazil) S.A.	Chang, Yen-I Tseng, Yen-Hsun Fredrik Pitta Engelhart	President: Tseng, Yen-Hsun	BRL 2,000,000
Philippines	Evergreen Shipping Agency Philippines Corporation	Kuo, Neng-Chan Chang, Yen-I Lin, Yu-Cheng Hsieh, Huey-Chuan Hung, Shih-Chi	President: Kuo, Neng-Chan	PHP 100,000,000

Country	Company	Director	President and Supervisor	Capital
Singapore	Evergreen Marine (Asia) Pte. Ltd.	Mok, Choon Lan Chang, Yen-I Chiu, Shih Ming	President: Chiu, Shih Ming	USD 50,000,000
Turkey	Evergreen Shipping Agency (Turkey) Corporation	Chang, Yen-I Chien, Shen-Tai Aldo Guido Enrico Rossi	President: Chien, Shen-Tai	TRY 4,000,000
Saudi Arabia	Evergreen Shipping Agency Saudi CO. (L.L.C.)	Chang, Yen-I Ho, Chung-Hsing Barrak Ibrahim B. Alomani	President: Ho, Chung-Hsing	SAR 3,000,000
Japan	Evergreen Shipping Agency (Japan) Corporation	Chang, Yen-I Huang, Ching-Yun Asanuma, Hiroshi	President: Asanuma, Hiroshi Supervisor: Wu, Kuang-Hui	JPY 180,000,000
Ecuador	Evergreen Shipping Agency (Ecuador) S.A.	Chang, Yen-I Hsieh, Huey-Chuan Luis Fernando Trujillo Seminario	President: Lee, Hsin-Chin	USD 300,000
Myanmar	Evergreen International Myanmar Co., Ltd.	Mok, Choon Lan Hsu, Huan-Chang Su, Hsin-Chi Zin Nyein Htwe Kyaw Kyaw Thein	President: Su, Hsin-Chi	MMK 190,950,000

(6) The Operating Overviews of Subsidiaries

Unit: NT\$ thousands, except EPS (NT\$)
As of 12/31/2022

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.	14,578,518	79,007,677	27,049	78,980,627	14,108,703	13,657,792	13,343,970	2,800
Evergreen Marine (Asia) Pte. Ltd.	1,529,750	296,953,176	63,514,695	233,438,481	452,337,570	253,542,189	257,812,284	5,156
Everport Terminal Services Inc.	3,240	14,945,030	10,169,293	4,775,737	14,808,753	1,653,555	931,750	879,840
Evergreen Marine (Hong Kong) Ltd.	31,386	129,953,259	59,830,486	70,122,773	76,843,709	47,926,601	50,133,756	6,267
Evergreen Security Corp. Ltd.	202,752	634,924	225,052	409,872	608,063	35,539	29,806	1
Evergreen Shipping Agency (Israel) Ltd.	15,653	320,599	240,006	80,593	254,840	142,496	131,529	73
Taiwan Terminal Services Corp. Ltd.	100,000	435,246	282,269	152,977	891,786	42,283	35,359	4
Clove Holding Ltd.	306	3,580,126	241,583	3,338,543	294,419	288,263	281,842	28,184
Whitney Equipment LLC.	6,119	562,678	196,544	366,134	162,680	79,890	58,165	-
Evergreen Shipping Agency (Europe) GmbH	2,001	4,006,617	3,525,940	480,677	1,601,834	30,954	24,779	-
Evergreen Shipping Agency (Korea) Corporation	14,716	966,873	800,892	165,981	577,145	414,748	328,338	2,709

Company	Capital	Total Assets	Total Liabilities	Total Equity	Operating Revenue	Operating Income (Loss)	Net Income (Loss)	Basic Earning (Loss) Per Share
Greencompass Marine S.A.	10,815,333	110,298,411	73,377,677	36,920,734	12,919,752	2,610,557	1,825,239	516
Evergreen Shipping Spain, S.L.	19,564	654,913	399,515	255,398	794,876	378,982	285,184	47,531
Evergreen Shipping Agency (Australia) Pty Ltd.	21	516,238	266,357	249,881	421,526	309,928	235,606	235,606
Evergreen Shipping Agency (Vietnam) Company Limited	34,266	1,919,589	563,237	1,356,352	1,800,624	1,565,621	1,306,049	-
Evergreen Marine Corp (Malaysia) SDN. BHD.	3,463	1,146,027	775,561	370,466	1,384,375	1,010,965	746,779	1,494
Evergreen Shipping Agency (India) Private Limited	370	695,580	520,418	175,162	720,185	580,262	435,322	4,353
PT Multi Bina Pura International	97,727	589,207	62,567	526,640	276,029	108,007	92,367	4,967
Pt Multi Binatransport	20,224	89,674	16,210	73,465	47,446	(6,179)	(5,156)	(498)
Evergreen Argentina S.A.	273	44,513	11,489	33,024	2,472	(1,893)	(6,799)	(43)
Evergreen Shipping Agency (Thailand) Co., Ltd.	35,385	1,158,630	859,390	299,240	1,125,804	811,481	651,256	814
Evergreen Heavy Industrial Corp (Malaysia) Berhad	454,617	467,057	127,245	339,812	752,518	49,177	42,696	1
Evergreen Shipping Agency (Japan) Corporation	41,558	4,344,086	123,005	4,221,080	1,759,613	1,214,537	927,551	10,306

Company	Capital	Total Assets	Total Liabilities	Total Equity	Operating Revenue	Operating Income (Loss)	Net Income (Loss)	Basic Earning (Loss) Per Share
Evergreen Business Process Inc.	61,190	177,401	99,929	77,472	136,356	23,000	15,857	8
Evergreen International Myanmar Co., Ltd.	2,782	37,194	34,371	2,823	66,487	51,659	44,578	297
Evergreen Shipping Agency (Turkey) Corporation	6,541	353,859	187,318	166,541	526,451	219,069	175,556	4,389
Evergreen Shipping Agency (Ecuador) S.A.	9,179	91,115	61,346	29,769	60,409	25,683	20,054	67
Evergreen Agency (South Africa) (Pty) Ltd.	18,045	240,365	117,980	122,385	257,701	123,641	91,769	9
Evergreen Shipping Agency (Italy) S.p.A.	65,214	748,369	399,358	349,011	660,882	361,324	258,197	258,197
Evergreen Shipping Agency (Russia) Limited	2,448	90,766	10,138	80,628	133,572	87,073	83,941	-
Evergreen Marine (UK) Ltd.	45,893	43,358,097	14,215,225	29,142,872	13,220,754	2,525,127	2,448,801	1,633
Kingtrans International Logistics (Tianjin) Co., Ltd.	305,950	541,481	47,478	494,003	246,498	89,520	68,335	-
Ever Shine (Shanghai) Enterprise Management Consulting Co., Ltd.	1,800,516	1,818,527	14,878	1,803,649	122,987	36,899	(14,919)	-
Ever Shine (Ningbo) Enterprise Management Consulting Co.,Ltd.	188,918	221,704	31,083	190,621	13,770	10,146	878	-

Company	Capital	Total Assets	Total Liabilities	Total Equity	Operating Revenue	Operating Income (Loss)	Net Income (Loss)	Basic Earning (Loss) Per Share
Ever Shine (Shenzhen) Enterprise Management Consulting Co., Ltd	269,236	600,005	113,384	486,621	24,820	15,178	(6,619)	-
Ever Shine (Qingdao) Enterprise Management Consulting Co., Ltd.	223,344	367,517	61,053	306,464	12,170	8,510	(3,389)	-
Evergreen Shipping Service(Cambodia) Co., Ltd.	5,945	123,312	43,323	79,989	189,462	88,897	72,499	242
Evergreen Marine (Latin America), S.A.	18,357	31,714	11,746	19,968	56,548	1,943	1,569	3
Evergreen Shipping Agency Philippines Corporation	54,805	1,538,822	1,301,360	237,461	436,332	319,626	261,097	26
Unigreen Marine, S.A.	9,179	536,578	477,319	59,259	190,538	85,026	89,871	29,957
Evergreen Shipping Agency (Colombia) S.A.S.	673	419,282	318,909	100,373	465,059	361,484	237,878	2,230
Evergreen Shipping Agency (China) Co., Ltd.	30,126	1,251,839	1,171,752	80,087	1,483,851	58,437	29,723	-
Evergreen Shipping Agency (Argentina) S.A.	2,596	654,891	406,562	248,329	541,865	291,245	285,309	19
Evergreen Shipping Agency Saudi CO. (L.L.C.)	24,412	283,635	177,217	106,418	248,178	158,846	138,268	461
Evergreen Shipping Agency (PERU) S.A.C.	12,117	234,667	88,092	146,575	507,653	392,669	268,015	179

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.	11,610	761,217	446,827	314,390	514,650	402,579	283,730	3,834
Evergreen Shipping Agency (CHILE) SPA.	12,502	294,066	221,090	72,976	321,100	204,279	153,839	61,536
Evergreen Shipping Agency (Greece) Anonimi Eteria	13,043	519,178	273,329	245,849	619,487	232,168	183,184	45,796
Evergreen Shipping Agency (Brazil) Ltd.	11,575	372,505	239,172	133,333	373,609	247,097	234,287	117

Note1 : All affiliated companies should be exposed, regardless of size.

Note 2: If the affiliated company is a foreign company, the relevant numbers should be exchanged into New Taiwan Dollars on the reporting date.

The foreign exchange rates:

Financial Position	Income	Financial Position	Income
USD : TWD=1:30.5950	1:29.7965	IDR : TWD=1:0.0020	0.0020
MYR : TWD=1:6.9259	1:6.7635	GBP : TWD=1:36.8748	1:36.6546
KRW : TWD=1:0.0243	1:0.0230	INR : TWD=1:0.3696	1:0.3787
AUD : TWD=1:20.6849	1:20.6404	RUB : TWD=1:0.4079	1:0.4280
THB : TWD=1:0.8846	1:0.8488	VND : TWD=1:0.0013	1:0.0013
PLN : TWD=1:6.9764	1:6.6686	CHF : TWD=1:33.1402	1:31.1842
PEN : TWD=1:8.0779	1:7.7672	COP : TWD=1:0.0063	1:0.0070
CLP : TWD=1:0.0357	1:0.0340	HKD : TWD=1:3.9232	1:3.8050
PHP : TWD=1:0.5481	1:0.5458	SAR : TWD=1:8.1374	1:7.9352
JPY : TWD=1:0.2309	1:0.2261	MMK : TWD=1:0.0146	1:0.0154
		Financial Position	Income
		RMB : TWD=1:4.3934	1:4.4214
		EUR : TWD=1:32.6068	1:31.2791
		ARS : TWD=1:0.1731	1:0.2271
		SGD : TWD=1:22.7624	1:21.6042
		ZAR : TWD=1:1.8045	1:1.8168
		ILS : TWD=1:8.6963	1:8.8654
		MXN : TWD=1:1.5689	1:1.4816
		BRL : TWD=1:5.7874	1:5.7651
		TRY : TWD=1:1.6352	1:1.7906

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, 2022 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

CHANG, YEN-I

Chairman

March 14, 2023

3. Affiliated Companies Report: None.

II. Securities issuance through private placement: None.

III. Holdings and sale of shares by subsidiaries: None.

IV. Other necessary supplementary information: None.

V. Any events in 2022 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.



EVERGREEN



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