

**EVERGREEN MARINE CORPORATION (TAIWAN)  
LTD. AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT  
December 31, 2021 AND 2020**

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For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

## 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, 2021 and 2020, 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, 2021 and 2020, and its financial performance and cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

### ***Basis for opinion***

We conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditors’ responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Key audit matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2021 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 2021 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 2021, freight revenue from contracts with customers was NT\$ 462,580,634 thousand, representing 94.52% 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 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\$ 53,617,263 thousand and NT\$ 62,069,621 thousand, constituting 8.77% and 18.57% of the total consolidated assets as of December 31, 2021, and 2020, respectively. Net operating revenues in the subsidiaries amounted to NT\$ 37,865,608 thousand and NT\$ 40,599,878 thousand, constituting 7.74% and 19.61% of the total consolidated net operating revenues of 2021 and 2020 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\$ 22,983,239 thousand and NT\$ 18,591,003 thousand, constituting 3.76% and 5.56% of the total consolidated assets as of December 31, 2021 and 2020, 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\$ 4,955,989 thousand and NT\$ 958,072 thousand, constituting 1.89% and 3.63% 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, 2021 and 2020 on which we have issued an unqualified opinion with explanatory paragraph thereon.

### ***Responsibilities of management and those charged with governance for the consolidated financial statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### ***Auditors’ responsibilities for the audit of the consolidated financial statements***

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

As part of an audit in accordance with the generally accepted auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

Lee, Hsiu-Ling

Chou, Hsiao-Tzu

For and on behalf of PricewaterhouseCoopers, Taiwan

March 15, 2022

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

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



**EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2021 AND 2020**  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2021		December 31, 2020		
		AMOUNT	%	AMOUNT	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 107,792,396	18	\$ 44,096,485	13
1110	Financial assets at fair value through profit or loss - current		44,999	-	4,289	-
1136	Current financial assets at amortised cost, net	6(3) and 8	93,229,679	15	6,768,603	2
1139	Current financial assets for hedging	6(4)	23,026,075	4	-	-
1140	Current contract assets	6(23)	4,525,961	1	3,041,569	1
1150	Notes receivable, net	6(5)	357,461	-	113,313	-
1170	Accounts receivable, net	6(5)	39,179,692	6	20,955,878	6
1180	Accounts receivable, net - related parties	6(5) and 7	2,000,706	-	849,432	-
1200	Other receivables		414,772	-	239,653	-
1210	Other receivables - related parties	7	716,166	-	747,230	-
1220	Current income tax assets		231,233	-	205,171	-
130X	Inventories	6(6)	5,837,528	1	2,931,711	1
1410	Prepayments		1,503,356	-	1,562,365	1
1470	Other current assets	6(7) and 7	4,254,969	1	4,322,192	2
11XX	<b>Current assets</b>		<u>283,114,993</u>	<u>46</u>	<u>85,837,891</u>	<u>26</u>
<b>Non-current assets</b>						
1517	Non-current financial assets at fair value through other comprehensive income	6(2)	2,123,381	1	1,657,983	-
1535	Non-current financial assets at amortised cost, net	6(3) and 8	387,519	-	348,609	-
1538	Non-current financial assets for hedging	6(4)	1,488,664	-	-	-
1550	Investments accounted for using equity method	6(8)	36,418,613	6	29,919,994	9
1600	Property, plant and equipment, net	6(9), 8 and 9	153,902,875	25	118,642,644	36
1755	Right-of-use assets	6(10)	101,109,020	17	76,189,187	23
1760	Investment property, net	6(12) and 8	5,771,084	1	5,171,512	2
1780	Intangible assets		1,271,120	-	1,552,438	-
1840	Deferred income tax assets	6(31)	857,248	-	664,194	-
1900	Other non-current assets	6(5)(13)	24,581,603	4	14,236,388	4
15XX	<b>Non-current assets</b>		<u>327,911,127</u>	<u>54</u>	<u>248,382,949</u>	<u>74</u>
1XXX	<b>Total assets</b>		<u>\$ 611,026,120</u>	<u>100</u>	<u>\$ 334,220,840</u>	<u>100</u>

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**EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2021 AND 2020**  
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2021		December 31, 2020	
			AMOUNT	%	AMOUNT	%
	<b>Current liabilities</b>					
2126	Current financial liabilities for hedging	6(10) and 7	\$ 1,031,678	-	\$ 898,484	-
2130	Current contract liabilities	6(23)	13,530,256	2	3,677,100	1
2150	Notes payable		392	-	3,973	-
2170	Accounts payable		30,078,959	5	20,327,030	6
2180	Accounts payable - related parties	7	295,869	-	236,204	-
2200	Other payables		11,471,217	2	5,455,869	2
2220	Other payables - related parties	7	124,159	-	130,767	-
2230	Current income tax liabilities		12,362,320	2	1,436,225	1
2280	Current lease liabilities	6(10) and 7	16,238,751	3	9,469,102	3
2300	Other current liabilities	6(14) and 7	23,959,259	4	30,856,051	9
21XX	<b>Current liabilities</b>		<u>109,092,860</u>	<u>18</u>	<u>72,490,805</u>	<u>22</u>
	<b>Non-current liabilities</b>					
2511	Non-current financial liabilities for hedging	6(10) and 7	10,477,195	2	9,971,891	3
2530	Corporate bonds payable	6(15)	6,772,950	1	12,779,043	4
2540	Long-term loans	6(16)	39,638,454	6	77,040,500	23
2570	Deferred income tax liabilities	6(31)	11,676,126	2	2,872,242	1
2580	Non-current lease liabilities	6(10) and 7	71,200,494	12	53,831,455	16
2600	Other non-current liabilities	6(17)(18)	4,846,451	1	3,740,611	1
25XX	<b>Non-current liabilities</b>		<u>144,611,670</u>	<u>24</u>	<u>160,235,742</u>	<u>48</u>
2XXX	<b>Total liabilities</b>		<u>253,704,530</u>	<u>42</u>	<u>232,726,547</u>	<u>70</u>
	Equity attributable to owners of the parent					
	Capital	6(19)				
3110	Common stock		52,908,484	9	48,980,353	15
	Capital surplus	6(20)				
3200	Capital surplus		15,762,185	2	12,433,364	4
	Retained earnings	6(21)				
3310	Legal reserve		8,122,482	1	5,714,940	2
3320	Special reserve		581,406	-	-	-
3350	Unappropriated retained earnings		250,555,749	41	27,734,460	8
	Other equity interest	6(22)				
3400	Other equity interest		( 1,145,770)	-	( 581,406)	( 1)
31XX	<b>Equity attributable to owners of the parent</b>		<u>326,784,536</u>	<u>53</u>	<u>94,281,711</u>	<u>28</u>
36XX	Non-controlling interest		30,537,054	5	7,212,582	2
3XXX	<b>Total equity</b>		<u>357,321,590</u>	<u>58</u>	<u>101,494,293</u>	<u>30</u>
	Significant Contingent Liabilities And Unrecognized Contract Commitments Significant Events After The Balance Sheet Date	9 11				
3X2X	<b>Total liabilities and equity</b>		<u>\$ 611,026,120</u>	<u>100</u>	<u>\$ 334,220,840</u>	<u>100</u>

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

**EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items	Notes	Year ended December 31				
		2021		2020		
		AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(23) and 7	\$ 489,406,832	100	\$ 207,077,912	100
5000	Operating costs	6(29)(30) and 7	( 187,412,073)	( 38)	( 161,590,726)	( 78)
5900	Gross profit		301,994,759	62	45,487,186	22
5910	Unrealized profit from sales		( 76,729)	-	( 9,216)	-
5920	Realized profit on from sales		16,407	-	11,123	-
5950	Gross profit		301,934,437	62	45,489,093	22
	Operating expenses	6(29)(30) and 7				
6100	Selling expenses		( 3,708,107)	( 1)	( 1,865,895)	( 1)
6200	General and administrative expenses		( 13,604,495)	( 3)	( 9,014,679)	( 4)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	2,073	-	5,405	-
6000	Operating expenses		( 17,310,529)	( 4)	( 10,875,169)	( 5)
6500	Other gains - net	6(24) and 7	238,289	-	53,940	-
6900	Operating profit		284,862,197	58	34,667,864	17
	Other non-operating income and expenses					
7100	Interest income	6(25)	386,629	-	341,671	-
7010	Other income	6(26)	492,085	-	564,802	-
7020	Other gains and losses	6(27)	3,619	-	350,685	-
7050	Finance costs	6(28) and 7	( 3,237,000)	-	( 4,536,522)	( 2)
7060	Share of loss of associates and joint ventures accounted for using equity method		5,727,046	1	451,329	-
7000	Total non-operating income and expenses		3,372,379	1	( 2,828,035)	( 2)
7900	<b>Profit before income tax</b>		288,234,576	59	31,839,829	15
7950	Income tax expense	6(31)	( 25,124,517)	( 5)	( 3,072,519)	( 1)
8200	<b>Profit for the year</b>		\$ 263,110,059	54	\$ 28,767,310	14

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**EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**  
(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items	Notes	Year ended December 31				
		2021		2020		
		AMOUNT	%	AMOUNT	%	
<b>Other comprehensive income (loss)</b>						
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>						
8311	Losses on remeasurements of defined benefit plans	6(18)	(\$ 128,164)	-	(\$ 444,282)	-
8316	Unrealised gains (losses) on valuation of investments in equity instruments measured at fair value through other comprehensive income	6(2)(22)	472,414	-	( 34,251)	-
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		1,670,196	1	542,861	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(31)	28,237	-	103,559	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		<u>2,042,683</u>	<u>1</u>	<u>167,887</u>	<u>-</u>
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>						
8361	Exchange differences on translating the financial statements of foreign operations		( 2,715,044)	( 1)	( 3,497,612)	( 1)
8368	Gains (losses) on hedging instruments	6(4)(10)(22)	( 42,909)	-	554,654	-
8370	Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method		( 302,135)	-	537,294	-
8399	Income tax relating to the components of other comprehensive income (loss)	6(31)	26,054	-	( 122,029)	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		<u>( 3,034,034)</u>	<u>( 1)</u>	<u>( 2,527,693)</u>	<u>( 1)</u>
8300	<b>Other comprehensive (loss) income for the year, net of income tax</b>		<u>(\$ 991,351)</u>	<u>-</u>	<u>(\$ 2,359,806)</u>	<u>( 1)</u>
8500	<b>Total comprehensive income for the year</b>		<u>\$ 262,118,708</u>	<u>54</u>	<u>\$ 26,407,504</u>	<u>13</u>
Profit attributable to:						
8610	Owners of the parent		<u>\$ 239,014,860</u>	<u>49</u>	<u>\$ 24,364,926</u>	<u>12</u>
8620	Non-controlling interest		<u>\$ 24,095,199</u>	<u>5</u>	<u>\$ 4,402,384</u>	<u>2</u>
Comprehensive income attributable to:						
8710	Owners of the parent		<u>\$ 238,402,107</u>	<u>49</u>	<u>\$ 22,359,390</u>	<u>11</u>
8720	Non-controlling interest		<u>\$ 23,716,601</u>	<u>5</u>	<u>\$ 4,048,114</u>	<u>2</u>
Basic earnings per share (in dollars) 6(32)						
9750	Basic earnings per share		<u>\$ 45.57</u>		<u>\$ 5.06</u>	
9850	Diluted earnings per share		<u>\$ 45.22</u>		<u>\$ 4.96</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, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Equity attributable to owners of the parent												
Notes	Retained Earnings					Other equity interest			Total	Non-controlling interest	Total equity	
	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				
<b>Year 2020</b>												
Balance at January 1, 2020	6(22)	\$ 48,129,738	\$ 11,407,437	\$ 5,714,940	\$ -	\$ 3,659,042	(\$ 856,773)	\$ 1,411,638	\$ 579,757	\$ 70,045,779	\$ 3,549,067	\$ 73,594,846
Profit for the year	6(21)	-	-	-	-	24,364,926	-	-	-	24,364,926	4,402,384	28,767,310
Other comprehensive income (loss) for the year	6(21)(22)	-	-	-	-	(291,317)	(3,471,571)	474,945	1,282,407	(2,005,536)	(354,270)	(2,359,806)
Total comprehensive income (loss)		-	-	-	-	24,073,609	(3,471,571)	474,945	1,282,407	22,359,390	4,048,114	26,407,504
Adjustments to share of changes in equity of associates and joint ventures	6(20)(21)	-	22,463	-	-	1,809	-	(1,809)	-	22,463	-	22,463
Other changes in capital surplus	6(20)	-	623	-	-	-	-	-	-	623	-	623
Due to recognition equity component of euro-convertible bonds	6(20)	-	379,915	-	-	-	-	-	-	379,915	-	379,915
Conversion of convertible bonds	6(19)(20)	850,615	622,926	-	-	-	-	-	-	1,473,541	-	1,473,541
Changes in non-controlling interests	6(35)	-	-	-	-	-	-	-	-	-	(384,599)	(384,599)
Balance at December 31, 2020		\$ 48,980,353	\$ 12,433,364	\$ 5,714,940	\$ -	\$ 27,734,460	(\$ 4,328,344)	\$ 1,884,774	\$ 1,862,164	\$ 94,281,711	\$ 7,212,582	\$ 101,494,293
<b>Year 2021</b>												
Balance at January 1, 2021	6(22)	\$ 48,980,353	\$ 12,433,364	\$ 5,714,940	\$ -	\$ 27,734,460	(\$ 4,328,344)	\$ 1,884,774	\$ 1,862,164	\$ 94,281,711	\$ 7,212,582	\$ 101,494,293
Profit for the year	6(21)	-	-	-	-	239,014,860	-	-	-	239,014,860	24,095,199	263,110,059
Other comprehensive income (loss) for the year	6(21)(22)	-	-	-	-	(90,912)	(2,404,662)	2,143,778	(260,957)	(612,753)	(378,598)	(991,351)
Total comprehensive income (loss)		-	-	-	-	238,923,948	(2,404,662)	2,143,778	(260,957)	238,402,107	(23,716,601)	262,118,708
Adjustments to share of changes in equity of associates and joint ventures	6(20)(21)	-	153,764	-	-	42,523	-	(42,523)	-	153,764	-	153,764
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)	-	(13,156,234)
Other changes in capital surplus	6(20)	-	(62)	-	-	-	-	-	-	(62)	-	(62)
Due to recognition of equity component of convertible bonds	6(15)(20)	-	289,166	-	-	-	-	-	-	289,166	-	289,166
Conversion of convertible bonds	6(19)(20)	3,928,131	2,885,953	-	-	-	-	-	-	6,814,084	-	6,814,084
Changes in non-controlling interests	6(35)	-	-	-	-	-	-	-	-	-	(392,129)	(392,129)
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	\$ 30,537,054	\$ 357,321,590

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, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 288,234,576	\$ 31,839,829
Adjustments			
Income and expenses having no effect on cash flows			
Financial assets and liabilities at fair value through profit or loss	6(27)	( 28,472 )	( 30,027 )
Depreciation	6(9)(10)(12)(27)(29)	22,323,687	20,759,698
Amortization	6(29)	287,477	305,798
Expected credit gain	12(2)	( 2,073 )	( 5,405 )
Rental expense	6(10)	( 1,115 )	( 3,026 )
Other income	6(10)	( 404 )	( 863 )
Interest income	6(25)	( 386,629 )	( 341,671 )
Interest expense	6(28)	3,237,000	4,536,522
Dividend income	6(26)	( 106,229 )	( 100,691 )
Share of profit of associates and joint ventures accounted for using equity method		( 5,727,046 )	( 451,329 )
Gain from bargain purchase	6(26)(34)	( 8,605 )	( 3,415 )
Gains arising from lease modification	6(27)	( 7,266 )	( 2,033 )
Net gain on disposal of property, plant and equipment	6(24)	( 238,289 )	( 53,940 )
Net loss (gain) on disposal of right-of-use assets	6(27)	( 735 )	( 72,736 )
Net gain on disposal of investments	6(27)	( 11,191 )	( 200 )
Realized income with affiliated companies		( 16,407 )	( 11,123 )
Unrealized gain with affiliated companies		76,729	9,216
Unrealized foreign exchange gain	6(10)	-	( 381,555 )
Changes in assets/liabilities relating to operating activities			
Changes in operating assets			
Current contract assets		( 1,519,374 )	( 1,432,114 )
Notes receivable, net		( 234,827 )	( 11,711 )
Accounts receivable, net		( 18,560,765 )	( 7,660,610 )
Accounts receivable, net - related parties		( 1,151,883 )	( 113,135 )
Other receivables		( 178,309 )	( 24,767 )
Other receivables - related parties		( 19,149 )	( 46,476 )
Inventories		( 2,943,662 )	( 1,387,840 )
Prepayments		42,438	( 105,432 )
Other current assets		34,158	( 1,954,859 )
Other non-current assets		( 398,140 )	( 7,710 )
Net changes in liabilities relating to operating activities			
Current contract liabilities		9,903,162	1,570,661
Notes payable		( 3,519 )	( 3,973 )
Accounts payable		9,962,679	4,838,613
Accounts payable - related parties		( 62,924 )	( 153,829 )
Other payables		4,004,329	878,762
Other payables - related parties		( 100,254 )	( 15,481 )
Other current liabilities		2,362,357	4,108,522
Other non-current liabilities		753,686	27,760
Cash inflow generated from operations		309,516,481	57,356,012
Interest received		386,629	341,671
Interest paid		( 3,311,992 )	( 4,795,498 )
Income tax paid		( 5,532,794 )	( 1,044,140 )
Net cash flows from operating activities		301,058,324	51,858,045

(Continued)

EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2021 AND 2020  
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2021	2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in financial assets at amortised cost-current		( \$ 86,499,863 )	( \$ 5,013,782 )
Increase in financial assets for hedging		( 28,524,567 )	-
Decrease in financial assets for hedging		3,691,280	-
Decrease (increase) in other receivables - related parties		38,391	( 4,440 )
(Increase) decrease in financial assets at amortised cost - non current		( 38,910 )	2,112
Acquisition of investments accounted for using equity method		-	( 305,000 )
Proceeds from disposal of investments accounted for using equity method		-	147,053
Acquisition of property, plant and equipment	6(35)	( 14,944,080 )	( 5,470,690 )
Proceeds from disposal of property, plant and equipment		270,764	850,630
Acquisition of right-of-use assets		-	( 10,920 )
Proceeds from disposal of right-of-use assets		-	101,335
Acquisition of intangible assets	6(35)	( 24,209 )	( 30,340 )
Increase in guarantee deposits paid		( 51,118 )	( 72,853 )
Decrease in guarantee deposits paid		8,099	54,102
Increase in other non-current assets	6(35)	( 41,055,298 )	( 24,114,411 )
Effect of initial consolidation of subsidiaries	6(35)	320,435	271,438
Cash dividend received	6(35)	653,270	710,876
Net cash flows used in investing activities		( 166,155,806 )	( 32,884,890 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term loans		1,338,273	3,869,120
Decrease in short-term loans		( 1,338,273 )	( 3,869,120 )
Decrease in other payables - related parties		( 239 )	( 515,494 )
Increase in long-term loans	6(36)	32,951,536	29,654,664
Decrease in long-term loans	6(36)	( 78,397,311 )	( 36,751,848 )
Increase in corporate bonds payable	6(36)	5,043,721	8,635,118
Decrease in corporate bonds payable	6(36)	( 4,000,000 )	-
Payments of lease liabilities	6(10)(36)	( 11,608,880 )	( 11,728,475 )
Increase in guarantee deposits received	6(36)	654,446	509,290
Decrease in guarantee deposits received	6(36)	( 499,185 )	( 524,271 )
Cash dividends paid	6(21)	( 13,156,234 )	-
Other financing activities	6(20)	( 62 )	623
Net change in non-controlling interest	6(35)	( 395,750 )	( 371,710 )
Net cash flows used in financing activities		( 69,407,958 )	( 11,092,103 )
Effect of exchange rate changes		( 1,798,649 )	( 1,656,456 )
Net increase in cash and cash equivalents		63,695,911	6,224,596
Cash and cash equivalents at beginning of year		44,096,485	37,871,889
Cash and cash equivalents at end of year		<u>\$ 107,792,396</u>	<u>\$ 44,096,485</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, 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 15, 2022.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 4, ‘Extension of the temporary exemption from applying IFRS 9’	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, ‘Interest Rate Benchmark Reform— Phase 2’	January 1, 2021
Amendment to IFRS 16, ‘Covid-19-related rent concessions beyond 30 June 2021’	April 1, 2021(Note)

Note : Earlier application from January 1, 2021 is allowed by FSC.

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



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

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

B. Amendment to IFRS 16, ‘Covid-19-related rent concessions beyond 30 June 2021’

The amendment extends the application period of the practical expedient by one year to cover COVID-19-related rent concessions that reduce only lease payments originally due on or before June 30, 2022, provided that all specified conditions are met. The original amendment covered only lease payments originally due on or before June 30, 2021.

(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 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

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

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

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

(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:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to 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, 2023
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 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 1, 'Disclosure of accounting policies'

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

B. 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.

C. 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.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

##### (1) Compliance statement

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

##### (2) Basis of preparation

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

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

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

##### (3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

- (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

- (d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2021	December 31, 2020	
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	-	(a)
Peony	GMS	Container shipping	100.00	100.00	
Peony	Clove	Investments in container yards and port terminals	100.00	100.00	
Peony	EMU	Container shipping	51.00	51.00	

Name of Investor	Name of Subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2021	December 31, 2020	
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	(i)
Peony	MBPI	Containers storage and inspections of containers at the customs house	95.03	95.03	
Peony	MBT	Inland transportation, repairs and cleaning of containers	17.39	17.39	(i)
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	
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	

Name of Investor	Name of Subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2021	December 31, 2020	
Peony	EGH	Container shipping and agency services dealing with port formalities	1.00	1.00	(i)
Peony	EGV	Agency services dealing with port formalities	100.00	100.00	
EGH	Ever shine (Shanghai)	Management consultancy and self-owned property leasing	100.00	100.00	
EGH	Ever shine (Ningbo)	Management consultancy and self-owned property leasing	100.00	100.00	
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	(i)
EGH	EKH	Agency services dealing with port formalities	100.00	100.00	
EGH	EPE	Agency services dealing with port formalities	60.00	60.00	
EGH	ECO	Agency services dealing with port formalities	75.00	75.00	
EGH	ECL	Agency services dealing with port formalities	60.00	60.00	
EGH	EMX	Agency services dealing with port formalities	60.00	60.00	
EGH	EGRC	Agency services dealing with port formalities	60.00	60.00	

Name of Investor	Name of Subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2021	December 31, 2020	
EGH	EIL	Agency services dealing with port formalities	1.00	1.00	(i)
EGH	ELA	Management consultancy	100.00	100.00	(f)
EGH	EBR	Agency services dealing with port formalities	60.00	60.00	(g)
EGH	EGP	Agency services dealing with port formalities	100.00	100.00	(h)
EGH	EAR	Agency services dealing with port formalities	60.00	-	(b)
EGH	ESAU	Agency services dealing with port formalities	60.00	-	(c)
EGH	UMS	Agency services dealing with port formalities	100.00	-	(d)
EMA	ETR	Agency services dealing with port formalities	60.00	-	(e)
ETS	Whitney	Investments and leases of operating machinery and equipment of port terminals	100.00	100.00	
EMU	KTIL	Loading, discharging, storage, repairs and cleaning of containers	20.00	20.00	(i)
Clove	ETS	Terminal Services	5.57	5.57	(i)
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, and 25% of the capital injection has been completed on October 12, 2021. The subsidiary is primarily engaged in container shipping and agency services dealing with port formalities.
- (f) On December 20, 2019, the Board of Directors of the subsidiary, EGH, approved the ELA equity transaction and acquired 83.50% equity interests from EMC, EMU and other related parties. The transaction date was March 1, 2020 and the transaction amount was USD 544. After the transaction, the shareholding ratio which was the equity of ELA held by EGH increased from 16.50% to 100%. This company is primarily engaged in management consultancy in Latin America. Because the transaction did not meet the requirements of IFRS 3, 'Definition of a business', the accounting treatment of this equity transaction would be accounted as acquired assets and liabilities based on the principle.
- (g) On August 13, 2019, the Board of Directors of the subsidiary, EGH, approved to establish a subsidiary, EBR, in Brazil. The initial capital amounted to BRL 1,200 (approx. USD 247) and the date of the capital injection completion was March 16, 2020. This company is primarily engaged in freight and shipping agent.
- (h) On June 30, 2020, the Board of Directors of the subsidiary, EGH, resolved to make an equity transaction. EGH acquired 40% and 60% equity interests of EGP from the other related parties, Evergreen International S.A., and Evergreen Logistics Philippines Corp., respectively, and obtained the control over EGP. The transaction date was July 1, 2020 and the transaction amount was PHP 239,500 (approx. \$141,760).
- (i) This company was included in the consolidated financial statements, given the comprehensive shareholding ratio and the majority voting rights on the Board of Directors held by the Group, resulting in the Group obtaining control over the company.

C. Subsidiary not included in the consolidated financial statements: None.



D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of December 31, 2021 and 2020, the non-controlling interest amounted to \$30,537,054 and \$7,212,582, 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, 2021		December 31, 2020		
		Amount	Ownership (%)	Amount	Ownership (%)	
EMU	U.K.	\$11,811,400	49%	\$ 3,389,842	49%	
EGH	Hong Kong	17,985,999	20%	3,220,801	20%	

Summarised financial information of the subsidiaries:

Balance sheets

	EMU	
	December 31, 2021	December 31, 2020
Current assets	\$ 3,305,102	\$ 10,080,373
Non-current assets	37,041,827	41,255,545
Current liabilities	( 10,221,113)	( 16,936,620)
Non-current liabilities	( 6,020,919)	( 27,481,254)
Total net assets	<u>\$ 24,104,897</u>	<u>\$ 6,918,044</u>

  

	EGH	
	December 31, 2021	December 31, 2020
Current assets	\$ 96,467,199	\$ 23,082,438
Non-current assets	57,706,581	36,325,520
Current liabilities	( 42,005,515)	( 20,688,802)
Non-current liabilities	( 24,121,256)	( 23,357,192)
Total net assets	<u>\$ 88,047,009</u>	<u>\$ 15,361,964</u>

Statements of comprehensive income

	EMU	
	Year ended December 31, 2021	Year ended December 31, 2020
Revenue	\$ 44,282,230	\$ 41,748,063
Profit before income tax	\$ 17,523,896	\$ 5,755,825
Income tax expense	( 67,958)	( 29,526)
Profit for the period from continuing operations	17,455,938	5,726,299
Other comprehensive income (loss), net of tax	10,301	( 17,302)
Total comprehensive income for the period	\$ 17,466,239	\$ 5,708,997
Comprehensive income attributable to non-controlling interest	\$ 8,558,457	\$ 2,797,409

  

	EGH	
	Year ended December 31, 2021	Year ended December 31, 2020
Revenue	\$ 127,959,567	\$ 39,980,133
Profit before income tax	\$ 76,381,970	\$ 7,406,623
Income tax expense	( 3,058,973)	( 650,953)
Profit for the period from continuing operations	73,322,997	6,755,670
Other comprehensive income net of tax	9,457	199,375
Total comprehensive income for the period	\$ 73,332,454	\$ 6,955,045
Comprehensive income attributable to non-controlling interest	\$ 15,162,181	\$ 1,516,593

## Statements of cash flows

	EMU	
	Year ended December 31, 2021	Year ended December 31, 2020
Net cash provided by operating activities	\$ 22,842,028	\$ 8,098,988
Net cash used in investing activities	( 415,277)	( 1,896,845)
Net cash used in financing activities	( 23,489,567)	( 5,137,926)
Effect of exchange rates on cash and cash equivalents	( 29,168)	( 150,899)
Increase in cash and cash equivalents	( 1,091,984)	913,318
Cash and cash equivalents, beginning of period	2,524,302	1,610,984
Cash and cash equivalents, end of period	\$ 1,432,318	\$ 2,524,302
	EGH	
	Year ended December 31, 2021	Year ended December 31, 2020
Net cash provided by operating activities	\$ 90,660,962	\$ 12,521,690
Net cash used in investing activities	( 11,852,453)	( 8,519,205)
Net cash used in financing activities	( 51,581,952)	( 207,041)
Effect of exchange rates on cash and cash equivalents	( 389,816)	( 462,344)
Increase in cash and cash equivalents	26,836,741	3,333,100
Cash and cash equivalents, beginning of period	7,876,051	4,542,951
Cash and cash equivalents, end of period	\$ 34,712,792	\$ 7,876,051

### (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 ~ 135 years
Loading and unloading equipment	5 ~ 20 years
Ships (Except for docking repair and scrubber)	18 ~ 25 years
Ships (Docking repair)	2.5 ~ 5 years
Ships (Scrubber)	10 years
Transportation equipment	6 ~ 10 years
Other equipment	2 ~ 20 years

The above docking repair 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 20 ~ 55 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 ~ 10 years.

(20) Impairment of non-financial assets

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

(21) Borrowings

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

(22) Accounts payable

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

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

- A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges or financial liabilities at fair value through profit or loss. Financial liabilities that meet one of the following criteria are designated as at fair value through profit or loss at initial recognition:
  - (a) Hybrid (combined) contracts; or
  - (b) They eliminate or significantly reduce a measurement or recognition inconsistency; or

(c) They are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management policy.

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

(24) Bonds payable

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

(25) Convertible bonds payable (Compound financial instruments)

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

A. The embedded call options and put options are recognised initially at net fair value as ‘financial assets or financial liabilities at fair value through profit or loss’. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as ‘gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss’.

B. The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to ‘finance costs’ over the period of circulation using the effective interest method.

C. The embedded conversion options which meet the definition of an equity instrument are initially recognised in ‘capital surplus—share options’ at the residual amount of total issue price less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.

D. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.

E. When bondholders exercise conversion options, the liability component of the bonds (including bonds payable and ‘financial assets or financial liabilities at fair value through profit or loss’) shall be remeasured on the conversion date. The issuance cost of converted common shares is the total book value of the abovementioned liability component and ‘capital surplus—share options’.

(26) Derecognition of financial liabilities

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

(27) Offsetting financial instruments

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

(28) Hedge accounting

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

B. The Group designates the hedging relationship as follows:

Cash flow hedge:

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

C. Cash flow hedges

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

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

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

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

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

- iii. If that amount is a loss and the Group expects that all or a portion of that loss will not be recovered in one or more future periods, it shall immediately reclassify the amount that is not expected to be recovered into profit or loss as a reclassification adjustment.
- (d) When the hedging instrument expires, or is sold, terminated, exercised or when the hedging relationship ceases to meet the qualifying criteria, if the forecast transaction is still expected to occur, the amount that has been accumulated in the cash flow hedge reserve shall remain in the cash flow hedge reserve until the forecast transaction occurs; if the forecast transaction is no longer expected to occur, the amount shall be immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment.

(29) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

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

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy

benefits in exchange for the termination of employment. The Group recognises expense as it can no longer withdraw an offer of termination benefits or it recognises relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees' compensation and directors' remuneration

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

(30) Income tax

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

Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(31) Dividends

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

(32) Revenue recognition

A. Sales of services

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

B. Rental revenue

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

(33) Government grants

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

(34) Business combinations

A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the



acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

- B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

(35) Operating segments

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

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

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

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

Lease term

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

(2) Critical accounting estimates and assumptions

Revenue recognition

The Group primarily engages in global container shipping service covering ocean-going and near-sea shipping line. Despite the Group conducting business worldwide, its transactions are all in small amounts, whereas the freight rate is subject to fluctuation caused by cargo loading rate as well as market competition. Worldwide shipping agencies use a system to record the transactions by entering data including shipping departure, destination, counterparty, transit time, shipping amounts, and freight price for the Group. Therefore, the Group could recognize freight revenue in accordance with the data on bill of lading reports generated from the system, accompanied by estimation made from past experience and current cargo loading conditions the revenue that would flow in. Since ocean-going shipping often lasts for several days, voyages are sometimes completed after the balance sheet date. Also, demands for freight are consistently sent by forwarders during voyage. Due to the factors mentioned above, freight revenue is recognized under the percentage-of-completion method for each vessel during the reporting period. As the 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, 2021</u>	<u>December 31, 2020</u>
Cash on hand and petty cash	\$ 28,314	\$ 20,206
Checking accounts and demand deposits	27,512,861	11,183,079
Time deposits	80,251,221	32,893,200
	<u>\$ 107,792,396</u>	<u>\$ 44,096,485</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, 2021</u>	<u>December 31, 2020</u>
Non-current items:		
Equity instruments		
Listed (TSE) stocks	\$ 490,801	\$ 490,801
Unlisted stocks	199,744	201,532
	<u>690,545</u>	<u>692,333</u>
Valuation adjustment	1,432,836	965,650
	<u>\$ 2,123,381</u>	<u>\$ 1,657,983</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 \$2,123,381 and \$1,657,983 as at December 31, 2021 and 2020, 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, 2021	Year ended December 31, 2020
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ 472,414	(\$ 34,251)
Income tax recognised in other comprehensive income	(\$ 1,967)	(\$ 5,865)
Dividend income recognised in profit or loss - Held at end of period	\$ 106,229	\$ 100,691

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, 2021	December 31, 2020
Current items:		
Time deposits exceeding 3 months	\$ 90,974,717	\$ 6,768,601
Restricted reserve account	2,195,962	2
Financial bonds	50,000	-
Pledged time deposits	9,000	-
	<u>\$ 93,229,679</u>	<u>\$ 6,768,603</u>
Non-current items:		
Financial bonds	\$ 50,000	\$ 100,000
Pledged time deposits	264,791	248,609
Time deposits exceeding 1 year	72,728	-
	<u>\$ 387,519</u>	<u>\$ 348,609</u>

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

	Year ended December 31, 2021	Year ended December 31, 2020
Interest income	\$ 111,297	\$ 39,647

B. As at December 31, 2021 and 2020, 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 \$93,617,198 and \$7,117,212 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).

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:

<u>Hedged items</u>	<u>December 31, 2021</u>		
	<u>Designated as hedging instruments</u>	<u>Contract period</u>	<u>Book value</u>
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)

	<u>December 31, 2021</u>
Cash flow hedges :	
<u>Exchange rate risk</u>	
Time deposits designated as hedges	
Current assets	\$ 23,026,075
Non-current assets	<u>1,488,664</u>
	<u>\$ 24,514,739</u>

B. Other equity - cash flow hedge reserve

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

C. As of December 31, 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, 2021</u>	<u>December 31, 2020</u>
Notes receivable	\$ 357,461	\$ 113,314
Less: Allowance for bad debts	-	( 1)
	<u>\$ 357,461</u>	<u>\$ 113,313</u>
Accounts receivable (including related parties)	\$ 41,184,892	\$ 21,812,052
Less: Allowance for bad debts	( 4,494)	( 6,742)
	<u>\$ 41,180,398</u>	<u>\$ 21,805,310</u>

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

	<u>December 31, 2021</u>		<u>December 31, 2020</u>	
	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>
Not past due	\$ 29,159,450	\$ 302,205	\$ 17,859,541	\$ 113,314
Up to 30 days	10,942,351	55,256	3,758,485	-
31 to 180 days	1,083,091	-	194,026	-
	<u>\$ 41,184,892</u>	<u>\$ 357,461</u>	<u>\$ 21,812,052</u>	<u>\$ 113,314</u>

The above ageing analysis was based on past due date.

B. As of December 31, 2021, December 31, 2020 and January 1, 2020, the balances of receivables (including notes receivable) from contracts with customers amounted to \$41,537,859, \$21,918,623 and \$14,888,818, respectively.

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

D. As at December 31, 2021 and 2020, 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 \$357,461 and \$113,313, respectively; and the amount that best represents the Group's accounts receivable were \$41,180,398 and \$21,805,310, respectively.

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

(6) Inventories

	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>
	December 31, 2020		
	Cost	Allowance for valuation loss	Book value
Ship fuel	\$ 2,546,614	\$ -	\$ 2,546,614
Steel and others	385,097	-	385,097
	<u>\$ 2,931,711</u>	<u>\$ -</u>	<u>\$ 2,931,711</u>

(7) Other current assets

	December 31, 2021	December 31, 2020
Shipowner's accounts	\$ 6,679	\$ 626,782
Agency accounts	3,411,873	2,802,786
Temporary debits	836,417	892,624
	<u>\$ 4,254,969</u>	<u>\$ 4,322,192</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, 2021</u>	<u>December 31, 2020</u>
Evergreen International Storage and Transport Corporation	\$ 10,956,117	\$ 9,315,382
EVA Airways Corporation	12,812,215	11,327,144
Taipei Port Container Terminal Corporation	1,694,351	1,523,550
Charng Yang Development Co., Ltd.	561,169	557,549
Ningbo Victory Container Co., Ltd.	341,659	328,607
Ever Ecove Corporation	299,567	305,965
Luantan Investment (Netherlands) N.V.	710,843	1,485,739
Balsam Investment (Netherlands) N.V.	4,839,068	1,177,162
Colon Container Terminal S.A.	3,119,026	2,981,754
Others	1,084,598	917,142
	<u>\$ 36,418,613</u>	<u>\$ 29,919,994</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, 2021</u>	<u>December 31, 2020</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	15.11%	16.00%	Have a right to vote in the Board of Directors	Equity method

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

Balance sheet

	<u>Evergreen International Storage and Transport Corporation</u>	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current assets	\$ 11,651,185	\$ 6,947,311
Non-current assets	30,154,095	28,124,463
Current liabilities	( 3,735,556)	( 3,517,476)
Non-current liabilities	( 10,338,771)	( 8,204,681)
Total net assets	<u>\$ 27,730,953</u>	<u>\$ 23,349,617</u>
Share in associate's net assets	\$ 11,074,175	\$ 9,373,779
Unrealized income with affiliated companies	( 118,058)	( 58,397)
Carrying amount of the associate	<u>\$ 10,956,117</u>	<u>\$ 9,315,382</u>

	<u>EVA Airways Corporation</u>	
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current assets	\$ 65,182,413	\$ 55,932,512
Non-current assets	260,131,637	273,634,743
Current liabilities	( 46,637,622)	( 45,433,155)
Non-current liabilities	( 185,969,070)	( 207,474,571)
Total net assets	<u>\$ 92,707,358</u>	<u>\$ 76,659,529</u>
Share in associate's net assets	<u>\$ 12,812,215</u>	<u>\$ 11,327,144</u>

Statement of comprehensive income

	<u>Evergreen International Storage and Transport Corporation</u>	
	<u>Year ended</u>	<u>Year ended</u>
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Revenue	<u>\$ 8,880,226</u>	<u>\$ 6,966,387</u>
Profit for the period	\$ 1,083,357	\$ 682,563
Other comprehensive income, net of tax	3,541,734	313,479
Total comprehensive income	<u>\$ 4,625,091</u>	<u>\$ 996,042</u>
Dividends received from associates	<u>\$ 129,208</u>	<u>\$ 129,208</u>

	<u>EVA Airways Corporation</u>	
	<u>Year ended</u>	<u>Year ended</u>
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Revenue	<u>\$ 103,872,359</u>	<u>\$ 89,048,776</u>
Profit (loss) for the period	\$ 6,680,261	(\$ 3,276,719)
Other comprehensive income, net of tax	2,222,183	4,020,120
Total comprehensive income	<u>\$ 8,902,444</u>	<u>\$ 743,401</u>
Dividends received from associates	<u>\$ -</u>	<u>\$ 194,135</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, 2021 and 2020, the carrying amount of the Group's individually immaterial associates amounted to \$12,650,281 and \$9,277,468, respectively.

	Year ended December 31, 2021	Year ended December 31, 2020
Profit for the period	\$ 9,396,564	\$ 1,806,900
Other comprehensive (loss) income, net of tax	( 823,808)	647,916
Total comprehensive income	<u>\$ 8,572,756</u>	<u>\$ 2,454,816</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:

	December 31, 2021	December 31, 2020
Evergreen International Storage and Transport Corporation	\$ 12,619,281	\$ 8,721,517
EVA Airways Corporation	21,704,324	10,211,516
	<u>\$ 34,323,605</u>	<u>\$ 18,933,033</u>

E. As the Company decided to go green and was optimistic about the renewable resource industry, the Board of Directors of the Company during its meeting on August 13, 2018 adopted a resolution to participate in the capital increase raised by Ever Ecove Corporation amounting to 30,500 thousand shares, with a subscription price of NT\$10 (in dollars) per share, and a total price of \$305,000. In addition, the effective date was set on December 1, 2020 and after the acquisition, the Company's share interest was 19.06%. Ever Ecove Corporation was accounted for using equity method as the Company has influence over its Board of Directors.

F. The Company's share interest in EVA Airways Corporation decreased to 15.11% as of December 31, 2021 due to the conversions from corporate bonds to stocks during the year ended December 31, 2021.

G. 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.

- H. The Company is the single largest shareholder of EVA with a 15.13% 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.
- I. 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.

(9) Property, plant and equipment

		2021										
		Land	Buildings	Machinery equipment	Loading and unloading equipment	Computer and communication equipment	Transportation equipment	Ships	Office equipment	Leasehold improvements	Others	Total
At January 1												
Cost		\$ 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
Accumulated depreciation		-	( 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)
		<u>\$ 879,897</u>	<u>\$ 5,994,388</u>	<u>\$ 114,382</u>	<u>\$ 2,832,363</u>	<u>\$ 371,990</u>	<u>\$ 20,041,710</u>	<u>\$ 86,692,890</u>	<u>\$ 132,222</u>	<u>\$ 1,504,568</u>	<u>\$ 78,234</u>	<u>\$ 118,642,644</u>
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		<u>\$ 863,130</u>	<u>\$ 5,000,791</u>	<u>\$ 97,771</u>	<u>\$ 3,402,100</u>	<u>\$ 265,806</u>	<u>\$ 30,441,369</u>	<u>\$ 112,125,498</u>	<u>\$ 148,314</u>	<u>\$ 1,497,870</u>	<u>\$ 60,226</u>	<u>\$ 153,902,875</u>
At December 31												
Cost		\$ 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
Accumulated depreciation		-	( 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)
		<u>\$ 863,130</u>	<u>\$ 5,000,791</u>	<u>\$ 97,771</u>	<u>\$ 3,402,100</u>	<u>\$ 265,806</u>	<u>\$ 30,441,369</u>	<u>\$ 112,125,498</u>	<u>\$ 148,314</u>	<u>\$ 1,497,870</u>	<u>\$ 60,226</u>	<u>\$ 153,902,875</u>

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

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

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

(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, 2021</u>	<u>December 31, 2020</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 7,875,614	\$ 9,833,608
Buildings	709,976	696,077
Loading and unloading equipment	-	103,825
Transportation equipment	713,800	885,275
Ships	91,772,778	64,607,963
Office equipment	31,684	51,878
Other equipment	5,168	10,561
	<u>\$ 101,109,020</u>	<u>\$ 76,189,187</u>

  

	<u>Year ended</u>	<u>Year ended</u>
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 1,849,709	\$ 1,944,183
Buildings	280,419	283,830
Loading and unloading equipment	103,202	108,759
Transportation equipment	157,607	664,077
Ships	9,450,933	8,677,296
Office equipment	22,188	19,853
Other equipment	5,275	22,434
	<u>\$ 11,869,333</u>	<u>\$ 11,720,432</u>

- D. For the years ended December 31, 2021 and 2020, the additions to right-of-use assets were \$32,584,521 and \$8,631,954, respectively.
- E. For the years ended December 31, 2021 and 2020, the disposals to right-of-use assets were \$735 and \$28,599, respectively.

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

	Year ended <u>December 31, 2021</u>	Year ended <u>December 31, 2020</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 2,158,121	\$ 2,694,869
Expense on short-term lease contracts	9,672,062	4,275,563
Expense on leases of low-value assets	24,110	20,984
Expense on variable lease payments	512	4,142
Gains arising from lease modifications	7,266	2,033

G. For the years ended December 31, 2021 and 2020, the Group's total cash outflow for leases amounted to \$23,463,685 and \$18,724,033, respectively.

H. As of December 31, 2021, 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 \$27,396,273.

I. The Group has applied the practical expedient to "Covid-19-related rent concessions", and recognised the gain from changes in lease payments arising from the rent concessions amounting to \$1,519 by decreasing rent expense by \$1,115 and increasing other income by \$404 for the year ended December 31, 2021.

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

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

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

	December 31, 2021	December 31, 2020
Cash flow hedges :		
Exchange rate risk		
Lease liability contracts designated as hedges		
Current liabilities	\$ 1,031,678	\$ 898,484
Non-current liabilities	10,477,195	9,971,891
	<u>\$ 11,508,873</u>	<u>\$ 10,870,375</u>

(b) Other equity - cash flow hedge reserve

	2021	2020
At January 1	\$ 1,014,792	\$ 460,138
Less : Reclassified from equity to exchange gain for the period	-	( 381,555)
Add (Less): Reclassified to freight revenue as the hedged item has affected profit or loss	100,172	( 52,778)
Add: Profit on hedge effectiveness -amount recognised in other comprehensive income	171,392	988,987
At December 31	<u>\$ 1,286,356</u>	<u>\$ 1,014,792</u>

(c) As of December 31, 2021 and 2020, 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, 2021 and 2020 are as follows:

	December 31, 2021	December 31, 2020
Current lease liabilities	\$ 16,047,877	\$ 8,730,653
Current lease liabilities - related parties	190,874	738,449
Non-current lease liabilities	70,931,436	53,612,107
Non-current lease liabilities - related parties	269,058	219,348
	<u>\$ 87,439,245</u>	<u>\$ 63,300,557</u>

(11) Leasing arrangements – lessor

A. For the years ended December 31, 2021 and 2020, the Group recognised rent income in the amounts of \$586,539 and \$311,494, 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, 2021</u>	<u>December 31, 2020</u>
Within 1 year	\$ 725,253	\$ 335,930
1-2 years	395,164	202,020
2-3 years	208,924	54,161
3-4 years	19,655	53,747
4-5 years	19,655	53,726
After 5 years	16,211	138,792
	<u>\$ 1,384,862</u>	<u>\$ 838,376</u>

(12) Investment property, net

	<u>2021</u>		
	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
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>



	2020		
	Land	Buildings	Total
At January 1			
Cost	\$ 1,415,029	\$ 4,788,141	\$ 6,203,170
Accumulated depreciation	<u>-</u>	<u>( 748,100)</u>	<u>( 748,100)</u>
	<u>\$ 1,415,029</u>	<u>\$ 4,040,041</u>	<u>\$ 5,455,070</u>
Opening net book amount as at January 1	\$ 1,415,029	\$ 4,040,041	\$ 5,455,070
Reclassification to property, plant and equipment	( 18,209)	( 2,577)	( 20,786)
Reclassification from non-current assets	-	26,319	26,319
Depreciation	-	( 154,854)	( 154,854)
Net exchange differences	<u>( 65)</u>	<u>( 134,172)</u>	<u>( 134,237)</u>
Closing net book amount as at December 31	<u>\$ 1,396,755</u>	<u>\$ 3,774,757</u>	<u>\$ 5,171,512</u>
At December 31			
Cost	\$ 1,396,755	\$ 4,674,765	\$ 6,071,520
Accumulated depreciation	<u>-</u>	<u>( 900,008)</u>	<u>( 900,008)</u>
	<u>\$ 1,396,755</u>	<u>\$ 3,774,757</u>	<u>\$ 5,171,512</u>

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

	Year ended December 31, 2021	Year ended December 31, 2020
Rental revenue from the lease of the investment property	<u>\$ 161,638</u>	<u>\$ 211,366</u>
Direct operating expenses arising from the investment property that generated rental income in the period	<u>\$ 148,795</u>	<u>\$ 155,297</u>
Direct operating expenses arising from the investment property that did not generate rental income in the period	<u>\$ 33,932</u>	<u>\$ 769</u>

B. The fair value of the investment property held by the Group as at December 31, 2021 and 2020 was \$9,325,083 and \$7,100,979, 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, 2021</u>	<u>December 31, 2020</u>
Prepayments for equipment	\$ 23,841,061	\$ 13,923,670
Refundable deposits	267,607	236,729
Others	472,935	75,989
	<u>\$ 24,581,603</u>	<u>\$ 14,236,388</u>

Movement analysis of prepayments for equipment for the years ended December 31, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
At January 1	\$ 13,923,670	\$ 9,308,236
Additions	41,028,426	24,507,892
Reclassification to property, plant and equipment	( 30,642,131)	( 18,357,456)
Reclassification to intangible assets	( 285)	( 1,837)
Net exchange differences	( 468,619)	( 1,533,165)
At December 31	<u>\$ 23,841,061</u>	<u>\$ 13,923,670</u>

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

	<u>Year ended December 31, 2021</u>	<u>Year ended December 31, 2020</u>
Amount capitalised	\$ 97,927	\$ 204,619
Interest rate	0.86%~2.14%	0.86%~4.10%

(14) Other current liabilities

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Receipt in advance	\$ 4,562	\$ 4,147
Long-term liabilities - current portion	9,147,275	18,201,548
Corporate bonds - current portion	4,000,000	4,000,000
Shipowner's accounts	9,640,656	5,180,333
Agency accounts	416,184	3,279,919
Others	750,582	190,104
	<u>\$ 23,959,259</u>	<u>\$ 30,856,051</u>

(15) Corporate bonds payable

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Domestic secured corporate bonds	\$ 6,000,000	\$ 10,000,000
Domestic unsecured Convertible Bond	4,999,900	-
Unsecured Euro-Convertible Bond	-	7,149,181
Less: Discount on bonds payable	( 226,950)	( 370,138)
Less: Current portion (recorded as other current liabilities)	( 4,000,000)	( 4,000,000)
	<u>\$ 6,772,950</u>	<u>\$ 12,779,043</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.).

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). 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\$95 (in dollars) to NT\$93.67 (in dollars) since August 24, 2021.

(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. 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.

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, 2021, the domestic unsecured convertible bonds amounting to \$289,160 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, 2021</u>	<u>December 31, 2020</u>
Mortgage and secured bank loans	\$ 37,678,512	\$ 59,213,235
Unsecured bank loans	11,409,804	36,211,178
Less : Unrealised foreign exchange gains	( 192,527)	( 148,493)
Less: Hosting fee credit	( 110,060)	( 33,872)
	<u>48,785,729</u>	<u>95,242,048</u>
Less: Current portion (recorded as other current liabilities)	( 9,147,275)	( 18,201,548)
	<u>\$ 39,638,454</u>	<u>\$ 77,040,500</u>
Borrowing period	2022.08~2031.12	2021.01~2030.06
Interest rate	0.93%~5.15%	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, 2021</u>	<u>December 31, 2020</u>
Accrued pension liabilities	\$ 4,257,425	\$ 3,423,829
Guarantee deposits received	448,863	300,820
Deferred income	120,454	-
Unrealised gain on sale and leaseback	418	1,594
Credit balance for investments accounted for using the equity method	373	-
Others	18,918	14,368
	<u>\$ 4,846,451</u>	<u>\$ 3,740,611</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, 2021</u>	<u>December 31, 2020</u>
Present value of defined benefit obligations	(\$ 5,804,853)	(\$ 4,921,339)
Fair value of plan assets	<u>1,547,428</u>	<u>1,497,510</u>
Net defined benefit liability	<u>(\$ 4,257,425)</u>	<u>(\$ 3,423,829)</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, 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><u>(\$ 5,804,853)</u></u>	<u><u>\$ 1,547,428</u></u>	<u><u>(\$ 4,257,425)</u></u>

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
<u>Year ended December 31, 2020</u>			
Balance at January 1	(\$ 4,406,518)	\$ 1,378,457	(\$ 3,028,061)
Current service cost	( 160,343)	-	( 160,343)
Interest (expense) income	( 46,995)	17,679	( 29,316)
Curtailment (Settlement)	( 65)	( 8,737)	( 8,802)
	<u>( 4,613,921)</u>	<u>1,387,399</u>	<u>( 3,226,522)</u>
Remeasurements:			
Return on plan assets			
(excluding amounts included in interest income or expense)	-	19,277	19,277
Change in demographic assumptions	( 3,517)	-	( 3,517)
Change in financial assumptions	( 374,032)	-	( 374,032)
Experience adjustments	( 86,010)	-	( 86,010)
	<u>( 463,559)</u>	<u>19,277</u>	<u>( 444,282)</u>
Pension fund contribution	33	171,525	171,558
Paid settlement	6,056	-	6,056
Paid pension	187,366	( 94,936)	92,430
Exchange difference	( 14,026)	14,245	219
Effect of business combination	( 23,288)	-	( 23,288)
Balance at December 31	<u>(\$ 4,921,339)</u>	<u>\$ 1,497,510</u>	<u>(\$ 3,423,829)</u>

- (e) The Bank of Taiwan was commissioned to manage the Fund of the Company's and its domestic subsidiaries-TTSC's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earning is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Group has no right to participate in managing and operating that fund and hence the Group is unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2021 and 2020 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, 2021	Year ended December 31, 2020
Discount rate	<u>0.54%~6.72%</u>	<u>0.28%~7%</u>
Future salary increases	<u>1.08%~10%</u>	<u>0.5%~10%</u>

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	<u>Discount rate</u>		<u>Future salary increases</u>	
	<u>Increase 0.25%~1.00%</u>	<u>Decrease 0.25%~1.00%</u>	<u>Increase 0.25%~1.00%</u>	<u>Decrease 0.25%~1.00%</u>
<u>December 31, 2021</u>				
Effect on present value of defined benefit obligation	(\$ <u>218,968</u> )	<u>\$ 241,094</u>	<u>\$ 161,281</u>	(\$ <u>143,808</u> )
	<u>Increase 0.25%~1.00%</u>	<u>Decrease 0.25%~1.00%</u>	<u>Increase 0.25%~1.00%</u>	<u>Decrease 0.25%~1.00%</u>
<u>December 31, 2020</u>				
Effect on present value of defined benefit obligation	(\$ <u>202,401</u> )	<u>\$ 221,547</u>	<u>\$ 145,999</u>	(\$ <u>127,504</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.

- (g) Expected contributions to the defined benefit pension plans of the Company and its subsidiary-TTSC for the year ending December 31, 2021 amount to \$135,540
- (h) As of December 31, 2021, the weighted average duration of the retirement plan is 9~27 years.
- B. (a) Effective July 1, 2005, the Company and its domestic subsidiary-TTSC have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiary-TTSC contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

- (b) The Group's mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.
- (c) The Group's certain overseas subsidiaries have a defined contribution plan. Monthly contributions to an independent fund in accordance with the local regulations and the pension regulations of each subsidiaries are based on certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.
- (d) The pension costs and expenses under defined contribution pension plans of the Group for the years ended December 31, 2021 and 2020 were \$343,891 and \$316,622, respectively.

(19) Capital stock

- A. As of December 31, 2021, the Company's authorized capital was \$70,000,000, and the paid-in capital was \$ 52,908,484, consisting of 5,290,848 thousand shares of common stocks with a par value of NT\$10 (in dollars) per share. All proceeds from shares issued have been collected.
- B. The Company'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.
- C. 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.
- D. 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.
- E. On June 24, 2020, the shareholders meeting of the Company resolved to increase authorized capital from \$50,000,000 to \$70,000,000. All proceeds from share issuance have been collected by July 22, 2020.
- F. On December 31, 2021 and 2020, the numbers of the Company's shares held by its associate accounted for using equity method, EITC, were 25,254 and 25,084 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.

	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 Euro-Convertible Bonds	-	289,166	-	-	-
Conversion of Euro-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>
	2020				
	Share premium	Employee stock options exercised	Adjustments to share of changes in equity of associates and joint ventures	Donated assets	Others
At January 1	\$ 9,167,217	\$ 110,956	\$ 2,122,105	\$ 446	\$6,713
Expired unclaimed dividends	-	-	-	-	623
Proceeds from issuance of Euro-Convertible Bonds	-	379,915	-	-	-
Conversion of Euro-Convertible Bonds	690,551	( 67,625)	-	-	-
Recognition of change in equity of associates in proportion to the Company's ownership	-	-	22,463	-	-
At December 31	<u>\$ 9,857,768</u>	<u>\$ 423,246</u>	<u>\$ 2,144,568</u>	<u>\$ 446</u>	<u>\$7,336</u>

(21) Retained earnings

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
At January 1	\$ 27,734,460	\$ 3,659,042
Profit for the period	239,014,860	24,364,926
Appropriation of earnings	( 16,145,182)	-
Remeasurement on post employment benefit obligations, net of tax	( 90,912)	( 291,317)
Adjustments to share of changes in equity of associates and joint ventures	42,523	1,809
At December 31	<u>\$ 250,555,749</u>	<u>\$ 27,734,460</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. For the year ended December 31, 2019, the Company's net income after tax plus other items including current unappropriated retained earnings is negative, thus the Company will not provision for legal reserve. Additionally, the shareholders of the Company during its meeting on June 24, 2020 adopted a resolution to retain distributable earnings for its future operating plan, thus, the Company will not appropriate for shareholders' bonus.

F. 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	\$ 13,156,234	\$ 2.48660241

G. The appropriation of 2021 earnings resolved by the Board of Directors on March 15, 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	\$ 95,238,884	\$ 18.00

As of March 15, 2022, the above-mentioned 2021 earnings appropriation had not been resolved by the stockholders' meeting.

(22) Other equity items

	<u>2021</u>			
	<u>Unrealised gains (losses) on valuation</u>	<u>Hedging reserve</u>	<u>Currency translation</u>	<u>Total</u>
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 gain 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>

	2020			
	Unrealised gains (losses) on valuation	Hedging reserve	Currency translation	Total
At January 1	\$ 1,411,638	\$ 579,757	(\$ 856,773)	\$ 1,134,622
Revaluation – gross	( 34,251)	-	-	( 34,251)
Revaluation – tax	5,865	-	-	5,865
Revaluation – associates	503,331	-	-	503,331
Revaluation transferred to retained earnings – associates	( 1,809)	-	-	( 1,809)
Cash flow hedges:				
– Fair value loss in the period				
– Group	-	554,654	-	554,654
– Group – tax	-	( 126,618)	-	( 126,618)
– Associates	-	854,371	-	854,371
Currency translation differences:				
– Group	-	-	( 3,160,573)	( 3,160,573)
– Group – tax	-	-	4,589	4,589
– Associates	-	-	( 315,587)	( 315,587)
At December 31	<u>\$ 1,884,774</u>	<u>\$ 1,862,164</u>	<u>(\$ 4,328,344)</u>	<u>\$ 581,406</u>

(23) Operating revenue

	Year ended December 31, 2021	Year ended December 31, 2020
Revenue from contracts with customers	\$ 489,020,323	\$ 206,985,830
Other - ship rental and slottage income	386,509	92,082
	<u>\$ 489,406,832</u>	<u>\$ 207,077,912</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,

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>



Year ended December 31, 2020	Ship-owners	Agents	Terminals	Other	Total
Total segment revenue	\$ 212,490,916	\$ 6,941,112	\$ 13,522,643	\$ 1,314,358	\$ 234,269,029
Inter-segment revenue	( 17,005,593)	( 3,384,705)	( 6,892,901)	-	( 27,283,199)
Revenue from external customer contracts	<u>\$ 195,485,323</u>	<u>\$ 3,556,407</u>	<u>\$ 6,629,742</u>	<u>\$ 1,314,358</u>	<u>\$ 206,985,830</u>

#### B. Contract assets and liabilities

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>	<u>January 1, 2020</u>
Contract assets:			
Contract assets			
– relating to marine freight income	<u>\$ 4,525,961</u>	<u>\$ 3,041,569</u>	<u>\$ 1,693,497</u>
Contract liabilities:			
Contract liabilities			
– unearned marine freight income	<u>(\$ 13,530,256)</u>	<u>(\$ 3,677,100)</u>	<u>(\$ 2,213,538)</u>

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

	<u>Year ended December 31, 2021</u>	<u>Year ended December 31, 2020</u>
Marine freight income	<u>\$ 3,677,100</u>	<u>\$ 2,213,538</u>

#### (24) Other income and expenses, net

	<u>Year ended December 31, 2021</u>	<u>Year ended December 31, 2020</u>
Net gains on disposal of property, plant and equipment	<u>\$ 238,289</u>	<u>\$ 53,940</u>

#### (25) Interest income

	<u>Year ended December 31, 2021</u>	<u>Year ended December 31, 2020</u>
Interest income from bank deposits	\$ 275,332	\$ 302,024
Interest income from financial assets measured at amortised cost	<u>111,297</u>	<u>39,647</u>
	<u>\$ 386,629</u>	<u>\$ 341,671</u>

(26) Other income

	Year ended December 31, 2021	Year ended December 31, 2020
Rent income	\$ 200,030	\$ 219,412
Dividend income	106,229	100,691
Gain recognised in bargain purchase transaction	8,605	3,415
Other income, others	177,221	241,284
	<u>\$ 492,085</u>	<u>\$ 564,802</u>

(27) Other gains and losses

	Year ended December 31, 2021	Year ended December 31, 2020
Net gains on disposal of investments	\$ 11,191	\$ 200
Gains arising from lease modifications	7,266	2,033
Net currency exchange gains	307,200	601,300
Net gains on financial assets / liabilities at fair value through profit or loss	28,472	30,027
Net (losses) gains on disposal of right- of-use assets	( 735)	72,736
Depreciation on investment property	( 180,928)	( 154,854)
Other non-operating expenses	( 168,847)	( 200,757)
	<u>\$ 3,619</u>	<u>\$ 350,685</u>

(28) Finance costs

	Year ended December 31, 2021	Year ended December 31, 2020
Interest expense:		
Bank loans	\$ 1,063,753	\$ 1,921,490
Corporate bonds	113,053	124,782
Lease liabilities	2,158,121	2,694,869
	<u>3,334,927</u>	<u>4,741,141</u>
Less: Capitalized borrowing costs	( 97,927)	( 204,619)
	<u>\$ 3,237,000</u>	<u>\$ 4,536,522</u>

(29) Expenses by nature

	Year ended December 31, 2021	Year ended December 31, 2020
Employee benefit expense	\$ 18,222,464	\$ 10,529,019
Depreciation charges on property, plant and equipment	10,273,426	8,884,412
Depreciation charges on right-of-use assets	11,869,333	11,720,432
Amortisation charges on intangible assets	287,477	305,798
Other operating costs and expenses	164,069,902	141,026,234
	<u>\$ 204,722,602</u>	<u>\$ 172,465,895</u>

(30) Employee benefit expense

	Year ended December 31, 2021	Year ended December 31, 2020
Wages and salaries	\$ 15,273,480	\$ 8,841,324
Labor and health insurance fees	932,983	693,618
Pension costs	1,387,416	515,083
Directors' remuneration	35,175	22,869
Other personnel expenses	593,410	456,125
	<u>\$ 18,222,464</u>	<u>\$ 10,529,019</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 years 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. The employees' compensation will be distributed in the form of cash.

(b) Employees' compensation and directors' and supervisors' remuneration of 2020 as resolved by the Board of Directors were in agreement with those amounts recognized in the 2020 financial statements.

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, 2021</u>	<u>Year ended</u> <u>December 31, 2020</u>
Current tax:		
Current tax on profits for the period	\$ 16,457,265	\$ 1,829,473
Land value increment tax included in current tax	166	-
Tax on undistributed surplus earnings	463	-
Prior year income tax underestimation	<u>13,493</u>	<u>14,698</u>
Total current tax	<u>16,471,387</u>	<u>1,844,171</u>
Deferred tax:		
Origination and reversal of temporary differences	8,653,070	1,228,348
Impact of change in tax rate	<u>60</u>	<u>-</u>
Total deferred tax	<u>8,653,130</u>	<u>1,228,348</u>
Income tax expense	<u>\$ 25,124,517</u>	<u>\$ 3,072,519</u>

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

	<u>Year ended</u> <u>December 31, 2021</u>	<u>Year ended</u> <u>December 31, 2020</u>
Changes in fair value of financial assets at fair value through other comprehensive loss	\$ 1,952	(\$ 5,865)
Exchange differences on translating the financial statements of foreign operations	825	( 4,589)
Remeasurement of defined benefit obligations	( 30,258)	( 97,694)
Cash flow hedges	( 26,879)	126,618
Impact of change in tax rate	<u>69</u>	<u>-</u>
	<u>(\$ 54,291)</u>	<u>\$ 18,470</u>

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

	<u>Year ended</u> <u>December 31, 2021</u>	<u>Year ended</u> <u>December 31, 2020</u>
Reduction in capital surplus caused by recognition of foreign investees based on the shareholding ratio	<u>(\$ 115)</u>	<u>\$ 70</u>

B. Reconciliation between income tax expense and accounting profit:

	Year ended <u>December 31, 2021</u>	Year ended <u>December 31, 2020</u>
Tax calculated based on profit before tax and statutory tax rate (note)	\$ 71,603,673	\$ 6,515,297
Land value increment tax included in current tax	166	-
Tax on undistributed surplus earnings	463	-
Expenses disallowed by tax regulation	3,382,137	35,211
Tax exempt income by tax regulation	( 49,875,335)	( 3,492,687)
Temporary differences not recognised as deferred tax assets	( 80)	-
Prior year income tax overestimation	<u>13,493</u>	<u>14,698</u>
Income tax expense	<u>\$ 25,124,517</u>	<u>\$ 3,072,519</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:

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	67,568	81,579	-	-	( 9,157)	139,990
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	( 1,187,448)	109,289	-	-	9,450	( 1,068,709)
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>

	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	Acquired from business combinations	Translation differences	December 31
Temporary differences:							
— Deferred tax assets:							
Loss on valuation of financial assets	\$ 743	\$ 126	(\$ 743)	\$ -	\$ 98	\$ 9	\$ 233
Deferred profit	12,801	( 1,779)	-	-	-	-	11,022
Unrealized expense	110,609	7,684	-	-	-	( 4,726)	113,567
Unrealized exchange loss	25,929	( 24,415)	-	-	-	( 202)	1,312
Pension expense and actuarial losses/(gains)	399,975	( 18,403)	85,615	-	3,668	( 363)	470,492
Others	55,030	15,816	-	-	-	( 3,278)	67,568
Tax losses	430,311	( 429,797)	-	-	-	( 514)	-
Subtotal	<u>\$ 1,035,398</u>	<u>(\$ 450,768)</u>	<u>\$ 84,872</u>	<u>\$ -</u>	<u>\$ 3,766</u>	<u>(\$ 9,074)</u>	<u>\$ 664,194</u>
— Deferred tax liabilities:							
Temporary differences:							
Gain on valuation of financial assets	\$ -	\$ -	(\$ 2,907)	\$ -	\$ -	\$ -	(\$ 2,907)
Unrealized exchange gain	-	-	-	-	-	-	-
Unrealized gain	( 4,914)	481	-	-	-	415	( 4,018)
Pension expense and actuarial losses/(gains)	( 516)	-	-	-	-	( 12)	( 528)
Foreign investment income	( 718,451)	( 767,174)	10,496	( 70)	-	816	( 1,474,383)
Gains (losses) on hedging instruments	( 92,027)	-	( 110,931)	-	-	-	( 202,958)
Others	( 1,211,470)	( 10,887)	-	-	( 41,429)	76,338	( 1,187,448)
Subtotal	<u>(\$ 2,027,378)</u>	<u>(\$ 777,580)</u>	<u>(\$ 103,342)</u>	<u>(\$ 70)</u>	<u>(\$ 41,429)</u>	<u>\$ 77,557</u>	<u>(\$ 2,872,242)</u>
Total	<u>(\$ 991,980)</u>	<u>(\$ 1,228,348)</u>	<u>(\$ 18,470)</u>	<u>(\$ 70)</u>	<u>(\$ 37,663)</u>	<u>\$ 68,483</u>	<u>(\$ 2,208,048)</u>

D. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2021 and 2020, the amounts of temporary difference unrecognised as deferred tax liabilities were \$164,046,155 and \$26,906,819, respectively.

E. The Company and its subsidiary-TTSC's income tax returns through 2018 and 2019, respectively, have been assessed and approved by the Tax Authority.

(32) Earnings per share

	<u>Year ended December 31, 2021</u>		
	<u>Amount</u>	<u>Weighted average</u>	<u>Earnings per share</u>
	<u>after tax</u>	<u>number of ordinary</u>	<u>(in dollars)</u>
		<u>shares outstanding</u>	
		<u>(share in thousands)</u>	
<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



	Year ended December 31, 2020		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Net profit attributable to ordinary shareholders of the parent	\$ 24,364,926	4,813,206	\$ 5.06
<u>Diluted earnings per share</u>			
Net profit attributable to ordinary shareholders of the parent	\$ 24,364,926	4,813,206	
Assumed conversion of all dilutive potential ordinary shares			
Euro-Convertible Bond	23,582	100,886	
Employees' compensation	-	3,225	
Net profit attributable to ordinary shareholders of the parent	\$ 24,388,508	4,917,317	\$ 4.96

(33) Transactions with non-controlling interest

For the years ended December 31, 2021 and 2020, the amount of cash dividends paid to non-controlling interests were \$404,077 and \$244,719, respectively.

(34) Business combinations

- A. 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).
- B. On June 30, 2020, the Board of Directors of the subsidiary, EGH, resolved to make an equity transaction. EGH acquired 40% and 60% equity interests of EGP from the other related party, EIS, and ELCP, respectively, and obtained control over EGP. The transaction date was July 1, 2020 and the transaction amount was PHP 239,500 (approx. \$141,760).
- C. The following table summarises the consideration paid and the fair values of the assets acquired and liabilities assumed at the acquisition date, as well as the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets at the acquisition date:

	UMS July 1, 2021	EGP July 1, 2020
Purchase consideration		
Cash paid	\$ 8,373	\$ 141,760
Fair value of the identifiable assets acquired and liabilities assumed		
Cash and cash equivalents	328,808	413,198
Notes receivable, net	11,101	3,742
Accounts receivable, net (including related parties)	59,394	200,995
Other receivable	128	-
Current income tax assets	-	2,565
Prepayments	4,055	36,966
Other current assets	43	204,677
Non-current financial assets at fair value through other comprehensive income	-	118
Property, plant and equipment, net	10,757	117,256
Right-of-use assets	8,010	2,419
Intangible assets	-	4,823
Other non-current assets	-	1,498
Deferred tax assets	-	3,766
Accounts payable (including related parties)	( 159,027)	( 119,922)
Other payables (including related parties)	( 226,563)	( 462,644)
Current income tax liabilities	-	( 2,462)
Other current liabilities	( 10,078)	( 194,503)
Current lease liabilities	( 6,134)	( 1,575)
Deferred income tax liabilities	-	( 41,429)
Non-current lease liabilities	( 2,481)	( 1,011)
Other non-current liabilities	( 1,035)	( 23,302)
Total identifiable net assets	<u>16,978</u>	<u>145,175</u>
Gain from bargain purchase	<u>(\$ 8,605)</u>	<u>(\$ 3,415)</u>

D. 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 \$25,082 and \$102,174, respectively.

E. As at September 30, 2020, the fair value of the acquired identifiable intangible assets – customer relationship was estimated to be \$4,441.

F. Had EGP been acquired from January 1, 2020, the consolidated statement of comprehensive income for the year ended December 31, 2020 would show operating revenue and profit before income tax of \$39,374 and \$66,486, respectively.

(35) Supplemental cash flow information

A. Investing activities with partial cash payments

(a) Property, plant and equipment

	Year ended December 31, 2021	Year ended December 31, 2020
Purchase of property, plant and equipment	\$ 17,043,296	\$ 5,293,745
Add: Opening balance of payable on equipment	278,482	455,427
Less: Ending balance of payable on equipment	( 2,373,622)	( 278,482)
Less: Reclassification as the hedged item has affected profit or loss	( 4,076)	-
Cash paid during the period	<u>\$ 14,944,080</u>	<u>\$ 5,470,690</u>

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

	Year ended December 31, 2021	Year ended December 31, 2020
Purchase of prepayments for equipment	\$ 41,028,426	\$ 24,507,892
Add: Opening balance of payable on prepayments for equipment	188,862	-
Less: Ending balance of payable on prepayments for equipment	( 64,063)	( 188,862)
Capitalized borrowing costs	( 97,927)	( 204,619)
Cash paid during the period	<u>\$ 41,055,298</u>	<u>\$ 24,114,411</u>

(d) Intangible assets

	Year ended December 31, 2021	Year ended December 31, 2020
Purchase of Intangible assets	\$ 28,594	\$ 30,340
Add: Opening balance of payable on equipment	-	-
Less: Ending balance of payable on equipment	( 4,385)	-
Cash paid during the period	<u>\$ 24,209</u>	<u>\$ 30,340</u>

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

	UMS July 1, 2021	EGP July 1, 2020
Cash and cash equivalents	\$ 328,808	\$ 413,198
Notes receivable, net	11,101	3,742
Accounts receivable, net (including related parties)	59,394	200,995
Other receivable	128	-
Current income tax assets	-	2,565
Prepayments	4,055	36,966
Other current assets	43	204,677
Non-current financial assets at fair value through other comprehensive income	-	118
Property, plant and equipment, net	10,757	117,256
Right-of-use assets	8,010	2,419
Intangible assets	-	4,823
Other non-current assets	-	1,498
Deferred tax assets	-	3,766
Accounts payable (including related parties)	( 159,027)	( 119,922)
Other payables (including related parties)	( 226,563)	( 462,644)
Current income tax liabilities	-	( 2,462)
Other current liabilities	( 10,078)	( 194,503)
Current lease liabilities	( 6,134)	( 1,575)
Deferred income tax liabilities	-	( 41,429)
Non-current lease liabilities	( 2,481)	( 1,011)
Other non-current liabilities	( 1,035)	( 23,302)
Gain from bargain purchase	( 8,605)	( 3,415)
	<u>\$ 8,373</u>	<u>\$ 141,760</u>
Cash paid for the acquisition	\$ 8,373	\$ 141,760
Cash and cash equivalents	( 328,808)	( 413,198)
Net cash paid for the acquisition	<u>(\$ 320,435)</u>	<u>(\$ 271,438)</u>

(f) Change in non-controlling interest

	Year ended December 31, 2021	Year ended December 31, 2020
Change in transactions with non-controlling interest	\$ 392,129	\$ 384,599
Add: Opening balance of payable on investments	12,889	-
Less: Ending balance of payable on investments	( 9,268)	( 12,889)
Cash paid during the period	<u>\$ 395,750</u>	<u>\$ 371,710</u>

(36) 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 (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>
	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, 2020	\$ 10,000,000	\$ 106,701,568	\$ 325,987	\$ 81,231,835	\$ 198,259,390
Changes in cash flow from financing activities	8,635,118	( 7,097,184)	( 14,981)	( 11,728,475)	( 10,205,522)
Acquired from business combinations	-	-	13	2,586	2,599
Additions to lease liabilities	-	-	-	8,621,034	8,621,034
Remeasurement of lease liabilities	-	-	-	953,252	953,252
Changes in other non-cash items	( 1,856,075)	-	-	( 3,889)	( 1,859,964)
Impact of changes in foreign exchange rate	-	( 4,362,336)	( 10,199)	( 4,905,411)	( 9,277,946)
At December 31, 2020	<u>\$ 16,779,043</u>	<u>\$ 95,242,048</u>	<u>\$ 300,820</u>	<u>\$ 74,170,932</u>	<u>\$ 186,492,843</u>

## 7. RELATED PARTY TRANSACTIONS

### (1) Names of related parties and their relationship with the Group

<u>Names of related parties</u>	<u>Relationship with the Group</u>
Evergreen International Storage and Transport Corp. (EITC)	Associate
Eva Airways Corp. (EVA)	Associate
Evergreen Security Corp. (ESC)	Associate
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)	(An associate since December 1, 2020)
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
Evergreen Marine (Latin America), S.A. (ELA)	(A subsidiary since March 1, 2020)
Evergreen International Corp. (EIC)	Other related party
Evergreen Airline Service Corp. (EGAS)	Other related party
Chang Yung-Fa Charity Foundation (CYFC)	Other related party
Chang Yung-Fa Foundation (CYFF)	Other related party
Evergreen Steel Corp. (EGST)	Other related party
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

Names of related parties	Relationship with the Group
Evergreen Shipping Agency (Japan) Corporation (EGJ)	Other related party
Evergreen Shipping Agency Philippines Corporation (EGP)	Other related party (A subsidiary since July 1, 2020)
Evergreen International Myanmar Co., Ltd. (EIM)	Other related party
Chestnut Estate B.V. (Chestnut)	Other related party
Advanced Business Process, Inc. (ABPI)	Other related party
Unigreen Marine S.A.(UMS)	Other related party (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
Everconcord, S.A. (ECC)	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, 2021	Year ended December 31, 2020
Associates	\$ 2,061,692	\$ 2,016,084
Other related parties	22,394,736	12,230,309
	<u>\$ 24,456,428</u>	<u>\$ 14,246,393</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, 2021	Year ended December 31, 2020
Associates	\$ 5,792,185	\$ 3,988,736
Other related parties	12,161,518	7,306,331
	<u>\$ 17,953,703</u>	<u>\$ 11,295,067</u>

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

C. Receivables from related parties:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Accounts receivable:		
Associates	\$ 66,457	\$ 95,943
Other related parties	<u>1,934,249</u>	<u>753,489</u>
Subtotal	<u>\$ 2,000,706</u>	<u>\$ 849,432</u>
Other receivables:		
Associates	\$ 5,814	\$ 3,859
Other related parties	<u>21,378</u>	<u>16,005</u>
Subtotal	<u>\$ 27,192</u>	<u>\$ 19,864</u>
Total	<u><u>\$ 2,027,898</u></u>	<u><u>\$ 869,296</u></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, 2021</u>	<u>December 31, 2020</u>
Accounts payable:		
Associates	\$ 105,026	\$ 89,633
Other related parties	<u>190,843</u>	<u>146,571</u>
Subtotal	<u>\$ 295,869</u>	<u>\$ 236,204</u>
Other payables:		
Associates	\$ 5,774	\$ 22,400
Other related parties	<u>109,375</u>	<u>99,118</u>
Subtotal	<u>\$ 115,149</u>	<u>\$ 121,518</u>
Total	<u><u>\$ 411,018</u></u>	<u><u>\$ 357,722</u></u>

The payables to related parties arise mainly from purchase transactions. The payables bear no interest.

E. Property transactions:

(a) Acquisition of property, plant and equipment:

	<u>Year ended December 31, 2021</u>	<u>Year ended December 31, 2020</u>
Associates	\$ 20,447	\$ 197,806
Other related parties	<u>2,616,110</u>	<u>74,787</u>
	<u><u>\$ 2,636,557</u></u>	<u><u>\$ 272,593</u></u>

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

(b) Disposal of property, plant and equipment:



	Year ended December 31, 2021		Year ended December 31, 2020	
	Disposal proceeds	Gain on disposal	Disposal proceeds	Gain (loss) on disposal
Associates	\$ 25	\$ 21	\$ -	\$ -

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 and ships from associates and other related parties for the year ended December 31, 2021 and increased 'right-of-use asset' by \$958 and \$196,257, respectively.

(c) Lease liabilities:

i. Outstanding balance:

	December 31, 2021	December 31, 2020
Associates	\$ 1,380	\$ 390,161
Other related parties	458,552	567,636
	<u>\$ 459,932</u>	<u>\$ 957,797</u>

ii. Interest expense:

	Year ended December 31, 2021	Year ended December 31, 2020
Associates	\$ 4,990	\$ 27,742
Other related parties	46,645	29,636
	<u>\$ 51,635</u>	<u>\$ 57,378</u>

G. Agency accounts:

	December 31, 2021	December 31, 2020
Debit balance of agency accounts:		
Associates	\$ 85,777	\$ -
Other related parties		
-EIC	1,282,907	1,207,412
-EGA	937,422	937,631
-Other	10,502	-
	<u>\$ 2,316,608</u>	<u>\$ 2,145,043</u>
Credit balance of agency accounts:		
Associates	(\$ 29,455)	(\$ 25,815)
Other related parties		
-EGJ	( 5,968)	( 523,231)
	<u>(\$ 35,423)</u>	<u>(\$ 549,046)</u>

H. Shipowner's accounts:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Debit balance of shipowner's accounts:		
Associates		
-ITS	\$ -	\$ 301,718
Other related parties		
-EIS	-	309,179
-GESA	6,679	15,885
	<u>\$ 6,679</u>	<u>\$ 626,782</u>

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Credit balance of shipowner's accounts:		
Associates		
-ITS	(\$ 714,985)	\$ -
Other related parties		
-EIS	( 564,916)	-
-EMS	( 8,360,755)	( 5,180,333)
	<u>(\$ 9,640,656)</u>	<u>(\$ 5,180,333)</u>

I. Loans to/from related parties:

(a) Loans to related parties:

i. Outstanding balance:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Associates	\$ 688,974	\$ 727,366

ii. Interest income:

	<u>Year ended December 31, 2021</u>	<u>Year ended December 31, 2020</u>
Associates	\$ 8,365	\$ 12,617

The loans to associates carry interest at floating rates for the years ended December 31, 2021 and 2020.

(b) Loans from related parties:

i. Outstanding balance:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Other related parties	\$ 9,010	\$ 9,249

ii. Interest expense:

	<u>Year ended December 31, 2021</u>	<u>Year ended December 31, 2020</u>
Other related parties	\$ -	\$ 7,329

The loans from associates carry interest at floating rates for the years ended December 31, 2021 and 2020.

J. Endorsements and guarantees provided to related parties:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Associates	\$ 815,365	\$ 1,827,476
Other related parties	<u>2,404,006</u>	<u>-</u>
	<u>\$ 3,219,371</u>	<u>\$ 1,827,476</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 June 30, 2020, the Board of Directors of the subsidiary, EGH, approved to acquire 40% and 60% equity interests of EGP from the other related party, EIS, and ELCP. The transaction date was July 1, 2020, and the transaction price amounted to \$141,760 (approx. PHP 239,500).

M. On December 20, 2019, the Board of Directors of the subsidiary, EGH, approved to acquire 16.50% equity interests of ELA from the associate, ITS, and each other related party, EIS and EMS. The transaction date was set on March 1, 2020, and the transaction price amounted to \$9,712 (approx. USD 323).

N. On November 13, 2019, the shareholders at the shareholders' meeting of the second-tier subsidiary, Armand B.V., approved to sell 2.91% equity interests of the associate, Taipei Port Container Terminal Corporation, to other related party, EIS. The transaction date was set on February 1, 2020, and the transaction price amounted to \$150,464 (approx. USD 4,997).

(3) Key management compensation

	<u>Year ended December 31, 2021</u>	<u>Year ended December 31, 2020</u>
Salaries and other short-term employee benefits	\$ 348,948	\$ 221,183
Post-employment benefits	<u>4,660</u>	<u>3,411</u>
	<u>\$ 353,608</u>	<u>\$ 224,594</u>

## 8. PLEDGED ASSETS

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

<u>Pledged assets</u>	<u>Book value</u>		<u>Purpose</u>
	<u>December 31, 2021</u>	<u>December 31, 2020</u>	
Financial assets at amortised cost			Performance
- Pledged time deposits	\$ 273,791	\$ 248,609	guarantee
Property, plant and equipment			
-Land	514,312	514,312	Long-term loan
-Buildings	1,189,568	5,222,674	"
-Loading and unloading equipment	1,121,525	1,383,031	"
-Ships	55,752,381	79,606,284	"
Investment property			
-Land	1,285,781	1,285,781	Long-term loan
-Buildings	4,197,246	3,599,168	"
	<u>\$ 64,334,604</u>	<u>\$ 91,859,859</u>	

## 9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

### (1) Contingencies

None.

### (2) Commitments

- A. As of December 31, 2021 and 2020, the Group had delegated DBS Bank to issue Standby Letter of Credit all amounting to USD 5,000.
- B. As of December 31, 2021 and 2020, 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 \$69,040,264 and \$117,309,468, respectively, and the unutilized credit was \$20,144,475 and \$21,876,445, respectively.
- C. As of December 31, 2021 and 2020, the amount of guaranteed notes issued by the Group for loans borrowed was \$69,995,099 and \$92,037,348, respectively.
- D. To meet its operational needs, the Company signed the shipbuilding contracts with Samsung Heavy Industries, CSSC Huangpn Wenchong Shipbuilding Company Limited and China Shipbuilding Trading Company Ltd. As of December 31, 2021, the total price of the contracts, wherein the vessels have not yet been delivered amounted to USD 4,409,621, of which USD 3,643,882 remain unpaid.
- E. In response to international regulations on sulfur content in shipping fuel, the Group entered into sulfur emission abatement equipment purchase contracts with Wartsila Finland Oy. As of December 31, 2021, the total price of the contracts amounted to USD 10,900, of which USD 5,600 remain unpaid. The Group signed installation contracts with Huarun Dadong Dockyard Co., Ltd.,

and COSCO Shipping Heavy Industry (Zhoushan) Co., Ltd.. As of December 31, 2021, the total price of the contracts amounted to USD 17,440, of which USD 15,199 remain unpaid.

F. To meet its operational needs, the Group signed the loading and unloading equipment purchase contracts. As of December 31, 2021, the total price of the contracts, wherein the equipment has not yet been delivered, amounted to USD 259,765, of which USD 174,324 remain unpaid.

G. To meet its operational needs, the Group signed the transportation equipment purchase contracts. As of December 31, 2021, 2021, the total price of the contracts, wherein the equipment has not yet been delivered, amounted to USD 507,037, of which USD 454,677 remain unpaid.

H. For the Group's lease contracts which were entered into but not yet completed, as of December 31, 2021, the expected minimum lease payment in the future was \$45,389,725.

I. As of December 31, 2021, 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

(1) The appropriation of earnings was resolved by the Company's Board of Directors on March 15, 2022. Information about appropriation of earnings is provided in Note 6(21).

(2) To adjust capital structure, the Board of Directors during its meeting on March 15, 2022 resolved to carry out a capital reduction and return capital to shareholders. The estimated capital reduction amount is \$31,746,295 and the ratio of capital reduction is 60%.

(3) Considering the increasing demand in fleet configuration and rising ship prices in the second-hand ship market, the Board of Directors of the second-tier subsidiary, GMS, during its meeting on February 25, 2022 resolved to terminate the charter of ships, which were recorded under right-of-use assets, with a non-related party, MIF II no.1 K/S, and exercise its preemptive right. The transaction price is approximately USD 110,000 ~ USD 140,000.

(4) To expand its fleets and strengthen operational competitiveness, the Board of Directors of the subsidiary, EMA, during its meeting on March 15, 2022 resolved to order 3 full container ships of 24,000 TEU from Hudong-Zhonghua Shipbuilding (Group) Co., Ltd. The contract price is approximately USD 500,000 ~ USD 550,000.

(5) To strengthen the agency business in East Asia and operational flexibility, the Board of Directors of the subsidiary, EMA, during its meeting on November 5, 2021 resolved to acquire a 100% equity interest in EGJ from a related party, EIS, for USD 14,567 (approx. \$402,843) to obtain control over EGJ. The equity transfer date is January 1, 2022.

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

	EGJ	
	<u>January 1, 2022</u>	
Purchase consideration		
Cash paid	\$	402,843
Fair value of the identifiable assets acquired and liabilities assumed		
Cash and cash equivalents		249,061
Accounts receivable, net		7,383
Prepayments		24,723
Other current assets		225,402
Non-current financial assets at fair value through other comprehensive income		72
Property, plant and equipment, net		596,166
Right-of-use assets		15,800
Investment property, net		770,442
Intangible assets		5,109
Other non-current assets		4,245
Short-term loans	(	649,082)
Accounts payable	(	617,321)
Current income tax liabilities	(	42,579)
Other current liabilities	(	97,939)
Current lease liabilities	(	15,800)
Other non-current liabilities	(	310,985)
Total identifiable net assets		<u>164,697</u>
Goodwill	\$	<u>238,146</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, 2021</u>	<u>December 31, 2020</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	\$ 4,289
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	\$ 2,123,381	\$ 1,657,983
Financial assets at amortised cost		
Cash and cash equivalents	\$ 107,792,396	\$ 44,096,485
Financial assets at amortised cost	93,617,198	7,117,212
Notes receivable	357,461	113,313
Accounts receivable	41,180,398	21,805,310
Other accounts receivable	1,130,938	986,883
Guarantee deposits paid	267,607	236,729
	<u>\$ 244,345,998</u>	<u>\$ 74,355,932</u>
Financial assets for hedging (including current portion)	<u>\$ 24,514,739</u>	<u>\$ -</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Notes payable	\$ 392	\$ 3,973
Accounts payable	30,374,828	20,563,234
Other accounts payable	11,595,376	5,586,636
Bonds payable (including current portion)	10,772,950	16,779,043
Lease payable (including current portion)	87,439,245	63,300,557
Long-term borrowings (including current portion)	48,785,729	95,242,048
Guarantee deposits received	448,863	300,820
	<u>\$ 189,417,383</u>	<u>\$ 201,776,311</u>
Financial liabilities for hedging (including current portion)	<u>\$ 11,508,873</u>	<u>\$ 10,870,375</u>

## B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial position and financial performance.
- (b) Risk management is carried out by the Group's Finance Department under policies approved by the Board of Directors. The Group's Finance Department identifies, evaluates and hedges financial risks in close co-operation with the Group's Operating Department. The Board of Directors provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

## C. Significant financial risks and degrees of financial risks

### (a) Market risk

#### Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD and CNY. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investment in foreign operations.
- ii. The Group's management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The group companies are required to hedge their entire foreign exchange risk exposure with the Group's Finance Department. To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Group use forward foreign exchange contracts, transacted with Group's Finance Department. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a foreign currency that is not the entity's functional currency.
- iii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD, EUR, CNY and others). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:



December 31, 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

December 31, 2020			
	Foreign currency amount	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,076,225	28.0960	\$ 30,237,618
JPY:USD	467,408	0.0097	127,383
GBP:USD	4,507	1.3644	172,772
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,105,844	28.0960	\$ 31,069,793
HKD:USD	129,291	0.1290	468,600
GBP:USD	4,332	1.3644	166,064
EUR:USD	4,713	1.2271	162,488
CNY:USD	250,655	0.1533	1,079,600

- 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, 2021 and 2020 amounted to \$307,200 and \$601,300, respectively.

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

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	-
Year ended December 31, 2020			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 302,376	\$ -
JPY:USD	1%	1,274	-
GBP:USD	1%	1,728	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 201,994	\$ 108,704
HKD:USD	1%	4,686	-
GBP:USD	1%	1,661	-
EUR:USD	1%	1,625	-
CNY:USD	1%	10,796	-

### 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 \$20,949 and \$16,303 for the years ended December 31, 2021 and 2020, 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, 2021 and 2020, the Group's borrowings at variable rate were denominated in the NTD and USD.
- ii. At December 31, 2021 and 2020, 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, 2021 and 2020 would have been \$439,418 and \$853,750 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, 2021 and 2020, the Group has no written-off financial assets that are still under recourse procedures.
- ix. The Group used the forecastability to adjust historical, timely information, economic conditions of the industry, GDP forecast and trade growth rate to assess the default possibility of notes receivable, accounts receivable (including related parties), contract assets and overdue receivables. As of December 31, 2021 and 2020, the loss rate methodology is as follows:

	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%	\$ -

	Notes receivable		
<u>December 31, 2020</u>	<u>Total book value</u>	<u>Expected loss rate</u>	<u>Loss allowance</u>
Not past due	\$ 113,314	0.0225%	\$ 1

	Accounts receivable (including related parties)		
<u>December 31, 2020</u>	<u>Total book value</u>	<u>Expected loss rate</u>	<u>Loss allowance</u>
Not past due	\$ 17,859,541	0.0009%~0.0225%	\$ 1,029
Up to 30 days	3,758,485	0.0046%~0.2506%	2,374
31 to 180 days	194,026	0.0028%~16.126%	3,339
	<u>\$ 21,812,052</u>		<u>\$ 6,742</u>

	Contract assets		
<u>December 31, 2020</u>	<u>Total book value</u>	<u>Expected loss rate</u>	<u>Loss allowance</u>
Not past due	\$ 3,041,774	0.0016%~0.0028%	\$ 205

- 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:

	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>

	2020			
	Notes receivable	Accounts receivable	Contract assets	Overdue receivable
At January 1	(\$ 2)	(\$ 12,345)	(\$ 575)	(\$ 269,506)
Provision for impairment	-	( 2,086)	( 32)	-
Reversal of impairment loss	1	7,137	385	-
Write-offs	-	-	-	265,621
Effect of foreign exchange	-	552	17	3,885
At December 31	<u>(\$ 1)</u>	<u>(\$ 6,742)</u>	<u>(\$ 205)</u>	<u>\$ -</u>

(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, 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

Non-derivative financial liabilities:

December 31, 2020	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	\$ 3,973	\$ -	\$ -	\$ -	\$ -	\$ 3,973
Accounts payable	20,192,859	134,171	-	-	-	20,327,030
Accounts payable - related parties	236,204	-	-	-	-	236,204
Other payables	4,760,272	695,597	-	-	-	5,455,869
Other payables - related parties	121,518	-	-	-	9,249	130,767
Bonds payable (including current portion)	-	4,101,200	4,059,200	9,166,381	-	17,326,781
Long-term loans (including current portion)	3,531,587	15,807,525	22,915,040	40,304,550	16,301,419	98,860,121
Lease payable and financial liabilities for hedging (including current portion)	3,331,990	9,118,680	16,533,263	25,291,130	29,755,185	84,030,248

- 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

(a) Except for those listed in the table below, the carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, financial assets measured at amortised cost, financial liabilities for hedging, notes payable, accounts payable, other payables and lease liabilities are approximate to their fair values.

	December 31, 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)	<u>48,785,729</u>	<u>-</u>	<u>51,265,080</u>
	<u>\$ 59,558,679</u>	<u>\$ 4,772,950</u>	<u>\$ 57,314,333</u>
	December 31, 2020		
	Book value	Fair value	Fair value
		Level 2	Level 3

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, 2021	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets:</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Derivative instruments	\$ -	\$ 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>
December 31, 2020	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Assets:</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Derivative instruments	\$ -	\$ 4,289	\$ -	\$ 4,289
Financial assets at fair value through other comprehensive income				
Equity securities	<u>1,131,969</u>	<u>-</u>	<u>526,014</u>	<u>1,657,983</u>
	<u>\$ 1,131,969</u>	<u>\$ 4,289</u>	<u>\$ 526,014</u>	<u>\$ 1,662,272</u>

- (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, 2021 and 2020, 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, 2021 and 2020:

	2021	2020
At January 1	\$ 526,014	\$ 729,573
Gains and losses recognised in other comprehensive income (Note 1)	118,827	( 203,559)
At December 31	\$ 644,841	\$ 526,014

Note 1: Recorded as unrealised gains or losses on valuation of investments in equity instruments measured at fair value through other comprehensive income and exchange differences on translating the financial statements of foreign operations.

- G. For the years ended December 31, 2021 and 2020, 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, 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

	Fair value at December 31, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 519,242	Market comparable companies	Price to earnings ratio multiple	7.83~51.52	The higher the multiple and control premium, the higher the fair value
			Price to book ratio multiple	0.49~2.55	The higher the multiple and control premium, the higher the fair value
			Discount for lack of marketability	20%~30%	The higher the weighted average cost of capital and discount for lack of control, the lower the fair value
Venture capital shares Private equity fund investment	6,772	Net asset value	Not applicable		Not applicable

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, 2021				
		Recognised in profit or loss		Recognised in other comprehensive income		
Input		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%	\$ -	\$ -	\$ 6,381	\$ 6,381

		December 31, 2020				
		Recognised in profit or loss		Recognised in other comprehensive income		
		Favourable change	Unfavourable change	Favourable change	Unfavourable change	
	Input	Change				
Financial assets						
Equity instrument	Price to earnings ratio/ price to book ratio/ discount for lack of marketability	±1%	\$ -	\$ -	\$ 5,192	\$ 5,192

(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: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 4.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Please refer to table 6.

(2) Information on investees (not including investees in Mainland China)

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 7.

(3) Information on investments in Mainland China

- A. Basic information: Please refer to table 8.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

(4) Information of major shareholder

Information of major shareholder: Please refer to table 9.

14. SEGMENT INFORMATION

(1) General information

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

There is no material change in the basis for formation of entities and division of segments in the Group or in the measurement basis for segment information in this period.

(2) Segment information

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	Year ended December 31, 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 income (loss) 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>

	Year ended December 31, 2020			
	Transportation Department	Other Departments	Adjustments and written-off	Total
Revenue from external customers	\$ 205,763,554	\$ 1,314,358	\$ -	\$ 207,077,912
Revenue from internal customers	29,802,774	-	( 29,802,774)	-
Segment revenue	235,566,328	1,314,358	( 29,802,774)	207,077,912
Interest income	323,606	18,065	-	341,671
Interest expense	( 4,529,210)	( 7,312)	-	( 4,536,522)
Depreciation and amortisation	( 20,803,858)	( 261,638)	-	( 21,065,496)
Share of income (loss) of associates and joint ventures accounted for using equity method	( 26,377)	477,706	-	451,329
Other items	( 149,121,773)	( 1,307,292)	-	( 150,429,065)
Segment profit (loss)	\$ 61,408,716	\$ 233,887	(\$ 29,802,774)	\$ 31,839,829
Recognisable assets	\$ 295,079,671	\$ 9,221,175	\$ -	\$ 304,300,846
Investments accounted for using equity method	24,008,259	5,911,735	-	29,919,994
Segment assets	\$ 319,087,930	\$ 15,132,910	\$ -	\$ 334,220,840
Segment liabilities	\$ 231,773,218	\$ 953,329	\$ -	\$ 232,726,547

(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, 2021		Year ended December 31, 2020	
	Amount	% of Account Balance	Amount	% of Account Balance
North America	\$ 171,154,835	37	\$ 82,027,655	44
Europe	175,780,641	38	44,742,357	24
Asia	60,135,482	13	39,149,563	21
Others	55,509,676	12	20,506,914	11
	\$ 462,580,634	100	\$ 186,426,489	100

(5) Geographical information

Service routes	Year ended December 31, 2021		Year ended December 31, 2020	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 88,920,777	\$ 70,281,185	\$ 47,182,881	\$ 61,653,401
America	105,512,581	104,064,710	84,222,973	75,477,168
Europe	39,526,508	37,436,808	38,896,684	41,677,335
Asia	254,921,512	74,809,411	36,447,213	36,963,219
Others	525,454	43,588	328,161	21,046
	<u>\$ 489,406,832</u>	<u>\$ 286,635,702</u>	<u>\$ 207,077,912</u>	<u>\$ 215,792,169</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, 2021

Table 1

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, 2021 (Note 3)	Balance at December 31, 2021 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
1	Peony Investment S.A.	Luanta Investment (Netherlands) N.V.	Receivables from related parties	Yes	\$ 27,991	\$ -	\$ -	\$ -	2	\$ -	Working capital requirement	\$ -	None	\$ -	\$ 14,754,479	\$ 36,886,197	
1	Peony Investment S.A.	Clove Holding Ltd.	Receivables from related parties	Yes	227,932	221,236	207,409	1.19113- 1.20350	2	-	Working capital requirement	-	None	-	29,508,958	36,886,197	(Note9)
1	Peony Investment S.A.	Colon Container Terminal S.A.	Receivables from related parties	Yes	575,528	558,621	558,621	1.18863- 1.20200	2	-	Working capital requirement	-	None	-	14,754,479	36,886,197	
2	Evergreen Marine (Hong Kong) Ltd.	Colon Container Terminal S.A.	Receivables from related parties	Yes	129,494	125,690	125,690	1.18863- 1.20200	2	-	Working capital requirement	-	None	-	16,766,440	33,532,880	
3	Everport Terminal Services Inc.	Whitney Equipment LLC.	Receivables from related parties	Yes	256,424	165,927	165,927	1.35820	2	-	Working capital requirement	-	None	-	1,380,788	1,725,985	(Note9)

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1)The Company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: Fill in the name of account in which the loans are recognised, such as receivables-related parties, current account with stockholders, prepayments, temporary payments, etc.

Note 3: Fill in the maximum outstanding balance of loans to others during the year ended December 31, 2021

Note 4: The column of 'Nature of loan' shall fill in 1. 'Business transaction' or 2. 'Short-term financing'.

Note 5: Fill in the amount of business transactions when nature of the loan is related to business transactions, which is the amount of business transactions occurred between the creditor and borrower in the current period.

Note 6: Fill in purpose of loan when nature of loan is for short-term financing, for example, repayment of loan, acquisition of equipment, working capital, etc.

Note 7: Fill in limit on loans granted to a single party and ceiling on total loans granted as prescribed in the creditor company's "Procedures for Provision of Loans", and state each individual party to which the loans have been provided and the calculation for ceiling on total loans granted in the footnote.

1. According to the Company's credit policy, the total amount of loans granted to a single company should not exceed 20% of the net worth stated in the latest financial statements.

PEONY : USD 2,667,645\*27.6545\*20%=14,754,479

Evergreen Marine (Hong Kong) Ltd. : USD 3,031,413\*27.6545\*20%=16,766,440

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 2,667,645\* 27.6545\*40%=29,508,958

Everport Terminal Services Inc. : USD 124,825\*27.6545\*40%=1,380,788

2. According to the Company's credit policy, the total amount of loans granted should not exceed 40% of the net worth stated in the latest financial statements.

Evergreen Marine (Hong Kong) Ltd. : USD 3,031,413\*27.6545\*40%=33,532,880

The Company held 100% voting shares directly and indirectly in foreign company, that the total amount of loans granted should not exceed 50% of the net worth stated in the latest financial statements.

PEONY : USD 2,667,645\* 27.6545\*50%=36,886,197

Everport Terminal Services Inc. : USD 124,825\*27.6545\*50%=1,725,985

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 Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" should be included in its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears, even though they have not yet been appropriated. However, this balance should exclude the loans repaid when repayments are done subsequently to reflect the risk adjustment. In addition, if the Board of Directors of a public company has authorized the Chairman to loan funds in instalments or in revolving within certain lines and within one year in accordance with Article 14, Item 2 of the "Regulations Governing Loaning 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, 2021

Table 2

Expressed in thousands of TWD/thousands of foreign currency

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, 2021 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2021 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
0	Evergreen Marine Corporation	Greencompass Marine S.A.	2	\$ 653,569,072	\$ 62,822,748	\$ 41,370,941	\$ 23,352,105	\$ -	12.66%	\$ 816,961,340	Y	N	N	
0	Evergreen Marine Corporation	Peony Investment S.A.	2	653,569,072	142,458	138,273	-	-	0.04%	816,961,340	Y	N	N	
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	2	653,569,072	30,815,715	7,007,070	4,614,845	-	2.14%	816,961,340	Y	N	N	
0	Evergreen Marine Corporation	Colon Container Terminal S.A.	6	163,392,268	770,410	577,426	492,250	-	0.18%	816,961,340	N	N	N	
0	Evergreen Marine Corporation	Balsam Investment (Netherlands) N.V.	6	163,392,268	837,650	-	-	-	0.00%	816,961,340	N	N	N	
0	Evergreen Marine Corporation	Everport Terminal Services Inc.	2	653,569,072	1,548,869	1,543,121	573,831	-	0.47%	816,961,340	Y	N	N	
0	Evergreen Marine Corporation	Evergreen Marine (Asia) Pte. Ltd.	2	653,569,072	69,335,915	69,335,915	-	-	21.22%	816,961,340	Y	N	N	
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	2	653,569,072	32,235,669	6,430,466	5,899,498	-	1.97%	816,961,340	Y	N	N	
1	Evergreen Marine (Hong Kong) Ltd.	Colon Container Terminal S.A.	6	41,916,100	257,962	237,939	106,276	-	0.28%	209,580,497	N	N	N	
2	Greencompass Marine S.A.	Everport Terminal Services Inc.	1	\$ 20,734,344	\$ 142,458	\$ 138,273	\$ 138,273	\$ -	0.33%	\$ 103,671,722	N	N	N	
3	Clove Holding Ltd.	Colon Container Terminal S.A.	6	\$ 1,374,401	\$ 56,983	\$ -	\$ -	\$ -	0.00%	\$ 6,872,006	N	N	N	

Evergreen Marine Corporation (Taiwan) Ltd.  
Provision of endorsements and guarantees to others  
For the year ended December 31, 2021

Table 2

Expressed in thousands of TWD/thousands of foreign currency

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, 2021 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2021 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
4	Evergreen Marine (Asia) Pte. Ltd.	Evergreen Shipping Agency(Japan) Corp.	2	178,692,691	2,404,006	2,404,006	-	-	2.69%	223,365,863	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:  $326,784,536 * 250\% = 816,961,340$

Limit on endorsement or guarantees provided by the Company for a single entity is \$163,392,268 (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 \$653,569,072.)

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

Ceiling on total amount of endorsements/guarantees:  $USD\ 3,031,413 * 27.6545 * 250\% = 209,580,498$

Limit on endorsements or guarantees provided for a single entity : 41,916,100 (Amounting to 50% of its net worth).

According to the credit policy of Greencompass Marine S.A., the calculation for total amount of endorsements/guarantees is as follows:

Ceiling on total amount of endorsements/guarantees:  $USD\ 1,499,528 * 27.6545 * 250\% = 103,671,722$

Limit on endorsements or guarantees provided for a single entity : 20,734,344 (Amounting to 50% of its net worth).

According to the credit policy of Clove Holding Ltd., the calculation for total amount of endorsements/guarantees is as follows:

Ceiling on total amount of endorsements/guarantees:  $USD\ 99,398 * 27.6545 * 250\% = 6,872,006$

Limit on endorsements or guarantees provided for a single entity : 1,374,401 (Amounting to 50% of its net worth).

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:  $USD\ 3,230,807 * 27.6545 * 250\% = 223,365,863$

Limit on endorsements or guarantees provided for a single entity : 178,692,691 (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 authorised 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, 2021

Table 3

Expressed in thousands of shares/thousands of TWD/thousands of foreign currency

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2021				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	21,062	1.44%	21,062	
	TopLogis, Inc.		"	2,464	21,665	17.48%	21,665	
	Ever Accord Construction Corp.	Other related party	"	10,500	97,900	17.50%	97,900	
	Central Reinsurance Corp.	"	"	49,866	1,478,541	8.45%	1,478,541	
	Financial bonds:							
	Sunny Bank 2nd Subordinate Financial Debentures-B Issue in 2015		Financial asset measured at amortised cost -current	-	50,000	-	50,000	
	Sunny Bank 3rd Subordinate Financial Debentures-B Issue in 2017		Financial asset measured at amortised cost - non-current	-	50,000	-	50,000	
Peony Investment S.A.	Hutchison Inland Container Depots Ltd.		Financial asset measured at fair value through other comprehensive income - non-current	0.75	USD 549	5.27%	USD 549	
	South Asia Gateway Terminals (Private) Ltd.		"	18,942	USD 17,423	5.00%	USD 17,423	
Evergreen Shipping Agency (Europe) GmbH	Zoll Pool Hafen Hamburg AG		"	10	EUR 10	2.86%	EUR 10	
Evergreen Shipping Agency Philippines Corporation	Eagle Ridge Golf & Country Club Inc.		"	0.001	PHP 230	0.02%	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.

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, 2021

Table 4

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	\$ 2,029,767	4%	30~60 days	\$ -	-	\$ -	0%	(Note)
	Greencompass Marine S.A.	Indirect subsidiary	Purchases	772,734	1%	30~60 days	-	-	-	0%	(Note)
			Sales	1,517,354	2%	30~60 days	-	-	277	0%	(Note)
	Taiwan Terminal Services Co., Ltd.	Subsidiary	Purchases	855,926	2%	30~60 days	-	-	( 118,545)	2%	(Note)
	Italia Marittima S.P.A.	Associates	Purchases	269,145	1%	30~60 days	-	-	-	0%	
			Sales	295,600	0%	30~60 days	-	-	179	0%	
	Evergreen International Storage and Transport Corp.	Associates	Purchases	670,002	1%	30~60 days	-	-	( 17,732)	0%	
	Evergreen Shipping Agency (America) Corporation	Other related parties	Purchases	840,445	2%	30~60 days	-	-	-	0%	
			Sales	118,276	0%	30~60 days	-	-	16,246	0%	
	Evergreen International Corp.	Other related parties	Purchases	1,643,420	3%	30~60 days	-	-	( 4,941)	0%	
	Evergreen Marine (UK) Limited	Indirect subsidiary	Purchases	332,665	1%	30~60 days	-	-	-	0%	(Note)
			Sales	439,123	0%	30~60 days	-	-	11	0%	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Purchases	280,515	1%	30~60 days	-	-	( 3,510)	0%	
			Sales	1,231,238	1%	30~60 days	-	-	730	0%	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary	Purchases	2,870,110	5%	30~60 days	-	-	( 658)	0%	(Note)
Sales			1,599,136	2%	30~60 days	-	-	26,090	0%	(Note)	
Evergreen Marine (Asia) Pte. Ltd.	Subsidiary	Purchases	738,648	1%	30~60 days	-	-	( 1,372)	0%	(Note)	
		Sales	1,367,715	1%	30~60 days	-	-	23,382	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 Corporation	Evergreen Shipping Agency (Europe) GmbH	Subsidiary	Purchases	\$ 165,619	0%	30~60 days	\$ -	-	\$ -	0%	(Note)
	Evergreen Logistics Corp.	Other related parties	Sales	413,444	0%	30~60 days	-	-	-	0%	
	Round The World Logistics (U.S.A) Corp.	Other related parties	Sales	632,555	1%	30~60 days	-	-	-	0%	
	Evergreen Logistics Co., Ltd.	Other related parties	Sales	165,121	0%	30~60 days	-	-	-	0%	
	Gaining Enterprise S.A.	Other related parties	Purchases	243,431	0%	30~60 days	-	-	-	0%	
	Evergreen Marine Corp. (Malaysia) Sdn.Bhd.	Indirect subsidiary	Purchases	146,858	0%	30~60 days	-	-	-	0%	(Note)
	Evergreen Shipping Agency (Vietnam) Corp.	Indirect subsidiary	Purchases	176,925	0%	30~60 days	-	-	-	0%	(Note)
	PT. Evergreen Shipping Agency Indonesia	Associates	Purchases	144,395	0%	30~60 days	-	-	-	0%	
	Evergreen Shipping Agency (Japan) Corporation	Other related parties	Purchases	130,269	0%	30~60 days	-	-	-	0%	
	Evergreen Insurance Company Limited	Other related parties	Purchases	109,146	0%	30~60 days	-	-	-	0%	
	Taipei Port Container Terminal Corporation	Associates	Purchases	237,012	0%	30~60 days	-	-	(90)	0%	
Taiwan Terminal Services Co.,Ltd.	Evergreen Marine Corp.	The parent	Sales	855,926	100%	30~60 days	-	-	118,545	100%	(Note)
Everport Terminal Services Inc.	Evergreen Marine Corp.	The parent	Sales	USD 72,680	16%	30~60 days	-	-	-	0%	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	USD 77,857	17%	30 days	-	-	-	0%	
	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	USD 72,805	16%	30 days	-	-	-	0%	(Note)
	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	USD 58,719	13%	30 days	-	-	-	0%	(Note)
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	USD 54,918	12%	30 days	-	-	-	0%	(Note)
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Purchases	USD 6,926	1%	30 days	-	-	-	0%	(Note)
	Evergreen Shipping Agency (America) Corporation	Other related parties	Purchases	USD 6,889	1%	30 days	-	-	(USD 189)	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 (Hong Kong) Ltd.	Evergreen Marine Corp.	The parent	Sales	USD 102,770	2%	30~60 days	\$ -	-	USD 24	0%	(Note)
			Purchases	USD 57,260	3%	30~60 days	-	-	(USD 943)	0%	(Note)
	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	USD 99,525	2%	30~60 days	-	-	-	0%	(Note)
			Purchases	USD 28,200	2%	30~60 days	-	-	-	0%	(Note)
	Italia Marittima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Sales	USD 18,375	0%	30~60 days	-	-	USD 2	0%	
			Purchases	USD 37,073	2%	30~60 days	-	-	(USD 5)	0%	
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	USD 209,982	5%	30~60 days	-	-	USD 58	0%	
			Purchases	USD 11,272	1%	30~60 days	-	-	(USD 745)	0%	
	Evergreen International Corp.	Other related parties	Purchases	USD 19,694	1%	30~60 days	-	-	-	0%	
	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	USD 37,528	1%	30~60 days	-	-	USD 4,326	0%	(Note)
			Purchases	USD 98,231	6%	30~60 days	-	-	(USD 689)	0%	(Note)
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Sales	USD 163,739	4%	30~60 days	-	-	USD 21	0%	(Note)
			Purchases	USD 28,540	2%	30~60 days	-	-	(USD 725)	0%	(Note)
	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 54,918	3%	30 days	-	-	-	0%	(Note)
	Evergreen Shipping Agency (America) Corporation	Other related parties	Purchases	USD 44,243	3%	30~60 days	-	-	-	0%	
	Evergreen Shipping Agency (Europe) GmbH	Indirect subsidiary of the Parent Company	Purchases	USD 9,517	1%	30~60 days	-	-	-	0%	(Note)
	Evergreen Shipping Agency (Vietnam) Corp.	Indirect subsidiary of the Parent Company	Purchases	USD 9,359	1%	30~60 days	-	-	-	0%	(Note)
	Evergreen Shipping Agency (Thailand) Co., Ltd	Indirect subsidiary of the Parent Company	Purchases	USD 5,977	0%	30~60 days	-	-	-	0%	(Note)
	Taipei Port Container Terminal Corporation	Associates	Purchases	USD 7,191	0%	30~60 days	-	-	-	0%	
	Round The World Logistics (U.S.A) Corp.	Other related parties	Sales	USD 39,758	1%	30~60 days	-	-	-	0%	
Evergreen Logistics Corp.	Other related parties	Sales	USD 18,430	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 (Hong Kong) Ltd.	Evergreen Logistics Co., Ltd.	Other related parties	Sales	USD 4,298	0%	30~60 days	\$ -	-	\$ -	0%	
	Evergreen International Storage and Transport Corp.	Associates	Purchases	USD 9,946	1%	30~60 days	-	-	-	0%	
	Evergreen Shipping Agency (China) Co., Ltd.	Subsidiary	Purchases	USD 47,098	3%	30~60 days	-	-	(USD 13,348)	0%	(Note)
	Evergreen Shipping Agency (Japan) Corporation	Other related parties	Purchases	USD 4,728	0%	30~60 days	-	-	-	0%	
	Evergreen Marine Co. (Malaysia) SDN.BHD.	Indirect subsidiary of the Parent Company	Purchases	USD 4,270	0%	30~60 days	-	-	-	0%	(Note)
Evergreen Marine (Asia) Pte. Ltd.	Evergreen Marine Corp.	The parent	Sales	USD 26,449	1%	30~60 days	-	-	USD 50	0%	(Note)
			Purchases	USD 48,974	3%	30~60 days	-	-	(USD 845)	0%	(Note)
	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	USD 11,534	0%	30~60 days	-	-	-	0%	(Note)
			Purchases	USD 146,256	8%	30~60 days	-	-	(USD 38)	0%	(Note)
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	USD 28,540	1%	30~60 days	-	-	USD 725	0%	(Note)
			Purchases	USD 163,739	8%	30~60 days	-	-	(USD 21)	0%	(Note)
	Italia Marittima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Sales	USD 4,890	0%	30~60 days	-	-	USD 6	0%	
			Purchases	USD 14,869	1%	30~60 days	-	-	(USD 3)	0%	
	Evergreen Logistics Co., Ltd.	Other related parties	Sales	USD 4,226	0%	30~60 days	-	-	-	0%	
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	USD 25,382	0%	30~60 days	-	-	USD 19	0%	
			Purchases	USD 13,684	1%	30~60 days	-	-	(USD 2,378)	0%	
	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	USD 4,029	0%	30~60 days	-	-	-	0%	(Note)
			Purchases	USD 94,540	5%	30~60 days	-	-	(USD 150)	0%	(Note)
	Round The World Logistics (U.S.A) Corp.	Other related parties	Sales	USD 45,046	1%	30~60 days	-	-	-	0%	
	Evergreen Logistics Corp.	Other related parties	Sales	USD 27,341	1%	30~60 days	-	-	-	0%	
Evergreen International Corp.	Other related parties	Purchases	USD 25,942	1%	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 International Storage and Transport Corp.	Associates	Purchases	USD 7,843	0%	30~60 days	\$ -	-	\$ -	0%	
	Evergreen Shipping Agency (India) Pvt. Ltd.	Indirect subsidiary of the Parent Company	Purchases	USD 3,922	0%	30~60 days	-	-	(USD 801)	0%	(Note)
	Evergreen Shipping Agency (Thailand) Co., Ltd	Indirect subsidiary of the Parent Company	Purchases	USD 4,694	0%	30~60 days	-	-	-	0%	(Note)
	PT. Evergreen Shipping Agency Indonesia	Associates	Purchases	USD 5,488	0%	30~60 days	-	-	-	0%	
	Evergreen Shipping Agency (Europe) GmbH	Indirect subsidiary of the Parent Company	Purchases	USD 8,402	0%	30~60 days	-	-	-	0%	(Note)
	Evergreen Marine Co. (Malaysia) SDN.BHD.	Indirect subsidiary of the Parent Company	Purchases	USD 6,122	0%	30~60 days	-	-	-	0%	(Note)
	Evergreen Shipping Agency (Vietnam) Corp.	Indirect subsidiary of the Parent Company	Purchases	USD 9,107	0%	30~60 days	-	-	-	0%	(Note)
	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 6,926	0%	30 days	-	-	-	0%	(Note)
	Evergreen Shipping Agency (America) Corporation	Other related parties	Purchases	USD 56,319	3%	30~60 days	-	-	-	0%	
	Evergreen Shipping Agency (Japan) Corporation	Other related parties	Purchases	USD 6,239	0%	30~60 days	-	-	-	0%	
	Taipei Port Container Terminal Corporation	Associates	Purchases	USD 5,695	0%	30~60 days	-	-	-	0%	
	Greencompass Marine S.A.	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	USD 14,145	0%	30~60 days	-	-	-	0%
Purchases				USD 17,564	1%	30~60 days	-	-	-	0%	(Note)
Evergreen Marine Corp.		The parent	Sales	USD 27,669	1%	30~60 days	-	-	-	0%	(Note)
			Purchases	USD 54,332	3%	30~60 days	-	-	(USD 10)	0%	(Note)
Everport Terminal Services Inc.		Subsidiary of the Parent Company	Purchases	USD 72,805	4%	30 days	-	-	-	0%	(Note)
Evergreen Marine (Singapore) Pte. Ltd.		Other related parties	Sales	USD 36,297	1%	30~60 days	-	-	USD 71	3%	
			Purchases	USD 14,451	1%	30~60 days	-	-	-	0%	
Italia Marittima S.p.A.		Investee of Balsam Investment (NetherLands) N.V.	Sales	USD 15,172	0%	30~60 days	-	-	-	0%	
			Purchases	USD 28,299	1%	30~60 days	-	-	-	0%	
Evergreen Shipping Agency (America) Corporation		Other related parties	Purchases	USD 33,112	2%	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)	
Greencompass Marine S.A.	Evergreen International Corp.	Other related parties	Purchases	USD 20,644	1%	30~60 days	\$ -	-	\$ -	0%	
	Evergreen Shipping Agency (Japan) Corporation	Other related parties	Purchases	USD 6,185	0%	30~60 days	-	-	-	0%	
	Evergreen Shipping Agency (Europe) GmbH	Indirect subsidiary of the Parent Company	Purchases	USD 9,302	0%	30~60 days	-	-	-	0%	(Note)
	Evergreen Marine Co. (Malaysia) SDN.BHD.	Indirect subsidiary of the Parent Company	Purchases	USD 7,693	0%	30~60 days	-	-	-	0%	(Note)
	PT. Evergreen Shipping Agency Indonesia	Associates	Purchases	USD 4,870	0%	30~60 days	-	-	-	0%	
	Round-the-world logistice (U.S.A) Corps	Other related parties	Sales	USD 19,952	1%	30~60 days	-	-	-	0%	
	Evergreen International Storage and Transport Corp.	Associates	Purchases	USD 11,988	1%	30~60 days	-	-	-	0%	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	USD 28,200	1%	30~60 days	-	-	-	0%	(Note)
			Purchases	USD 99,525	5%	30~60 days	-	-	-	0%	(Note)
	Evergreen Logistics Corp.	Other related parties	Sales	USD 10,190	0%	30~60 days	-	-	-	0%	
	Evergreen Shipping Agency (Vietnam) Corp.	Indirect subsidiary of the Parent Company	Purchases	USD 9,450	0%	30~60 days	-	-	-	0%	(Note)
	Taipei Port Container Terminal Corporation	Associates	Purchases	USD 7,389	0%	30~60 days	-	-	-	0%	
	Eergreen logistics Co., Ltd.	Other related parties	Sales	USD 4,652	0%	30~60 days	-	-	-	0%	
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Sales	USD 146,256	0%	30~60 days	-	-	USD 38	2%	(Note)
			Purchases	USD 11,534	0%	30~60 days	-	-	-	0%	(Note)
Evergreen Marine (UK) Limited	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	USD 17,564	1%	30~60 days	-	-	-	0%	(Note)
			Purchases	USD 14,145	2%	30~60 days	-	-	-	0%	(Note)
	Evergreen Marine Corp.	The Parent	Sales	USD 11,912	1%	30~60 days	-	-	-	0%	(Note)
			Purchases	USD 15,724	2%	30~60 days	-	-	-	0%	(Note)
	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 58,719	6%	30 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 Marine (UK) Limited	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	USD 27,198	2%	30~60 days	\$ -	-	USD 249	0%	
			Purchases	USD 5,105	1%	30~60 days	-	-	-	0%	
	Evergreen Shipping Agency (America) Corporation	Other related parties	Purchases	USD 20,747	2%	30~60 days	-	-	-	0%	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	USD 98,231	6%	30~60 days	-	-	USD 689	1%	(Note)
			Purchases	USD 37,528	4%	30~60 days	-	-	(USD 4,326)	20%	(Note)
	Italia Marittima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Purchases	USD 4,415	0%	30~60 days	-	-	-	0%	
	Evergreen International Corporation	Other related parties	Purchases	USD 6,455	1%	30~60 days	-	-	-	0%	
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Sales	USD 94,540	6%	30~60 days	-	-	USD 150	0%	(Note)
			Purchases	USD 4,029	0%	30~60 days	-	-	-	0%	(Note)
	Round The World Logistics (U.S.A) Corp.	Other related parties	Sales	USD 9,829	1%	30~60 days	-	-	-	0%	
	Evergreen Insurance Company Limited	Other related parties	Purchases	USD 3,667	0%	30~60 days	-	-	-	0%	
Evergreen Logistics Corp.	Other related parties	Sales	USD 3,804	0%	30~60 days	-	-	-	0%		
Evergreen Heavy Industrial Corp.(Malaysia) Berhad	Gaining Enterprise S.A.	Other related parties	Sales	MYR 246,145	100%	45 days	-	-	MYR 60,632	100%	
Evergreen Shipping Agency (Europe) GmbH	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	EUR 8,047	17%	30~60 days	-	-	-	0%	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	EUR 15,288	33%	30~60 days	-	-	EUR 3,292	2%	
	Evergreen Marine Corp.	The Parent	Sales	EUR 5,014	11%	30~60 days	-	-	-	0%	(Note)
	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	EUR 7,865	17%	30~60 days	-	-	-	0%	(Note)
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Sales	EUR 7,104	15%	30~60 days	-	-	-	0%	(Note)
Evergreen Shipping Agency (Thailand) Co., Ltd	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	THB 191,487	21%	30~60 days	-	-	-	0%	(Note)
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Sales	THB 150,378	17%	30~60 days	-	-	-	0%	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	THB 215,097	24%	30~60 days	-	-	THB 26,283	3%	

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 Co. (Malaysia) SDN.BHD.	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	MYR 31,903	18%	30~60 days	\$ -	-	-	0%	(Note)
	Evergreen Marine Corp.	The Parent	Sales	MYR 21,808	13%	30~60 days	-	-	-	0%	(Note)
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	MYR 17,707	10%	30~60 days	-	-	-	0%	(Note)
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Sales	MYR 25,389	15%	30~60 days	-	-	-	0%	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	MYR 28,500	16%	30~60 days	-	-	MYR 3,486	4%	
Evergreen Shipping Agency (Vietnam) Corp.	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	VND 216,745,863	19%	30~60 days	-	-	-	0%	(Note)
	Evergreen Marine Corp.	The Parent	Sales	VND 145,302,762	13%	30~60 days	-	-	-	0%	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	VND 228,321,352	20%	30~60 days	-	-	VND 31,314,903	4%	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	VND 214,645,096	19%	30~60 days	-	-	-	0%	(Note)
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Sales	VND 208,875,076	18%	30~60 days	-	-	-	0%	(Note)
Evergreen Shipping Agency (Korea) Corp.	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	KRW 5,052,170	27%	30~60 days	-	-	KRW 608,988	1%	
Evergreen Shipping Agency (India) Private Ltd.	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	INR 340,563	26%	30~60 days	-	-	-	0%	
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Sales	INR 290,053	22%	30~60 days	-	-	INR 59,736	14%	(Note)
Evergreen Shipping (Spain) S.L.	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	EUR 3,051	12%	30~60 days	-	-	EUR 666	2%	
Evergreen Shipping Agency (Australia) Pty. Ltd.	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	AUD 4,865	31%	30~60 days	-	-	AUD 359	5%	
Evergreen Shipping Agency (China) Co., Ltd.	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	CNY 303,803	100%	30~60 days	-	-	CNY 85,005	100%	(Note)

Note: This transaction was written off when the consolidated financial statements were prepared.

Note 1: If terms of related-party transactions are different from third-party transactions, explain the differences and reasons in the 'Unit price' and 'Credit term' columns.

Note 2: In case related-party transaction terms involve advance receipts (prepayments) transactions, explain in the footnote the reasons, contractual provisions, related amounts, and differences in types of transactions compared to third-party transactions.

Note 3: Paid-in capital referred to herein is the paid-in capital of parent company.

Evergreen Marine Corporation (Taiwan) Ltd.  
Receivables from related parties reaching TWD 100 million or 20% of paid-in capital or more  
For the year ended December 31, 2021

Table 5

Expressed in thousands of TWD/thousands of foreign currency

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2021 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts	Footnote
					Amount	Action taken			
Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Gaining Enterprise S.A.	Other related parties	MYR 60,632	-	\$ -	-	MYR 60,632	\$ -	
Evergreen Shipping Agency (Europe) GmbH	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	EUR 3,292	-	-	-	EUR 3,292	-	
Taiwan Terminal Services Co., Ltd.	Evergreen Marine Corp.	The parent	TWD 118,545	-	-	-	TWD 22,442	-	Note
Peony Investment S.A.	Clove Holding Ltd.	Subsidiary	USD 7,503	-	-	-	-	-	Note
Peony Investment S.A.	Colon Container Terminal, S.A.	Associates	USD 20,338	-	-	-	-	-	
Everport Terminal Services Inc.	Evergreen Shipping Agency (America) Corporation	Other related parties	USD 42,145	-	-	-	USD 41,664	-	
Evergreen Marine (Hong Kong) Ltd.	Colon Container Terminal, S.A.	Associates	USD 4,576	-	-	-	-	-	
Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	USD 4,326	-	-	-	USD 4,326	-	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, 2021

Table 6

Expressed in thousands of TWD

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Evergreen Marine Corporation	Taiwan Terminal Services Co.,Ltd.	1	Operating cost	\$ 855,926	Note 4	0.17
0	Evergreen Marine Corporation	Greencompass Marine S.A.	1	Operating revenue	1,517,354	"	0.31
0	Evergreen Marine Corporation	Greencompass Marine S.A.	1	Operating cost	772,734	"	0.16
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	1	Operating revenue	439,123	"	0.09
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	1	Operating cost	332,665	"	0.07
0	Evergreen Marine Corporation	Evergreen Marine (Asia) Pte. Ltd.	1	Operating cost	738,648	"	0.15
0	Evergreen Marine Corporation	Evergreen Marine (Asia) Pte. Ltd.	1	Operating revenue	1,367,715	"	0.28
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	1	Shipowner's account - debit	121,690	"	0.02
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	1	Shipowner's account - credit	424,655	"	0.07
0	Evergreen Marine Corporation	Evergreen Marine (Asia) Pte. Ltd.	1	Shipowner's account - credit	42,544	"	0.01
0	Evergreen Marine Corporation	Evergreen Shipping Agency (India) Pvt. Ltd.	1	Agency's account - debit	119,169	"	0.02
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	1	Operating revenue	1,599,136	"	0.33
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	1	Operating cost	2,870,110	"	0.59
0	Evergreen Marine Corporation	Everport Terminal Services Inc.	1	Operating cost	2,029,767	"	0.41
0	Evergreen Marine Corporation	Evergreen Shipping Agency (Europe) GmbH	1	Operating cost	165,619	"	0.03
0	Evergreen Marine Corporation	Evergreen Shipping Agency (Vietnam) Corp.	1	Operating cost	176,925	"	0.04
0	Evergreen Marine Corporation	Evergreen Marine Corp. (Malaysia) SDN BHD	1	Operating cost	146,858	"	0.03
0	Evergreen Marine Corporation	Taiwan Terminal Services Co.,Ltd.	1	Accounts payable	118,545	"	0.02
1	Greencompass Marine S.A.	Evergreen Marine (Asia) Pte. Ltd.	3	Operating revenue	4,084,539	"	0.83
1	Greencompass Marine S.A.	Evergreen Marine (Asia) Pte. Ltd.	3	Shipowner's account - credit	105,579	"	0.02
1	Greencompass Marine S.A.	Everport Terminal Services Inc.	3	Operating cost	2,033,250	"	0.42

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
1	Greencompass Marine S.A.	Evergreen Shipping Agency (Europe) GmbH	3	Operating cost	\$ 259,774	Note 4	0.05
1	Greencompass Marine S.A.	Evergreen Shipping Agency (Vietnam) Corp.	3	Operating cost	263,917	"	0.05
1	Greencompass Marine S.A.	Evergreen Marine Corp. (Malaysia) SDN BHD	3	Operating cost	214,841	"	0.04
2	Evergreen Marine (UK) Limited	Greencompass Marine S.A.	3	Operating revenue	490,505	"	0.10
2	Evergreen Marine (UK) Limited	Evergreen Marine (Asia) Pte. Ltd.	3	Operating revenue	2,640,249	"	0.54
2	Evergreen Marine (UK) Limited	Greencompass Marine S.A.	3	Operating cost	395,026	"	0.08
2	Evergreen Marine (UK) Limited	Everport Terminal Services Inc.	3	Operating cost	1,639,876	"	0.34
2	Evergreen Marine (UK) Limited	Evergreen Marine (Hong Kong) Ltd.	3	Accounts payable	119,627	"	0.02
3	Evergreen Marine (Asia) Pte. Ltd.	Evergreen Marine (Hong Kong) Ltd.	3	Operating revenue	794,327	"	0.16
3	Evergreen Marine (Asia) Pte. Ltd.	Evergreen Marine (Hong Kong) Ltd.	3	Operating cost	4,557,257	"	0.93
3	Evergreen Marine (Asia) Pte. Ltd.	Greencompass Marine S.A.	3	Operating revenue	321,005	"	0.07
3	Evergreen Marine (Asia) Pte. Ltd.	Evergreen Marine (UK) Limited	3	Operating revenue	112,150	"	0.02
3	Evergreen Marine (Asia) Pte. Ltd.	Evergreen Shipping Agency (India) Pvt. Ltd.	3	Operating cost	109,159	"	0.02
3	Evergreen Marine (Asia) Pte. Ltd.	Evergreen Shipping Agency (Thailand) Co., Ltd.	3	Operating cost	130,648	"	0.03
3	Evergreen Marine (Asia) Pte. Ltd.	Evergreen Shipping Agency (Europe) GmbH	3	Operating cost	233,846	"	0.05
3	Evergreen Marine (Asia) Pte. Ltd.	Evergreen Shipping Agency (Vietnam) Corp.	3	Operating cost	253,468	"	0.05
3	Evergreen Marine (Asia) Pte. Ltd.	Everport Terminal Services Inc.	3	Operating cost	192,780	"	0.04
3	Evergreen Marine (Asia) Pte. Ltd.	Evergreen Marine Corp. (Malaysia) SDN BHD	3	Operating cost	170,399	"	0.03
3	Evergreen Marine (Asia) Pte. Ltd.	Evergreen Shipping Agency (India) Pvt. Ltd.	3	Agency's account - debit	144,787	"	0.02
3	Evergreen Marine (Asia) Pte. Ltd.	Evergreen Marine (UK) Limited	3	Shipowner's account - debit	309,245	"	0.05
4	Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine (UK) Limited	3	Operating revenue	1,048,054	"	0.21
4	Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine (UK) Limited	3	Operating cost	2,743,337	"	0.56
4	Evergreen Marine (Hong Kong) Ltd.	Greencompass Marine S.A.	3	Operating revenue	2,779,484	"	0.57
4	Evergreen Marine (Hong Kong) Ltd.	Greencompass Marine S.A.	3	Operating cost	787,542	"	0.16
4	Evergreen Marine (Hong Kong) Ltd.	Evergreen Shipping Agency (Thailand) Co., Ltd.	3	Operating cost	166,931	"	0.03

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
4	Evergreen Marine (Hong Kong) Ltd.	Everport Terminal Services Inc.	3	Operating cost	\$ 1,533,715	Note 4	0.31
4	Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine Corp. (Malaysia) SDN BHD	3	Operating cost	119,241	"	0.02
4	Evergreen Marine (Hong Kong) Ltd.	Evergreen Shipping Agency (China) Co., Ltd.	3	Operating cost	1,315,314	"	0.27
4	Evergreen Marine (Hong Kong) Ltd.	Evergreen Shipping Agency (Europe) GmbH	3	Operating cost	265,797	"	0.05
4	Evergreen Marine (Hong Kong) Ltd.	Evergreen Shipping Agency (Vietnam) Corp.	3	Operating cost	261,359	"	0.05
4	Evergreen Marine (Hong Kong) Ltd.	Evergreen Shipping Agency (China) Co., Ltd.	3	Accounts payable	369,132	"	0.06
4	Evergreen Marine (Hong Kong) Ltd.	Evergreen Shipping Agency (China) Co., Ltd.	3	Agency's account - debit	216,673	"	0.04
5	Peony Investment S.A.	Clove Holding Ltd.	3	Other receivables	207,478	"	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.

Note 5: The Company may decide to disclose or not to disclose transaction details in this table based on the Materiality Principle.



Evergreen Marine Corporation (Taiwan) Ltd.  
Information on investees (not including investee company of Mainland China)  
For the year ended December 31, 2021

Table 7

Expressed in thousands of shares/thousands of TWD

Investor	Investee (Note 1、Note 2)	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2021			Net profit (loss) of the investee For the year ended December 31, 2021 (Note 2(2))	Investment income (loss) recognised by the Company For the year ended December 31, 2021 (Note 2(3))	Footnote
				Balance as of December 31, 2021	Balance as of December 31, 2020	Number of shares	Ownership (%)	Book value			
Evergreen Marine Corp.	Peony Investment S.A.	Republic of Panama	Investment activities	\$ 13,177,369	\$ 13,177,369	4,765	100.00	\$ 73,662,703	\$ 69,049,485	\$ 69,009,811	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	63,410	35,370	19,454	" (Note)
	Everport Terminal Services Inc.	U.S.A	Terminal services	2,765	2,765	1	94.43	3,108,885	1,075,024	1,015,131	" (Note)
	Evergreen Marine (Hong Kong) Ltd.	Hong Kong	Marine transportation and shipping agency	5,789,470	5,789,470	6,320	79.00	69,185,247	73,421,692	57,925,168	" (Note)
	Evergreen Shipping Agency (Israel) Ltd.	Israel	Shipping agency	9,406	9,406	1,062	59.00	75,414	146,437	86,398	" (Note)
	Evergreen Marine (Asia) Pte. Ltd.	Singapore	Marine transportation	1,382,725	-	50,000	100.00	89,347,158	88,544,370	88,545,188	" (Note)
	Chang Yang Development Co.,Ltd.	Taiwan	Development, rental, sale of residential and commercial buildings	320,000	320,000	58,542	40.00	561,169	162,548	65,019	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	10,956,116	1,064,544	397,122	"
	Evergreen Security Corporation	Taiwan	General security guards services	25,000	25,000	6,336	31.25	113,084	35,223	11,007	"
	EVA Airways Corporation	Taiwan	International passengers and cargo transportation	11,276,823	11,276,823	776,541	15.11	12,812,215	6,608,496	982,506	"
	Taipei Port Container Terminal Corporation	Taiwan	Container distribution and cargo stevedoring	1,446,196	1,446,196	144,799	27.85	1,694,351	613,379	170,802	"
	Ever Ecove Corporation	Taiwan	Waste treatment and combined heat and power	305,000	305,000	30,500	19.06	299,567	(33,444)	(6,375)	"
	VIP Greenport Joint Stock Company	Vietnam	Terminal services	165,000	165,000	13,750	21.74	279,693	235,566	51,210	"
Peony Investment S.A.	Clove Holding Ltd.	British Virgin Islands	Investment holding company	1,453,224	1,453,224	10	100.00	2,748,803	209,542	209,542	Indirect subsidiary of the Company (Note)
	Evergreen Shipping Agency (Europe) GmbH	Germany	Shipping agency	229,975	229,975	-	100.00	122,016	19,894	19,894	" (Note)
	Evergreen Shipping Agency (Korea) Corporation	South Korea	Shipping agency	67,090	67,090	121	100.00	142,475	239,575	239,575	" (Note)
	Greencompass Marine S.A.	Republic of Panama	Marine transportation	9,775,866	9,775,866	3,535	100.00	41,468,689	52,063,669	52,063,669	" (Note)

Investor	Investee (Note 1、Note 2)	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2021			Net profit (loss) of the investee For the year ended December 31, 2021 (Note 2(2))	Investment income (loss) recognised by the Company For the year ended December 31, 2021 (Note 2(3))	Footnote
				Balance as of December 31, 2021	Balance as of December 31, 2020	Number of shares	Ownership (%)	Book value			
Peony Investment S.A.	Evergreen Shipping Agency (India) Pvt. Ltd.	India	Shipping agency	\$ 32,541	\$ 32,541	\$ 100	99.99	\$ 280,056	\$ 285,892	\$ 285,889	Indirect subsidiary of the Company (Note)
	Evergreen Argentina S.A.	Argentina	Leasing	3,872	3,872	150	95.00	34,771	(2,656)	(2,524)	" (Note)
	PT. Multi Bina Pura International	Indonesia	Loading and discharging operations of container yards and inland transportation	235,781	235,781	18	95.03	484,020	77,717	73,854	" (Note)
	PT. Multi Bina Transport	Indonesia	Container repair, cleaning and inland transportation	22,242	22,242	2	17.39	13,449	2,485	432	" (Note)
	Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Malaysia	Container manufacturing	754,825	754,825	42,120	84.44	996,872	147,377	124,445	" (Note)
	Evergreen Shipping (Spain) S.L.	Spain	Shipping agency	186,538	186,538	6	100.00	262,288	331,399	331,399	" (Note)
	Evergreen Shipping Agency (Italy) S.p.A.	Italy	Shipping agency	65,043	65,043	0.55	55.00	154,167	195,903	107,746	" (Note)
	Evergreen Marine (UK) Limited	U.K	Marine transportation	3,708,542	3,708,542	765	51.00	12,293,498	17,455,939	8,902,529	" (Note)
	Evergreen Shipping Agency (Australia) Pty. Ltd.	Australia	Shipping agency	47,245	47,245	1	100.00	173,843	175,245	175,245	" (Note)
	Evergreen Shipping Agency (Russia) Ltd.	Russia	Shipping agency	23,451	23,451	-	51.00	33,965	126,457	64,493	" (Note)
	Evergreen Shipping Agency (Thailand) Co., Ltd.	Thailand	Shipping agency	62,029	62,029	680	85.00	245,786	449,013	381,661	" (Note)
	Evergreen Agency (South Africa) (Pty) Ltd.	South Africa	Shipping agency	16,067	16,067	5,500	55.00	59,040	67,343	37,039	" (Note)
	Evergreen Shipping Agency (Vietnam) Corp.	Vietnam	Shipping agency	34,043	34,043	-	100.00	1,587,200	992,331	992,331	" (Note)
	PT. Evergreen Shipping Agency Indonesia	Indonesia	Shipping agency	26,908	26,908	0.441	49.00	297,402	441,621	216,395	Investee company of Peony accounted for using equity method
	Luanta Investment (Netherlands) N.V.	Curaçao	Investment holding company	1,314,675	1,314,675	460	50.00	710,843	(1,973,116)	(986,558)	"
	Balsam Investment (Netherlands) N.V.	Curaçao	Investment holding company	11,550,909	11,550,909	0.451	49.00	4,839,069	8,927,846	4,374,644	"
	Evergreen Shipping Agency Co. (U.A.E.) LLC	United Arab Emirates	Shipping agency	57,577	57,577	-	49.00	144,185	278,469	136,450	"
Greenpen Properties Sdn. Bhd.	Malaysia	Renting estate and storehouse company	11,782	11,782	1,500	30.00	(373)	22,855	6,856	"	
Evergreen Marine Corp. (Malaysia) SDN.BHD.	Malaysia	Shipping agency	260,345	260,345	500	100.00	849,172	666,807	666,807	Indirect subsidiary of the Company (Note)	

Investor	Investee (Note 1 · Note 2)	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2021			Net profit (loss) of the investee For the year ended December 31, 2021 (Note 2(2))	Investment income (loss) recognised by the Company For the year ended December 31, 2021 (Note 2(3))	Footnote
				Balance as of December 31, 2021	Balance as of December 31, 2020	Number of shares	Ownership (%)	Book value			
Peony Investment S.A.	Evergreen Marine (Hong Kong) Ltd.	Hong Kong	Marine transportation and shipping agency	\$ 73,284	\$ 73,284	80	1.00	\$ 875,763	\$ 73,421,692	\$ 733,230	Subsidiary of the Company (Note)
	Ics Depot Services Snd. Bhd.	Malaysia	Depot services	30,807	30,807	286	28.65	62,888	6,130	1,756	Investee company of Peony accounted for using equity method
Clove Holding Ltd.	Colon Container Terminal, S.A.	Republic of Panama	Inland container storage and loading	632,182	632,182	22,860	40.00	2,529,462	382,419	152,967	Investee company of Clove Holding Ltd. accounted for using equity method
	Everport Terminal Services Inc.	U.S.A	Terminal services	179,864	179,864	0.059	5.57	343,085	1,075,024	59,893	Indirect subsidiary of the Company (Note)
Everport Terminal Services Inc.	Whitney Equipment LLC.	U.S.A	Equipment Leasing Company	5,531	5,531	-	100.00	276,961	51,508	51,508	" (Note)
PT. Multi Bina Pura International	PT. Multi Bina Transport	Indonesia	Container repair cleaning and inland transportation	91,299	91,299	7.55	72.95	56,416	2,485	1,813	" (Note)
Evergreen Marine (Hong Kong) Limited	Colon Container Terminal S.A.	Republic of Panama	Inland container storage and loading	431,410	431,410	5,144	9.00	589,564	382,419	34,418	Investee company of Evergreen Marine (Hong Kong) Limited accounted for using equity method
	Evergreen Marine (Latin America), S.A.	Republic of Panama	Management consultancy	18,018	18,018	600	100.00	17,332	1,334	1,334	Indirect subsidiary of the Company (Note)
	Evergreen Shipping Service (Cambodia) Co., Ltd.	Cambodia	Shipping agency	5,531	5,531	200	100.00	104,769	60,703	60,703	" (Note)
	Evergreen Shipping Agency (Peru) S.A.C.	Peru	Shipping agency	7,677	7,677	900	60.00	73,766	178,630	107,178	" (Note)
	Evergreen Shipping Agency (Colombia) S.A.S	Colombia	Shipping agency	9,708	9,708	80	75.00	96,322	173,611	130,208	" (Note)
	Evergreen Shipping Agency Mexico S.A. de C.V.	Mexico	Shipping agency	6,339	6,339	44	60.00	148,685	241,499	144,899	" (Note)
	Evergreen Shipping Agency (Chile) SPA.	Chile	Shipping agency	8,817	8,817	2	60.00	73,104	173,137	103,882	" (Note)
	Evergreen Shipping Agency (Greece) Societe Anonyme.	Greece	Shipping agency	7,475	7,475	2	60.00	125,227	186,237	111,742	" (Note)
	Evergreen Shipping Agency (Israel) Ltd.	Israel	Shipping agency	141	141	18	1.00	1,278	146,437	1,464	" (Note)

Investor	Investee (Note 1 · Note 2)	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2021			Net profit (loss) of the investee For the year ended December 31, 2021 (Note 2(2))	Investment income (loss) recognised by the Company For the year ended December 31, 2021 (Note 2(3))	Footnote
				Balance as of December 31, 2021	Balance as of December 31, 2020	Number of shares	Ownership (%)	Book value			
Evergreen Marine (Hong Kong) Limited	Evergreen Shipping Agency (Brazil) Ltd.	Brazil	Shipping agency	\$ 6,841	\$ 6,841	120	60.00	\$ 73,567	\$ 163,255	\$ 97,953	" (Note)
	Evergreen Shipping Agency Lanka (Private) Ltd.	Sri Lanka	Shipping agency	3,352	3,352	2,160	40.00	24,165	68,809	27,524	Investee company of Evergreen Marine (Hong Kong) Limited accounted for using equity method
	Evergreen Shipping Agency Philippines Corporation	Philippines	Shipping agency	136,277	136,277	10,000	100.00	257,547	149,927	149,927	Indirect subsidiary of the Company (Note)
	Evergreen Shipping Agency (Argentina) S.A.	Argentina	Shipping agency	2,654	-	9,000	60.00	79,222	132,389	79,433	" (Note)
	Unigreen Marine, S.A.	Republic of Panama	Shipping agency	13,292	-	3	100.00	86,480	71,447	71,447	" (Note)
	Evergreen Shipping Agency Saudi Co. (L.L.C.)	Saudi Arabia	Shipping agency	16,823	-	180	60.00	40,615	46,100	27,660	" (Note)
Evergreen Marine (Asia) Pte. Ltd.	Evergreen Shipping Agency (Turkey) Corporation	Turkey	Shipping agency	1,821	-	6	60.00	1,056	( 490)	( 294)	" (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, 2021' 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, 2021' 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, 2021' 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, 2021

Table 8

Expressed in thousands of TWD

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2021	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2021		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021	Net income (loss) of the investee for the year ended December 31, 2021	Ownership held by the Company (direct of indirect) (%)	Investment income (loss) recognised by the Company. for the year ended December 31, 2021 (Note 2(2)B)	Book value of investments in Mainland China as of December 31, 2021	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2021	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	\$ 542,700	(2)	\$ 198,048	\$ -	\$ -	\$ 198,048	\$ 61,706	40.00	\$ 24,223	\$ 341,659	\$ -	
Qingdao Evergreen Container Storage & Transportation Co., Ltd.	Inland container transportation, storage, loading, discharging, repair, cleaning and related activities	184,556	(2)	39,182	-	-	39,182	167,701	40.00	67,080	163,181	-	
Kingtrans Intl. Logistics (Tianjin) Co., Ltd.	Inland container transportation, storage, loading, discharging, repair, cleaning and related activities	338,408	(2)	261,757	-	-	261,757	57,876	46.20	26,739	218,649	-	(Note)
Ever Shine (Shanghai) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	1,886,714	(2)	2,252,746	-	-	2,252,746	6,813	80.00	( 63,099)	2,931,266	-	(Note)
Ever Shine (Ningbo) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	186,728	(2)	249,219	-	-	249,219	616	80.00	546	148,578	-	(Note)
Ever Shine (Shenzhen) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	266,397	(2)	433,636	-	-	433,636	3,097	80.00	( 5,498)	389,980	-	(Note)
Ever Shine (Qingdao) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	215,996	(2)	353,490	-	-	353,490	4,308	80.00	767	244,989	-	(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, 2021	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2021		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021	Net income (loss) of the investee for the year ended December 31, 2021	Ownership held by the Company (direct or indirect) (%)	Investment income (loss) recognised by the Company for the year ended December 31, 2021 (Note 2(2)B)	Book value of investments in Mainland China as of December 31, 2021	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2021	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Evergreen Shipping Agency (China) Co., Ltd.	Agency services dealing with port formalities	\$ 29,777	(2)	\$ 81,853	\$ -	\$ -	\$ 81,853	\$ 62,587	52.00	\$ 32,545	\$ 43,355	\$ -	(Note)

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Evergreen Marine Corp.	\$ 3,869,931	\$ 4,379,914	\$ 214,392,954

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, 2021' 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, 2021

Table 9

Name of major shareholders	Shares	
	Name of shares held	Ownership (%)
Evergreen International S.A.(EIS)	391,786,816	7.40%
Chang, Kuo-Hua	319,646,157	6.04%

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.