

**EVERGREEN MARINE CORPORATION (TAIWAN)
LTD. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
SEPTEMBER 30, 2021 AND 2020**

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' REVIEW REPORT TRANSLATED FROM CHINESE

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

Introduction

We have reviewed the accompanying consolidated balance sheets of Evergreen Marine Corporation (Taiwan) Ltd. and subsidiaries (the "Group") as at September 30, 2021 and 2020, and the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended as well as the consolidated statements of changes in equity and of cash flows for the nine-month periods then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Statement of Auditing Standards No. 65, "Review of Financial Information Performed by the Independent Auditor of the Entity" in the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for qualified conclusion

As explained in Note 6(8), we did not review the financial statements of certain investments accounted for under the equity method, which statements reflect investments accounted for under the equity method of NT\$2,875,114 thousand and NT\$2,442,130 thousand, constituting 0.55% and 0.75% of the consolidated total assets as of September 30, 2021 and 2020, respectively, and comprehensive income and loss under the equity method of NT\$74,497 thousand, NT\$49,719 thousand, NT\$219,140 thousand and NT\$159,751 thousand, constituting 0.09%, 0.53%, 0.12% and 1.41% of the consolidated total comprehensive income and loss for the three-month and nine-month periods then ended. These amounts and the related information disclosed in Note 13 were based on the unreviewed financial statements of such investee companies.

Qualified conclusion

Based on our reviews and the reports of other independent auditors, except for the possible effects on the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain investments accounted for under the equity method and the related information disclosed in Note 13 been reviewed by independent auditors as explained in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2021 and 2020, and of its consolidated financial performance for the three-month and nine-month periods then ended and its consolidated cash flows for the nine-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission.

Other matter – Review reports of other independent auditors

We did not review the financial statements of certain consolidated subsidiaries and investments accounted for under the equity method. Those financial statements were reviewed by other independent auditors, whose reports thereon have been furnished to us, and our report expressed herein, insofar as it relates to the amounts included in the financial statements and the information disclosed in Note 13 was based solely on the review reports of other independent auditors. These consolidated subsidiaries reflect total assets of NT\$61,217,014 thousand and NT\$60,031,262 thousand, constituting 11.68% and 18.54% of the consolidated total assets as at September 30, 2021 and 2020, and total operating revenues of NT\$8,262,096 thousand, NT\$10,418,684 thousand, NT\$37,460,186 thousand and NT\$27,173,094 thousand, constituting 5.76%, 18.93%, 11.24% and 19.08% of the consolidated total operating revenues for the three-month and nine-month periods then ended. The investments accounted for under the equity method amounted to NT\$19,323,078 thousand and NT\$16,702,501 thousand, constituting 3.69% and 5.16% of the consolidated total assets as at September 30, 2021 and 2020, and the comprehensive income and loss under equity method was NT\$130,950 thousand, NT\$135,811 thousand, NT\$2,223,564 thousand and (NT\$138,422) thousand, constituting 0.15%, 1.46%, 1.25% and (1.22%) of the consolidated total comprehensive income and loss for the three-month and nine-month periods then ended.

Lee, Hsiu-Ling

Chou, Hsiao-Tzu

For and on behalf of PricewaterhouseCoopers, Taiwan

November 5, 2021

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' review 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
SEPTEMBER 30, 2021, DECEMBER 31, 2020 AND SEPTEMBER 30, 2020
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of September 30, 2021 and 2020 are reviewed, not audited)

Assets	Notes	September 30, 2021		December 31, 2020		September 30, 2020		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 98,043,087	19	\$ 44,096,485	13	\$ 41,927,208	13
1110	Financial assets at fair value through profit or loss - current		60,999	-	4,289	-	-	-
1136	Current financial assets at amortised cost, net	6(3) and 8	28,349,180	6	6,768,603	2	8,622,825	3
1139	Current financial assets for hedging	6(4)	26,432,707	5	-	-	-	-
1140	Current contract assets	6(23)	6,500,080	1	3,041,569	1	2,387,617	1
1150	Notes receivable, net	6(5)	458,692	-	113,313	-	89,968	-
1170	Accounts receivable, net	6(5)	46,200,249	9	20,955,878	6	16,605,521	5
1180	Accounts receivable, net - related parties	6(5) and 7	1,489,938	-	849,432	-	698,836	-
1200	Other receivables		399,670	-	239,653	-	225,649	-
1210	Other receivables - related parties	7	734,070	-	747,230	-	949,495	-
1220	Current income tax assets		329,080	-	205,171	-	450,084	-
130X	Inventories	6(6)	5,389,394	1	2,931,711	1	2,892,011	1
1410	Prepayments		1,572,080	-	1,562,365	1	1,233,521	-
1460	Non-current assets held for sale, net		3,962	-	-	-	-	-
1470	Other current assets	6(7) and 7	<u>4,726,455</u>	<u>1</u>	<u>4,322,192</u>	<u>2</u>	<u>3,164,299</u>	<u>1</u>
11XX	Current assets		<u>220,689,643</u>	<u>42</u>	<u>85,837,891</u>	<u>26</u>	<u>79,247,034</u>	<u>24</u>
Non-current assets								
1517	Non-current financial assets at fair value through other comprehensive income	6(2)	1,987,496	1	1,657,983	-	1,566,894	-
1535	Non-current financial assets at amortised cost, net	6(3) and 8	391,682	-	348,609	-	341,014	-
1538	Non-current financial assets for hedging	6(4)	1,908,225	-	-	-	-	-
1550	Investments accounted for using equity method	6(8)	33,138,845	6	29,919,994	9	28,599,101	9
1600	Property, plant and equipment, net	6(9), 8 and 9	143,572,939	28	118,642,644	36	116,507,720	36
1755	Right-of-use assets	6(10)	94,193,083	18	76,189,187	23	76,813,078	24
1760	Investment property, net	6(12) and 8	4,867,122	1	5,171,512	2	5,253,080	2
1780	Intangible assets		1,341,601	-	1,552,438	-	1,666,228	1
1840	Deferred income tax assets	6(31)	655,592	-	664,194	-	523,122	-
1900	Other non-current assets	6(5)(13)	<u>21,229,531</u>	<u>4</u>	<u>14,236,388</u>	<u>4</u>	<u>13,239,256</u>	<u>4</u>
15XX	Non-current assets		<u>303,286,116</u>	<u>58</u>	<u>248,382,949</u>	<u>74</u>	<u>244,509,493</u>	<u>76</u>
1XXX	Total assets		<u>\$ 523,975,759</u>	<u>100</u>	<u>\$ 334,220,840</u>	<u>100</u>	<u>\$ 323,756,527</u>	<u>100</u>

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EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2021, DECEMBER 31, 2020 AND SEPTEMBER 30, 2020
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of September 30, 2021 and 2020 are reviewed, not audited)

Liabilities and Equity	Notes	September 30, 2021		December 31, 2020		September 30, 2020		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
Current liabilities								
2120	Current financial liabilities at fair value through profit or loss	\$ -	-	\$ -	-	\$ 28,701	-	
2126	Current financial liabilities for hedging	6(10) and 7	1,067,237	-	898,484	-	905,017	-
2130	Current contract liabilities	6(23)	10,544,321	2	3,677,100	1	3,930,913	1
2150	Notes payable		3,581	-	3,973	-	33,219	-
2170	Accounts payable		25,392,055	5	20,327,030	6	17,796,354	6
2180	Accounts payable - related parties	7	295,016	-	236,204	-	344,799	-
2200	Other payables		10,346,524	2	5,455,869	2	5,870,338	2
2220	Other payables - related parties	7	643,507	-	130,767	-	137,528	-
2230	Current income tax liabilities		9,494,189	2	1,436,225	1	962,295	-
2280	Current lease liabilities	6(10) and 7	15,665,169	3	9,469,102	3	9,623,129	3
2300	Other current liabilities	6(14) and 7	39,698,115	8	30,856,051	9	30,290,918	10
21XX	Current liabilities		<u>113,149,714</u>	<u>22</u>	<u>72,490,805</u>	<u>22</u>	<u>69,923,211</u>	<u>22</u>
Non-current liabilities								
2511	Non-current financial liabilities for hedging	6(10) and 7	10,805,745	2	9,971,891	3	10,535,255	3
2530	Corporate bonds payable	6(15)	6,760,175	1	12,779,043	4	14,223,941	4
2540	Long-term loans	6(16)	46,388,991	9	77,040,500	23	84,416,342	26
2570	Deferred income tax liabilities	6(31)	6,132,354	1	2,872,242	1	2,354,323	1
2580	Non-current lease liabilities	6(10) and 7	64,500,630	12	53,831,455	16	54,009,513	17
2600	Other non-current liabilities	6(17)(18)	3,915,804	1	3,740,611	1	3,288,939	1
25XX	Non-current liabilities		<u>138,503,699</u>	<u>26</u>	<u>160,235,742</u>	<u>48</u>	<u>168,828,313</u>	<u>52</u>
2XXX	Total liabilities		<u>251,653,413</u>	<u>48</u>	<u>232,726,547</u>	<u>70</u>	<u>238,751,524</u>	<u>74</u>
Equity attributable to owners of the parent								
Capital								
3110	Common stock	6(19)	52,908,474	10	48,980,353	15	48,129,738	15
3130	Certificate of entitlement to new shares from convertible bond		10	-	-	-	-	-
Capital surplus								
3200	Capital surplus	6(20)	15,489,492	3	12,433,364	4	11,787,963	4
Retained earnings								
3310	Legal reserve	6(21)	8,122,482	2	5,714,940	2	5,714,940	2
3320	Special reserve		581,406	-	-	-	-	-
3350	Unappropriated retained earnings		169,885,902	32	27,734,460	8	14,599,325	5
Other equity interest								
3400	Other equity interest	6(22)	7,653	-	(581,406)	(1)	52,404	(1)
31XX	Equity attributable to owners of the parent		<u>246,995,419</u>	<u>47</u>	<u>94,281,711</u>	<u>28</u>	<u>80,284,370</u>	<u>25</u>
36XX	Non-controlling interest		<u>25,326,927</u>	<u>5</u>	<u>7,212,582</u>	<u>2</u>	<u>4,720,633</u>	<u>1</u>
3XXX	Total equity		<u>272,322,346</u>	<u>52</u>	<u>101,494,293</u>	<u>30</u>	<u>85,005,003</u>	<u>26</u>
Significant Contingent Liabilities And Unrecognized Contract Commitments								
Significant Events After The Balance Sheet Date								
3X2X	Total liabilities and equity		<u>\$ 523,975,759</u>	<u>100</u>	<u>\$ 334,220,840</u>	<u>100</u>	<u>\$ 323,756,527</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
THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)
(Reviewed, not audited)

Items	Notes	Three months ended September 30				Nine months ended September 30				
		2021		2020		2021		2020		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(23) and 7	\$ 143,481,647	100	\$ 55,042,118	100	\$ 333,401,180	100	\$ 142,388,119	100
5000	Operating costs	6(29)(30) and 7	(44,473,846)	(31)	(41,580,321)	(76)	(132,993,544)	(40)	(118,417,991)	(83)
5900	Gross profit		99,007,801	69	13,461,797	24	200,407,636	60	23,970,128	17
5910	Unrealized profit from sales		-	-	(3,931)	-	(53,971)	-	(1,561)	-
5920	Realized profit on from sales		4,348	-	2,781	-	11,746	-	8,198	-
5950	Gross profit		99,012,149	69	13,460,647	24	200,365,411	60	23,976,765	17
	Operating expenses	6(29)(30) and 7								
6100	Selling expenses		(548,141)	-	(277,726)	-	(1,608,417)	-	(1,092,140)	(1)
6200	General and administrative expenses		(2,408,302)	(2)	(2,131,727)	(4)	(6,808,570)	(2)	(6,143,733)	(4)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9		1,788	-	1,735	-	1,339	-	4,569	-
6000	Operating expenses		(2,954,655)	(2)	(2,407,718)	(4)	(8,415,648)	(2)	(7,231,304)	(5)
6500	Other gains - net	6(24) and 7	59,278	-	37,813	-	155,770	-	35,881	-
6900	Operating profit		96,116,772	67	11,090,742	20	192,105,533	58	16,781,342	12
	Other non-operating income and expenses									
7100	Interest income	6(25)	98,870	-	58,450	-	237,835	-	283,921	-
7010	Other income	6(26)	183,979	-	155,724	-	412,314	-	425,379	-
7020	Other gains and losses	6(27)	45,669	-	443,380	1	84,675	-	548,269	-
7050	Finance costs	6(28) and 7	(716,758)	-	(1,025,356)	(2)	(2,466,887)	(1)	(3,576,195)	(2)
7060	Share of loss of associates and joint ventures accounted for using equity method		537,346	-	(118,829)	-	2,796,385	1	(187,888)	-
7000	Total non-operating income and expenses		149,106	-	(486,631)	(1)	1,064,322	-	(2,506,514)	(2)
7900	Profit before income tax		96,265,878	67	10,604,111	19	193,169,855	58	14,274,828	10
7950	Income tax expense	6(31)	(9,004,215)	(6)	(1,115,685)	(2)	(16,255,156)	(5)	(1,676,719)	(1)
8200	Profit for the period		\$ 87,261,663	61	\$ 9,488,426	17	\$ 176,914,699	53	\$ 12,598,109	9

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EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)
(Reviewed, not audited)

Items	Notes	Three months ended September 30				Nine months ended September 30				
		2021		2020		2021		2020		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	
Other comprehensive income (loss)										
Components of other comprehensive income that will not be reclassified to profit or loss										
8316	Unrealised gains (losses) on valuation of investments in equity instruments measured at fair value through other comprehensive income	6(2)(22)	(\$ 69,850)	-	\$ 116,343	1	\$ 333,332	-	(\$ 137,823)	-
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		(909,960)	(1)	107,474	-	1,242,190	-	31,697	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(31)	(3,660)	-	(1,266)	-	(13,742)	-	8,773	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		(983,470)	(1)	222,551	1	1,561,780	-	(97,353)	-
Components of other comprehensive income that will be reclassified to profit or loss										
8361	Exchange differences on translating the financial statements of foreign operations		(372,133)	-	(612,318)	(1)	(963,319)	-	(1,608,666)	(1)
8368	Gains (losses) on hedging instruments	6(4)(10)(22)	14,344	-	(113,098)	-	42,971	-	219,167	-
8370	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method		(76,813)	-	319,609	-	(208,768)	-	310,530	-
8399	Income tax relating to the components of other comprehensive income (loss)	6(31)	(2,669)	-	14,723	-	3,012	-	(53,740)	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		(437,271)	-	(391,084)	(1)	(1,126,104)	-	(1,132,709)	(1)
8300	Other comprehensive (loss) income for the period, net of income tax		(\$ 1,420,741)	(1)	(\$ 168,533)	-	\$ 435,676	-	(\$ 1,230,062)	(1)
8500	Total comprehensive income for the period		\$ 85,840,922	60	\$ 9,319,893	17	\$ 177,350,375	53	\$ 11,368,047	8
Profit attributable to:										
8610	Owners of the parent		\$ 80,138,088	56	\$ 8,185,212	15	\$ 158,279,091	47	\$ 10,935,991	8
8620	Non-controlling interest		\$ 7,123,575	5	\$ 1,303,214	2	\$ 18,635,608	6	\$ 1,662,118	1
Comprehensive income attributable to:										
8710	Owners of the parent		\$ 78,798,964	55	\$ 8,069,675	15	\$ 158,885,840	47	\$ 9,858,065	7
8720	Non-controlling interest		\$ 7,041,958	5	\$ 1,250,218	2	\$ 18,464,535	6	\$ 1,509,982	1
Basic earnings per share (in dollars)										
9750	Basic earnings per share	6(32)	\$ 15.15		\$ 1.70		\$ 30.27		\$ 2.27	
9850	Diluted earnings per share		\$ 14.99		\$ 1.70		\$ 30.08		\$ 2.27	

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
NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)
(Reviewed, not audited)

	Notes	Equity attributable to owners of the parent										Non-controlling interest	Total equity
		Retained Earnings					Other equity interest						
		Common stock	Certificate of entitlement to new shares from convertible bond	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	Total		
Nine months ended September 30, 2020													
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 (loss) for the period	6(21)	-	-	-	-	-	10,935,991	-	-	-	10,935,991	1,662,118	12,598,109
Other comprehensive income (loss) for the period	6(21)(22)	-	-	-	-	-	3,024	(1,623,363)	(100,704)	643,117	(1,077,926)	(152,136)	(1,230,062)
Total comprehensive income (loss)		-	-	-	-	-	10,939,015	(1,623,363)	(100,704)	643,117	9,858,065	1,509,982	11,368,047
Adjustments to share of changes in equity of associates and joint ventures	6(20)(21)	-	-	574	-	-	1,268	-	(1,268)	-	574	-	574
Other changes in capital surplus	6(20)	-	-	37	-	-	-	-	-	-	37	-	37
Due to recognition of equity component of Convertible Bonds	6(20)	-	-	379,915	-	-	-	-	-	-	379,915	-	379,915
Changes in non-controlling interests	6(35)	-	-	-	-	-	-	-	-	-	-	(338,416)	(338,416)
Balance at September 30, 2020		\$ 48,129,738	\$ -	\$ 11,787,963	\$ 5,714,940	\$ -	\$ 14,599,325	(\$ 2,480,136)	\$ 1,309,666	\$ 1,222,874	\$ 80,284,370	\$ 4,720,633	\$ 85,005,003
Nine months ended September 30, 2021													
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 (loss) for the period	6(21)	-	-	-	-	-	158,279,091	-	-	-	158,279,091	18,635,608	176,914,699
Other comprehensive income (loss) for the period	6(21)(22)	-	-	-	-	-	(23,448)	(823,444)	1,585,228	(131,587)	606,749	(171,073)	435,676
Total comprehensive income (loss)		-	-	-	-	-	158,255,643	(823,444)	1,585,228	(131,587)	158,885,840	18,464,535	177,350,375
Adjustments to share of changes in equity of associates and joint ventures	6(20)(21)	-	-	(118,985)	-	-	40,981	-	(41,138)	-	(119,142)	-	(119,142)
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)	-	(6)	-	-	-	-	-	-	-	(6)	-	(6)
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)	3,928,121	10	2,885,953	-	-	-	-	-	-	6,814,084	-	6,814,084
Changes in non-controlling interests	6(35)	-	-	-	-	-	-	-	-	-	-	(350,190)	(350,190)
Balance at September 30, 2021		\$ 52,908,474	\$ 10	\$ 15,489,492	\$ 8,122,482	\$ 581,406	\$ 169,885,902	(\$ 5,151,788)	\$ 3,428,864	\$ 1,730,577	\$ 246,995,419	\$ 25,326,927	\$ 272,322,346

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

EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)
(Reviewed, not audited)

	Notes	Nine months ended September 30	
		2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 193,169,855	\$ 14,274,828
Adjustments			
Income and expenses having no effect on cash flows			
Financial assets and liabilities at fair value through profit or loss	6(27)	(44,472)	(2,609)
Depreciation	6(9)(10)(12)(27)(29)	16,355,665	15,647,680
Amortization	6(29)	216,488	230,488
Expected credit gain	12(2)	(1,339)	(4,569)
Rental expense	6(10)	(808)	(2,872)
Other income	6(10)	(335)	(652)
Interest income	6(25)	(237,835)	(283,921)
Interest expense	6(28)	2,466,887	3,576,195
Dividend income	6(26)	(106,275)	(73,065)
Share of profit of associates and joint ventures accounted for using equity method		(2,796,385)	187,888
Gain from bargain purchase	6(26)(34)	(8,605)	(3,415)
Gains arising from lease modification	6(27)	(7,270)	(2,051)
Net gain on disposal of property, plant and equipment	6(24)	(155,770)	(35,881)
Net loss (gain) on disposal of right-of-use assets	6(27)	(459)	(56,282)
Net gain on disposal of investments	6(27)	(10,908)	(201)
Realized income with affiliated companies		(11,746)	(8,198)
Unrealized gain with affiliated companies		53,971	1,561
Unrealized foreign exchange gain	6(10)	-	(381,555)
Changes in assets/liabilities relating to operating activities			
Changes in operating assets			
Current contract assets		(3,479,227)	(738,439)
Notes receivable, net		(335,336)	38,942
Accounts receivable, net		(25,425,524)	(2,892,586)
Accounts receivable, net - related parties		(635,951)	61,905
Other receivables		(161,861)	47,856
Other receivables - related parties		(29,896)	(11,435)
Inventories		(2,480,185)	1,534,933
Prepayments		(17,923)	261,171
Other current assets		(423,905)	(700,106)
Other non-current assets		(25,490)	(4,688)
Net changes in liabilities relating to operating activities			
Current contract liabilities		6,896,953	1,774,109
Notes payable		(355)	33,219
Accounts payable		5,176,909	1,930,408
Accounts payable - related parties		(65,130)	(55,142)
Other payables		2,829,514	1,258,453
Other payables - related parties		(94,728)	(30,713)
Other current liabilities		11,334,929	(1,767,920)
Other non-current liabilities		(47,045)	(26,148)
Cash inflow generated from operations		201,897,326	33,777,188
Interest received		237,835	283,921
Interest paid		(2,569,679)	(3,840,174)
Income tax paid		(5,047,035)	(815,992)
Net cash flows from operating activities		194,518,447	29,404,943

(Continued)

EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)
(Reviewed, not audited)

	Notes	Nine months ended September 30	
		2021	2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in financial assets at amortised cost-current		(\$ 21,603,638)	(\$ 6,860,952)
Increase in financial assets for hedging		(28,524,567)	-
Decrease (increase) in other receivables - related parties		36,028	(25,401)
(Increase) decrease in financial assets at amortised cost - non current		(43,073)	9,707
Proceeds from disposal of investments accounted for using equity method		-	148,695
Acquisition of property, plant and equipment	6(35)	(10,239,153)	(5,104,857)
Proceeds from disposal of property, plant and equipment		178,999	833,667
Proceeds from disposal of right-of-use assets		-	83,098
Acquisition of intangible assets	6(35)	(18,561)	(19,097)
Increase in guarantee deposits paid		(43,884)	(50,017)
Decrease in guarantee deposits paid		6,958	5,833
Increase in other non-current assets	6(35)	(27,237,808)	(16,679,843)
Effect of initial consolidation of subsidiaries	6(35)	320,435	270,144
Cash dividend received	6(35)	583,348	472,039
Net cash flows used in investing activities		(86,584,916)	(26,916,984)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term loans		1,339,168	3,954,763
Decrease in short-term loans		(1,339,168)	(3,954,763)
Decrease in other payables - related parties		(140)	(515,284)
Increase in long-term loans	6(36)	20,332,067	22,058,266
Decrease in long-term loans	6(36)	(52,757,882)	(18,788,390)
Increase in corporate bonds payable	6(36)	5,043,871	8,655,358
Decrease in corporate bonds payable	6(36)	(4,000,000)	-
Payments of lease liabilities	6(10)(36)	(8,692,980)	(8,813,134)
Net change in non-controlling interest	6(35)	(323,569)	(338,416)
Increase in guarantee deposits received	6(36)	467,858	444,782
Decrease in guarantee deposits received	6(36)	(323,940)	(450,830)
Cash dividends paid	6(21)	(13,156,234)	-
Other financing activities	6(20)	(6)	37
Net cash flows (used in) from financing activities		(53,410,955)	2,252,389
Effect of exchange rate changes		(575,974)	(685,029)
Net increase in cash and cash equivalents		53,946,602	4,055,319
Cash and cash equivalents at beginning of period		44,096,485	37,871,889
Cash and cash equivalents at end of period		<u>\$ 98,043,087</u>	<u>\$ 41,927,208</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 reported to the Board of Directors on November 5, 2021.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

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

The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Accounting Standard 34, ‘Interim Financial Reporting’ as endorsed by the FSC.

(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 International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the 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
			September 30, 2021	December 31, 2020	September 30, 2020	
The Company	TTSC	Cargo loading and discharging	55.00	55.00	55.00	
The Company	Peony	Investments in transport-related business	100.00	100.00	100.00	
The Company	ETS	Terminal Services	94.43	94.43	94.43	
The Company	EGH	Container shipping and agency services dealing with port formalities	79.00	79.00	79.00	
The Company	EIL	Agency services dealing with port formalities	59.00	59.00	59.00	
The Company	EMA	Container shipping	100.00	-	-	(a)
Peony	GMS	Container shipping	100.00	100.00	100.00	
Peony	Clove	Investments in container yards and port terminals	100.00	100.00	100.00	
Peony	EMU	Container shipping	51.00	51.00	51.00	

Name of Investor	Name of Subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2021	December 31, 2020	September 30, 2020	
Peony	EHIC(M)	Manufacturing of dry steel containers and container parts	84.44	84.44	84.44	
Peony	KTIL	Loading, discharging, storage, repairs and cleaning of containers	20.00	20.00	20.00	(e)
Peony	MBPI	Containers storage and inspections of containers at the customs house	95.03	95.03	95.03	
Peony	MBT	Inland transportation, repairs and cleaning of containers	17.39	17.39	17.39	(e)
Peony	EGK	Agency services dealing with port formalities	100.00	100.00	100.00	
Peony	EGT	Agency services dealing with port formalities	85.00	85.00	85.00	
Peony	EGI	Agency services dealing with port formalities	99.99	99.99	99.99	
Peony	EAU	Agency services dealing with port formalities	100.00	100.00	100.00	
Peony	EIT	Agency services dealing with port formalities	55.00	55.00	55.00	
Peony	EES	Agency services dealing with port formalities	100.00	100.00	100.00	
Peony	ERU	Agency services dealing with port formalities	51.00	51.00	51.00	
Peony	EEU	Agency services dealing with port formalities	100.00	100.00	100.00	
Peony	ESA	Agency services dealing with port formalities	55.00	55.00	55.00	
Peony	EGB	Real estate leasing	95.00	95.00	95.00	
Peony	EGM	Agency services dealing with port formalities	100.00	100.00	100.00	

Name of Investor	Name of Subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2021	December 31, 2020	September 30, 2020	
Peony	EGH	Container shipping and agency services dealing with port formalities	1.00	1.00	1.00	(e)
Peony	EGV	Agency services dealing with port formalities	100.00	100.00	100.00	
EGH	Ever shine (Shanghai)	Management consultancy and self-owned property leasing	100.00	100.00	100.00	
EGH	Ever shine (Ningbo)	Management consultancy and self-owned property leasing	100.00	100.00	100.00	
EGH	Ever shine (Shenzhen)	Management consultancy and self-owned property leasing	100.00	100.00	100.00	
EGH	Ever shine (Qingdao)	Management consultancy and self-owned property leasing	100.00	100.00	100.00	
EGH	ECN	Agency services dealing with port formalities	65.00	65.00	65.00	
EGH	KTIL	Loading, discharging, storage, repairs and cleaning of containers	20.00	20.00	20.00	(e)
EGH	EKH	Agency services dealing with port formalities	100.00	100.00	100.00	
EGH	EPE	Agency services dealing with port formalities	60.00	60.00	60.00	
EGH	ECO	Agency services dealing with port formalities	75.00	75.00	75.00	
EGH	ECL	Agency services dealing with port formalities	60.00	60.00	60.00	
EGH	EMX	Agency services dealing with port formalities	60.00	60.00	60.00	
EGH	EGRC	Agency services dealing with port formalities	60.00	60.00	60.00	

Name of Investor	Name of Subsidiary	Main business activities	Ownership (%)			Description
			September 30, 2021	December 31, 2020	September 30, 2020	
EGH	EIL	Agency services dealing with port formalities	1.00	1.00	1.00	(e)
EGH	ELA	Management consultancy	100.00	100.00	100.00	
EGH	EBR	Agency services dealing with port formalities	60.00	60.00	60.00	
EGH	EGP	Agency services dealing with port formalities	100.00	100.00	100.00	
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)
ETS	Whitney	Investments and leases of operating machinery and equipment of port terminals	100.00	100.00	100.00	
EMU	KTIL	Loading, discharging, storage, repairs and cleaning of containers	20.00	20.00	20.00	(e)
Clove	ETS	Terminal Services	5.57	5.57	5.57	(e)
MBPI	MBT	Inland transportation, repairs and cleaning of containers	72.95	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) 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 September 30, 2021, December 31, 2020 and September 30, 2020, the non-controlling interest amounted to \$25,326,927, \$7,212,582 and \$4,720,633, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest				Description
		September 30, 2021		December 31, 2020		
		Amount	Ownership (%)	Amount	Ownership (%)	
EMU	U.K.	\$11,629,227	49%	\$ 3,389,842	49%	
EGH	Hong Kong	13,004,180	20%	3,220,801	20%	
				Non-controlling interest		
				September 30, 2020		
				Amount	Ownership (%)	Description
EMU	U.K.			\$ 1,615,846	49%	
EGH	Hong Kong			2,505,066	20%	

Summarised financial information of the subsidiaries:

Balance sheets

	EMU		
	September 30, 2021	December 31, 2020	September 30, 2020
Current assets	\$ 11,202,170	\$ 10,080,373	\$ 6,839,275
Non-current assets	38,237,881	41,255,545	43,131,923
Current liabilities	(19,178,523)	(16,936,620)	(15,551,033)
Non-current liabilities	(6,528,411)	(27,481,254)	(31,122,520)
Total net assets	<u>\$ 23,733,117</u>	<u>\$ 6,918,044</u>	<u>\$ 3,297,645</u>

	EGH		
	September 30, 2021	December 31, 2020	September 30, 2020
Current assets	\$ 72,706,542	\$ 23,082,438	\$ 15,646,302
Non-current assets	55,258,440	36,325,520	34,960,221
Current liabilities	(38,769,303)	(20,688,802)	(15,397,554)
Non-current liabilities	(25,314,179)	(23,357,192)	(23,223,532)
Total net assets	<u>\$ 63,881,500</u>	<u>\$ 15,361,964</u>	<u>\$ 11,985,437</u>

Statements of comprehensive income

	EMU	
	Three-month period ended September 30, 2021	Three-month period ended September 30, 2020
Revenue	\$ 10,002,491	\$ 10,723,301
Profit before income tax	\$ 4,725,984	\$ 1,674,938
Income tax expense	(27,204)	(7,036)
Profit for the period from continuing operations	4,698,780	1,667,902
Other comprehensive (loss) income, net of tax	(101)	3,287
Total comprehensive income for the period	<u>\$ 4,698,679</u>	<u>\$ 1,671,189</u>
Comprehensive income attributable to non-controlling interest	<u>\$ 2,302,353</u>	<u>\$ 818,883</u>

	EMU	
	Nine-month period ended September 30, 2021	Nine-month period ended September 30, 2020
Revenue	\$ 41,263,090	\$ 28,272,052
Profit before income tax	\$ 16,998,080	\$ 1,847,672
Income tax expense	(41,075)	(20,352)
Profit for the period from continuing operations	16,957,005	1,827,320
Other comprehensive income, net of tax	694	2,047
Total comprehensive income for the period	\$ 16,957,699	\$ 1,829,367
Comprehensive income attributable to non-controlling interest	\$ 8,309,273	\$ 896,390

	EGH	
	Three-month period ended September 30, 2021	Three-month period ended September 30, 2020
Revenue	\$ 37,100,252	\$ 10,656,933
Profit before income tax	\$ 23,795,462	\$ 2,313,228
Income tax expense	(1,031,246)	(199,006)
Profit for the period from continuing operations	22,764,216	2,114,222
Other comprehensive income (loss), net of tax	-	-
Total comprehensive income for the period	\$ 22,764,216	\$ 2,114,222
Comprehensive income attributable to non-controlling interest	\$ 4,552,843	\$ 422,844

	EGH	
	Nine-month period ended September 30, 2021	Nine-month period ended September 30, 2020
Revenue	\$ 86,276,029	\$ 26,131,593
Profit before income tax	\$ 50,859,343	\$ 3,395,535
Income tax expense	(2,080,512)	(347,153)
Profit for the period from continuing operations	48,778,831	3,048,382
Other comprehensive income (loss), net of tax	-	-
Total comprehensive income for the period	\$ 48,778,831	\$ 3,048,382
Comprehensive income attributable to non-controlling interest	\$ 9,755,766	\$ 609,676

Statements of cash flows

	EMU	
	Nine-month period ended September 30, 2021	Nine-month period ended September 30, 2020
Net cash provided by operating activities	\$ 22,043,929	\$ 4,922,831
Net cash used in investing activities	(362,527)	(1,429,350)
Net cash used in financing activities	(14,976,115)	(3,212,620)
Effect of exchange rates on cash and cash equivalents	(56,385)	(61,487)
Increase in cash and cash equivalents	6,648,902	219,374
Cash and cash equivalents, beginning of period	2,524,302	1,610,984
Cash and cash equivalents, end of period	\$ 9,173,204	\$ 1,830,358

	EGH	
	Nine-month period ended September 30, 2021	Nine-month period ended September 30, 2020
Net cash provided by operating activities	\$ 61,966,613	\$ 7,344,456
Net cash used in investing activities	(13,173,687)	(4,965,909)
Net cash used in financing activities	(22,914,409)	(1,380,702)
Effect of exchange rates on cash and cash equivalents	(192,602)	(179,269)
Increase in cash and cash equivalents	25,685,915	818,576
Cash and cash equivalents, beginning of period	7,876,051	4,542,951
Cash and cash equivalents, end of period	\$ 33,561,966	\$ 5,361,527

(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) Non-current assets held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

(16) 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.

(17) 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)	2.6 ~ 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.

(18) 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.

(19) Investment property

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

(20) 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 to 10 years.

(21) 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.

(22) 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.

(23) 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.

(24) 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.

(25) 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'.

(26) 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'.

(27) Derecognition of financial liabilities

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

(28) 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.

(29) 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.

(30) 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.
- iv. Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

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.

(31) 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.
- G. The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.
- H. If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognises the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognised outside profit or loss is recognised in other comprehensive income or equity while the effect of the change on items recognised in profit or loss is recognised in profit or loss.

(32) 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.

(33) 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.

(34) 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.

(35) 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.

(36) 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>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Cash on hand and petty cash	\$ 22,248	\$ 20,206	\$ 26,616
Checking accounts and demand deposits	37,570,270	11,183,079	10,212,010
Time deposits	60,450,569	32,893,200	31,688,582
	<u>\$ 98,043,087</u>	<u>\$ 44,096,485</u>	<u>\$ 41,927,208</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>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Non-current items:			
Equity instruments			
Listed (TSE) stocks	\$ 490,801	\$ 490,801	\$ 490,801
Unlisted stocks	<u>200,456</u>	<u>201,532</u>	<u>205,057</u>
	691,257	692,333	695,858
Valuation adjustment	<u>1,296,239</u>	<u>965,650</u>	<u>871,036</u>
	<u>\$ 1,987,496</u>	<u>\$ 1,657,983</u>	<u>\$ 1,566,894</u>

- A. The Group has elected to classify these investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$1,987,496, \$1,657,983 and \$1,566,894 as at September 30, 2021, December 31, 2020 and September 30, 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:

	<u>Three-month period ended September 30, 2021</u>	<u>Three-month period ended September 30, 2020</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	(\$ <u>69,850</u>)	\$ <u>116,343</u>
Income tax recognised in other comprehensive income	<u>\$ 736</u>	<u>(\$ 1,266)</u>
Dividend income recognised in profit or loss - Held at end of period	<u>\$ 80,845</u>	<u>(\$ 182)</u>
	<u>Nine-month period ended September 30, 2021</u>	<u>Nine-month period ended September 30, 2020</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ <u>333,332</u>	(\$ <u>137,823</u>)
Income tax recognised in other comprehensive income	<u>\$ 9,729</u>	<u>\$ 8,932</u>
Dividend income recognised in profit or loss - Held at end of period	<u>\$ 106,275</u>	<u>\$ 73,065</u>

- 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

<u>Items</u>	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Current items:			
Time deposits exceeding 3 months	\$ 28,340,158	\$ 6,768,601	\$ 8,622,823
Restricted reserve account	22	2	2
Pledged time deposits	9,000	-	-
	<u>\$ 28,349,180</u>	<u>\$ 6,768,603</u>	<u>\$ 8,622,825</u>
Non-current items:			
Financial bonds	\$ 100,000	\$ 100,000	\$ 100,000
Pledged time deposits	249,838	248,609	241,014
Time deposits exceeding 1 year	41,844	-	-
	<u>\$ 391,682</u>	<u>\$ 348,609</u>	<u>\$ 341,014</u>

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

	<u>Three-month period ended September 30, 2021</u>	<u>Three-month period ended September 30, 2020</u>
Interest income	<u>\$ 18,549</u>	<u>\$ 4,866</u>
	<u>Nine-month period ended September 30, 2021</u>	<u>Nine-month period ended September 30, 2020</u>
Interest income	<u>\$ 59,784</u>	<u>\$ 27,913</u>

B. As at September 30, 2021, December 31, 2020 and September 30, 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 \$28,740,862, \$7,117,212 and \$8,963,839 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:

September 30, 2021			
Hedged items	Designated as hedging instruments	Contract period	Book value
Expected US dollar denominated equipment payable	US dollar denominated restricted time deposits	2021.7.27~2021.9.30	\$ <u>28,340,932</u>

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

September 30, 2021	
Cash flow hedges :	
<u>Exchange rate risk</u>	
Time deposits designated as hedges	
Current liabilities	\$ 26,432,707
Non-current liabilities	<u>1,908,225</u>
	<u>\$ 28,340,932</u>

B. Other equity - cash flow hedge reserve

2021	
At July 1	\$ -
Less : Loss on hedge effectiveness -amount recognised in other comprehensive income	(<u>183,634</u>)
At September 30	<u>(\$ 183,634)</u>
2021	
At January 1	\$ -
Less : Loss on hedge effectiveness -amount recognised in other comprehensive income	(<u>183,634</u>)
At September 30	<u>(\$ 183,634)</u>

C. As of September 30, 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>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Notes receivable	\$ 458,692	\$ 113,314	\$ 89,970
Less: Allowance for bad debts	<u>-</u>	<u>(1)</u>	<u>(2)</u>
	<u>\$ 458,692</u>	<u>\$ 113,313</u>	<u>\$ 89,968</u>
Accounts receivable (including related parties)	\$ 47,695,592	\$ 21,812,052	\$ 17,312,036
Less: Allowance for bad debts	<u>(5,405)</u>	<u>(6,742)</u>	<u>(7,679)</u>
	<u>\$ 47,690,187</u>	<u>\$ 21,805,310</u>	<u>\$ 17,304,357</u>
	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Overdue receivables (recorded as other non-current assets)	\$ -	\$ -	\$ 260,620
Less: Allowance for bad debts	<u>-</u>	<u>-</u>	<u>(260,620)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	<u>September 30, 2021</u>		<u>December 31, 2020</u>	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	\$ 39,992,491	\$ 377,382	\$ 17,859,541	\$ 113,314
Up to 30 days	7,332,905	81,304	3,758,485	-
31 to 180 days	370,196	6	194,026	-
	<u>\$ 47,695,592</u>	<u>\$ 458,692</u>	<u>\$ 21,812,052</u>	<u>\$ 113,314</u>
			<u>September 30, 2020</u>	
			Accounts receivable	Notes receivable
Not past due			\$ 15,184,325	\$ 89,970
Up to 30 days			2,040,353	-
31 to 180 days			87,358	-
Over180 days			<u>260,620</u>	<u>-</u>
			<u>\$ 17,572,656</u>	<u>\$ 89,970</u>

The above ageing analysis was based on past due date.

B. As of September 30, 2021, December 31, 2020, September 30, 2020 and January 1, 2020, the balances of receivables (including notes receivable) from contracts with customers amounted to \$48,148,879, \$21,918,623, \$17,340,028 and \$14,888,818, respectively.

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

D. As at September 30, 2021, December 31, 2020 and September 30, 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 \$458,692, \$113,313 and \$89,968, respectively; and the amount that best represents the Group's accounts receivable were \$47,690,187, \$21,805,310 and \$17,304,357, respectively.

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

(6) Inventories

	September 30, 2021		
	Cost	Allowance for valuation loss	Book value
Ship fuel	\$ 4,685,765	\$ -	\$ 4,685,765
Steel and others	703,629	-	703,629
	<u>\$ 5,389,394</u>	<u>\$ -</u>	<u>\$ 5,389,394</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>
	September 30, 2020		
	Cost	Allowance for valuation loss	Book value
Ship fuel	\$ 2,490,290	\$ -	\$ 2,490,290
Steel and others	401,721	-	401,721
	<u>\$ 2,892,011</u>	<u>\$ -</u>	<u>\$ 2,892,011</u>

(7) Other current assets

	September 30, 2021	December 31, 2020	September 30, 2020
Shipowner's accounts	\$ 14,476	\$ 626,782	\$ 344,701
Agency accounts	3,858,641	2,802,786	2,217,032
Temporary debits	853,338	892,624	602,566
	<u>\$ 4,726,455</u>	<u>\$ 4,322,192</u>	<u>\$ 3,164,299</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>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Evergreen International Storage and Transport Corporation	\$ 10,462,118	\$ 9,315,382	\$ 8,990,766
EVA Airways Corporation Taipei Port Container Terminal Corporation	11,393,314	11,327,144	10,912,593
Charng Yang Development Co., Ltd.	1,632,596	1,523,550	1,501,234
Ningbo Victory Container Co., Ltd.	544,614	557,549	539,651
Ever Ecove Corporation	333,576	328,607	319,247
Luanta Investment (Netherlands) N.V.	301,598	305,965	-
Balsam Investment (Netherlands) N.V.	715,951	1,485,739	1,818,945
Colon Container Terminal S.A.	3,699,513	1,177,162	573,001
Others	3,053,249	2,981,754	3,079,277
	<u>1,002,316</u>	<u>917,142</u>	<u>864,387</u>
	<u>\$ 33,138,845</u>	<u>\$ 29,919,994</u>	<u>\$ 28,599,101</u>

B. Associates

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

Company name	Principal place of business	Ownership(%)			Nature of relationship	Methods of measurement
		September 30, 2021	December 31, 2020	September 30, 2020		
		Evergreen International Storage and Transport Corporation	TW	40.36%		
EVA Airways Corporation	TW	15.13%	16.00%	16.00%	Have a right to vote in the Board of Directors	Equity method

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

Balance sheet

	Evergreen International Storage and Transport Corporation		
	September 30, 2021	December 31, 2020	September 30, 2020
Current assets	\$ 10,298,015	\$ 6,947,311	\$ 5,838,075
Non-current assets	28,818,734	28,124,463	27,877,903
Current liabilities	(3,156,795)	(3,517,476)	(3,546,976)
Non-current liabilities	(9,578,776)	(8,204,681)	(7,634,771)
Total net assets	<u>\$ 26,381,178</u>	<u>\$ 23,349,617</u>	<u>\$ 22,534,231</u>
Share in associate's net assets	\$ 10,562,197	\$ 9,373,779	\$ 9,044,694
Unrealized income with affiliated companies	(100,079)	(58,397)	(53,928)
Carrying amount of the associate	<u>\$ 10,462,118</u>	<u>\$ 9,315,382</u>	<u>\$ 8,990,766</u>

EVA Airways Corporation			
	September 30, 2021	December 31, 2020	September 30, 2020
Current assets	\$ 62,965,682	\$ 55,932,512	\$ 57,828,532
Non-current assets	260,982,296	273,634,743	274,024,678
Current liabilities	(52,744,231)	(45,433,155)	(53,160,392)
Non-current liabilities	(190,279,284)	(207,474,571)	(204,062,303)
Total net assets	<u>\$ 80,924,463</u>	<u>\$ 76,659,529</u>	<u>\$ 74,630,515</u>
Share in associate's net assets	<u>\$ 11,393,314</u>	<u>\$ 11,327,144</u>	<u>\$ 10,912,593</u>

Statement of comprehensive income

Evergreen International Storage and Transport Corporation			
	Three-month period ended September 30, 2021	Three-month period ended September 30, 2020	
Revenue	<u>\$ 1,700,930</u>	<u>\$ 1,755,871</u>	
Profit for the period	\$ 316,310	\$ 182,789	
Other comprehensive (loss) income, net of tax	(1,911,788)	65,838	
Total comprehensive (loss) income	<u>(\$ 1,595,478)</u>	<u>\$ 248,627</u>	
Dividends received from associates	<u>\$ -</u>	<u>\$ -</u>	

Evergreen International Storage and Transport Corporation			
	Nine-month period ended September 30, 2021	Nine-month period ended September 30, 2020	
Revenue	<u>\$ 5,127,394</u>	<u>\$ 5,248,700</u>	
Profit for the period	\$ 703,786	\$ 548,791	
Other comprehensive income (loss), net of tax	2,647,721	(368,118)	
Total comprehensive income	<u>\$ 3,351,507</u>	<u>\$ 180,673</u>	
Dividends received from associates	<u>\$ 129,208</u>	<u>\$ 129,208</u>	

EVA Airways Corporation			
	Three-month period ended September 30, 2021	Three-month period ended September 30, 2020	
Revenue	<u>\$ 25,814,068</u>	<u>\$ 18,402,985</u>	
Profit (loss) for the period	\$ 1,515,551	(\$ 1,773,816)	
Other comprehensive (loss) income, net of tax	(1,088,355)	1,519,685	
Total comprehensive income (loss)	<u>\$ 427,196</u>	<u>(\$ 254,131)</u>	
Dividends received from associates	<u>\$ -</u>	<u>\$ -</u>	

EVA Airways Corporation		
	Nine-month period ended September 30, 2021	Nine-month period ended September 30, 2020
Revenue	\$ 69,655,836	\$ 67,925,015
Loss for the period	(\$ 586,625)	(\$ 3,574,293)
Other comprehensive income, net of tax	1,819,614	1,807,168
Total comprehensive income (loss)	\$ 1,232,989	(\$ 1,767,125)
Dividends received from associates	\$ -	\$ 194,135

(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 September 30, 2021, December 31, 2020 and September 30, 2020, the carrying amount of the Group's individually immaterial associates amounted to \$11,283,413, \$9,277,468 and \$8,695,742, respectively.

	Nine-month period ended September 30, 2021	Nine-month period ended September 30, 2020
Profit for the period	\$ 5,782,518	\$ 619,902
Other comprehensive (loss) income, net of tax	(638,013)	411,368
Total comprehensive income	\$ 5,144,505	\$ 1,031,270

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:

	September 30, 2021	December 31, 2020	September 30, 2020
Evergreen International Storage and Transport Corporation	\$ 13,416,062	\$ 8,721,517	\$ 5,857,414
EVA Airways Corporation	14,676,627	10,211,516	8,270,163
	\$ 28,092,689	\$ 18,933,033	\$ 14,127,577

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 15.13% as of September 30, 2021 due to the conversions from corporate bonds to stocks during the nine-month period ended September 30, 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	-	24,468	1,355	170,419	77,903	9,255,496	2,749,180	18,335	2,249	2,924	12,302,329
Disposals	-	-	(2,143)	-	(157)	(20,877)	-	(582)	(13)	-	(23,772)
Reclassifications	(3,468)	211,848	(25)	22,463	8,408	(15,234)	20,395,241	11,959	226,399	(8,711)	20,848,880
Depreciation	-	(139,100)	(10,316)	(288,078)	(204,187)	(2,258,454)	(4,301,153)	(33,844)	(169,742)	(3,159)	(7,408,033)
Acquired from business combinations	2,569	6,990	-	-	585	-	-	569	44	-	10,757
Net exchange differences	(13,769)	(53,031)	(5,183)	(12,681)	(4,044)	(157,729)	(536,077)	(4,571)	(12,359)	(422)	(799,866)
Closing net book amount as at September 30	<u>\$ 865,229</u>	<u>\$ 6,045,563</u>	<u>\$ 98,070</u>	<u>\$ 2,724,486</u>	<u>\$ 250,498</u>	<u>\$ 26,844,912</u>	<u>\$ 105,000,081</u>	<u>\$ 124,088</u>	<u>\$ 1,551,146</u>	<u>\$ 68,866</u>	<u>\$ 143,572,939</u>
At September 30											
Cost	\$ 865,229	\$ 7,824,528	\$ 577,217	\$ 11,418,930	\$ 1,462,007	\$ 40,678,433	\$ 150,488,645	\$ 629,195	\$ 2,464,487	\$ 87,954	\$ 216,496,625
Accumulated depreciation	-	(1,778,965)	(479,147)	(8,694,444)	(1,211,509)	(13,833,521)	(45,488,564)	(505,107)	(913,341)	(19,088)	(72,923,686)
	<u>\$ 865,229</u>	<u>\$ 6,045,563</u>	<u>\$ 98,070</u>	<u>\$ 2,724,486</u>	<u>\$ 250,498</u>	<u>\$ 26,844,912</u>	<u>\$ 105,000,081</u>	<u>\$ 124,088</u>	<u>\$ 1,551,146</u>	<u>\$ 68,866</u>	<u>\$ 143,572,939</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		-	8,416	563	17,336	113,991	3,480,086	496,175	30,461	628,914	23,773	4,799,715
Disposals		-	-	-	(153)	(693)	(32,735)	(764,770)	(280)	-	-	(798,631)
Reclassifications		18,209	142,547	-	-	6,907	114,468	11,977,039	14,657	842,407	(153,005)	12,963,229
Depreciation		-	(122,926)	(10,715)	(384,897)	(207,768)	(2,010,435)	(3,723,273)	(35,823)	(127,908)	(3,355)	(6,627,100)
Acquired from business combinations		-	112,870	-	-	1,271	-	-	2,447	668	-	117,256
Net exchange differences		(19,444)	(187,401)	(6,359)	(54,112)	(12,127)	(499,093)	(1,531,440)	(5,044)	(22,107)	(3,133)	(2,340,260)
Closing net book amount as at September 30												
	\$	<u>822,142</u>	<u>6,122,244</u>	<u>117,899</u>	<u>2,983,933</u>	<u>412,306</u>	<u>20,450,409</u>	<u>83,800,287</u>	<u>133,368</u>	<u>1,590,634</u>	<u>74,498</u>	<u>116,507,720</u>
At September 30												
Cost	\$	822,142	7,644,487	622,394	11,407,126	1,395,222	31,338,738	125,033,749	607,034	2,286,082	89,211	181,246,185
Accumulated depreciation		-	(1,522,243)	(504,495)	(8,423,193)	(982,916)	(10,888,329)	(41,233,462)	(473,666)	(695,448)	(14,713)	(64,738,465)
	\$	<u>822,142</u>	<u>6,122,244</u>	<u>117,899</u>	<u>2,983,933</u>	<u>412,306</u>	<u>20,450,409</u>	<u>83,800,287</u>	<u>133,368</u>	<u>1,590,634</u>	<u>74,498</u>	<u>116,507,720</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>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 8,381,635	\$ 9,833,608	\$ 10,484,795
Buildings	724,523	696,077	716,273
Loading and unloading equipment	25,714	103,825	133,946
Transportation equipment	758,230	885,275	1,514,490
Ships	84,261,032	64,607,963	63,912,896
Office equipment	35,433	51,878	45,059
Other equipment	6,516	10,561	5,619
	<u>\$ 94,193,083</u>	<u>\$ 76,189,187</u>	<u>\$ 76,813,078</u>

	<u>Three-month period ended</u>	<u>Three-month period ended</u>
	<u>September 30, 2021</u>	<u>September 30, 2020</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 462,696	\$ 469,546
Buildings	70,565	70,841
Loading and unloading equipment	25,729	31,754
Transportation equipment	39,268	160,575
Ships	2,385,946	2,124,958
Office equipment	5,589	5,370
Other equipment	1,315	5,580
	<u>\$ 2,991,108</u>	<u>\$ 2,868,624</u>

	Nine-month period ended September 30, 2021	Nine-month period ended September 30, 2020
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 1,387,245	\$ 1,423,441
Buildings	209,976	214,126
Loading and unloading equipment	77,498	82,480
Transportation equipment	118,386	511,392
Ships	7,021,097	6,641,315
Office equipment	16,917	14,126
Other equipment	3,962	17,013
	<u>\$ 8,835,081</u>	<u>\$ 8,903,893</u>

D. For the nine-month periods ended September 30, 2021 and 2020, the additions to right-of-use assets were \$22,094,711 and \$4,198,556, respectively.

E. For the nine-month periods ended September 30, 2021 and 2020, the disposals to right-of-use assets were \$459 and \$26,816, respectively.

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

	Three-month period ended September 30, 2021	Three-month period ended September 30, 2020
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 488,721	\$ 646,095
Expense on short-term lease contracts	1,023,414	992,068
Expense on leases of low-value assets	4,268	7,590
Expense on variable lease payments	28	986
Gains arising from lease modifications	4,474	1,586
	Nine-month period ended September 30, 2021	Nine-month period ended September 30, 2020
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 1,665,287	\$ 2,091,180
Expense on short-term lease contracts	3,228,004	3,305,817
Expense on leases of low-value assets	12,846	15,103
Expense on variable lease payments	75	3,166
Gains arising from lease modifications	7,270	2,051

G. For the nine-month periods ended September 30, 2021 and 2020, the Group's total cash outflow for leases amounted to \$13,599,192 and \$14,228,400, respectively.

H. As of September 30, 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 \$20,525,498.

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 \$1,143 by decreasing rent expense by \$808 and increasing other income by \$335 for the nine-month period ended September 30, 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:

September 30, 2021			
Hedged items	Designated as hedging instruments	Contract period	Book value
Expected US dollar denominated marine freight income transaction	US dollar denominated lease liabilities	2019.1.1~2034.8.15	\$ <u>11,872,982</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>

September 30, 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>11,440,272</u>

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

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Cash flow hedges :			
<u>Exchange rate risk</u>			
Lease liability contracts designated as hedges			
Current liabilities	\$ 1,067,237	\$ 898,484	\$ 905,017
Non-current liabilities	<u>10,805,745</u>	<u>9,971,891</u>	<u>10,535,255</u>
	<u>\$ 11,872,982</u>	<u>\$ 10,870,375</u>	<u>\$ 11,440,272</u>

(b) Other equity - cash flow hedge reserve

	<u>2021</u>	<u>2020</u>
At July 1	\$ 1,043,419	\$ 792,403
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	168,401	(17,088)
Add: Profit on hedge effectiveness -amount recognised in other comprehensive income	<u>29,577</u>	<u>285,545</u>
At September 30	<u>\$ 1,241,397</u>	<u>\$ 679,305</u>
	<u>2021</u>	<u>2020</u>
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	128,931	(36,527)
Add: Profit on hedge effectiveness -amount recognised in other comprehensive income	<u>97,674</u>	<u>637,249</u>
At September 30	<u>\$ 1,241,397</u>	<u>\$ 679,305</u>

(c) As of September 30, 2021, December 31, 2020 and September 30, 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 September 30, 2021, December 31, 2020 and September 30, 2020 are as follows:

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Current lease liabilities	\$ 15,506,603	\$ 8,730,653	\$ 8,657,465
Current lease liabilities - related parties	158,566	738,449	965,664
Non-current lease liabilities	64,299,988	53,612,107	53,686,073
Non-current lease liabilities - related parties	200,642	219,348	323,440
	<u>\$ 80,165,799</u>	<u>\$ 63,300,557</u>	<u>\$ 63,632,642</u>

(11) Leasing arrangements – lessor

A. For the three-month and nine-month periods ended September 30, 2021 and 2020, the Group recognised rent income in the amounts of \$141,978, \$79,171, \$372,925 and \$238,248, 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>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Within 1 year	\$ 582,844	\$ 335,930	\$ 305,990
1-2 years	294,968	202,020	119,531
2-3 years	95,318	54,161	53,842
3-4 years	504	53,747	53,667
4-5 years	420	53,726	53,591
After 5 years	-	138,792	151,842
	<u>\$ 974,054</u>	<u>\$ 838,376</u>	<u>\$ 738,463</u>

(12) Investment property, net

	2021		
	Land	Buildings	Total
At January 1			
Cost	\$ 1,396,755	\$ 4,674,765	\$ 6,071,520
Accumulated depreciation	-	(900,008)	(900,008)
	<u>\$ 1,396,755</u>	<u>\$ 3,774,757</u>	<u>\$ 5,171,512</u>
Opening net book amount as at January 1	\$ 1,396,755	\$ 3,774,757	\$ 5,171,512
Reclassification to property, plant and equipment	-	(204,014)	(204,014)
Depreciation	-	(112,551)	(112,551)
Net exchange differences	(9)	12,184	12,175
Closing net book amount as at September 30	<u>\$ 1,396,746</u>	<u>\$ 3,470,376</u>	<u>\$ 4,867,122</u>
At September 30			
Cost	\$ 1,396,746	\$ 4,390,593	\$ 5,787,339
Accumulated depreciation	-	(920,217)	(920,217)
	<u>\$ 1,396,746</u>	<u>\$ 3,470,376</u>	<u>\$ 4,867,122</u>
	2020		
	Land	Buildings	Total
At January 1			
Cost	\$ 1,415,029	\$ 4,788,141	\$ 6,203,170
Accumulated depreciation	-	(748,100)	(748,100)
	<u>\$ 1,415,029</u>	<u>\$ 4,040,041</u>	<u>\$ 5,455,070</u>
Opening net book amount as at January 1	\$ 1,415,029	\$ 4,040,041	\$ 5,455,070
Reclassifications	(18,209)	24,917	6,708
Depreciation	-	(116,687)	(116,687)
Net exchange differences	(35)	(91,976)	(92,011)
Closing net book amount as at September 30	<u>\$ 1,396,785</u>	<u>\$ 3,856,295</u>	<u>\$ 5,253,080</u>
At September 30			
Cost	\$ 1,396,785	\$ 4,712,403	\$ 6,109,188
Accumulated depreciation	-	(856,108)	(856,108)
	<u>\$ 1,396,785</u>	<u>\$ 3,856,295</u>	<u>\$ 5,253,080</u>

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

	<u>Three-month period ended September 30, 2021</u>	<u>Three-month period ended September 30, 2020</u>
Rental revenue from the lease of the investment property	\$ 40,286	\$ 52,810
Direct operating expenses arising from the investment property that generated rental income in the period	\$ 36,390	\$ 38,550
Direct operating expenses arising from the investment property that did not generate rental income in the period	\$ 145	\$ 25
	<u>Nine-month period ended September 30, 2021</u>	<u>Nine-month period ended September 30, 2020</u>
Rental revenue from the lease of the investment property	\$ 146,918	\$ 158,755
Direct operating expenses arising from the investment property that generated rental income in the period	\$ 113,376	\$ 116,882
Direct operating expenses arising from the investment property that did not generate rental income in the period	\$ 398	\$ 611

B. The fair value of the investment property held by the Group as at September 30, 2021, December 31, 2020 and September 30, 2020 was \$7,074,686, \$7,100,979 and \$7,076,949, 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>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Prepayments for equipment	\$ 20,864,563	\$ 13,923,670	\$ 12,899,455
Refundable deposits	264,200	236,729	264,974
Others	100,768	75,989	74,827
	<u>\$ 21,229,531</u>	<u>\$ 14,236,388</u>	<u>\$ 13,239,256</u>

Movement analysis of prepayments for equipment for the nine-month periods ended September 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
At January 1	\$ 13,923,670	\$ 9,308,236
Additions	27,764,477	17,097,032
Reclassification to property, plant and equipment	(20,648,828)	(12,828,735)
Reclassification to intangible assets	(250)	(1,875)
Net exchange differences	(174,506)	(675,203)
At September 30	<u>\$ 20,864,563</u>	<u>\$ 12,899,455</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>Three-month period ended September 30, 2021</u>	<u>Three-month period ended ended September 30, 2020</u>
Amount capitalised	\$ 23,717	\$ 39,344
Interest rate	0.86%~2.14%	0.86%~4.10%
	<u>Nine-month period ended September 30, 2021</u>	<u>Nine-month period ended September 30, 2020</u>
Amount capitalised	\$ 92,383	\$ 171,441
Interest rate	0.86%~2.14%	0.86%~4.10%

(14) Other current liabilities

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Receipt in advance	\$ 13,051	\$ 4,147	\$ 5,518
Long-term liabilities - current portion	15,826,409	18,201,548	23,244,224
Corporate bonds - current portion	4,000,000	4,000,000	4,000,000
Shipowner's accounts	8,284,446	5,180,333	1,190,725
Agency accounts	11,060,355	3,279,919	1,725,660
Others	513,854	190,104	124,791
	<u>\$ 39,698,115</u>	<u>\$ 30,856,051</u>	<u>\$ 30,290,918</u>

(15) Corporate bonds payable

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Domestic secured corporate bonds	\$ 6,000,000	\$ 10,000,000	\$ 10,000,000
Domestic unsecured Convertible Bond	4,999,900	-	-
Unsecured Euro-Convertible Bond	-	7,149,181	8,697,300
Less: Discount on bonds payable	(239,725)	(370,138)	(473,359)
Less: Current portion (recorded as other current liabilities)	(4,000,000)	(4,000,000)	(4,000,000)
	<u>\$ 6,760,175</u>	<u>\$ 12,779,043</u>	<u>\$ 14,223,941</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 September 30, 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 September 30, 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>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Secured bank loans	\$ 48,783,522	\$ 59,213,235	\$ 58,867,121
Unsecured bank loans	13,704,447	36,211,178	48,898,574
Less : Unrealised foreign exchange gains	(170,291)	(148,493)	(68,368)
Less: Hosting fee credit	(102,278)	(33,872)	(36,761)
	<u>62,215,400</u>	<u>95,242,048</u>	<u>107,660,566</u>
Less: Current portion (recorded as other current liabilities)	(15,826,409)	(18,201,548)	(23,244,224)
	<u>\$ 46,388,991</u>	<u>\$ 77,040,500</u>	<u>\$ 84,416,342</u>
Borrowing period	2021.11~2031.09	2021.01~2030.06	2020.11~2030.06
Interest rate	0.92%~5.15%	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>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Accrued pension liabilities	\$ 3,340,600	\$ 3,423,829	\$ 2,972,459
Guarantee deposits received	438,050	300,820	308,604
Deferred income	117,406	-	-
Unrealised gain on sale and leaseback	586	1,594	2,045
Others	19,162	14,368	5,831
	<u>\$ 3,915,804</u>	<u>\$ 3,740,611</u>	<u>\$ 3,288,939</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, 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) For the aforementioned pension plan, the Group recognised pension costs and expenses of, \$54,946, \$48,771, \$167,961 and \$146,625 for the three-month and nine-month periods ended September 30, 2021 and 2020, respectively.
- (d) Expected contributions to the defined benefit pension plans of the Company and its subsidiary-TTSC for the nine-month period ended September 30, 2022 amount to \$119,712.
- 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 three-month and nine-month periods ended September 30, 2021 and 2020 were \$80,442, \$76,507, \$241,068 and \$226,804, respectively.

(19) Capital stock

- A. As of September 30, 2021, the Company's authorized capital was \$70,000,000, and the paid-in capital was \$ 52,908,474, consisting of 5,290,847 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 nine-month period ended September 30, 2021, which resulted in 'capital surplus, additional paid-in capital arising from bond conversion' of \$90. As of September 30, 2021, the share capital amounting to \$10 (1 thousand shares) was recognised under 'certificate of entitlement to new shares from convertible bonds' as the registration has not yet been completed.
- 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 nine-month period end September 30, 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 September 30, 2021, December 31, 2020 and September 30, 2020, the numbers of the Company's shares held by its associate accounted for using equity method, EITC, were 25,254, 25,084 and 25,254 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	-	-	-	-	(6)
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	-	-	(118,985)	-	-
At September 30	\$ 13,056,017	\$ 400,116	\$ 2,025,583	\$ 446	\$7,330

	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	-	-	-	-	37
Proceeds from issuance of Euro-Convertible Bonds	-	379,915	-	-	-
Recognition of change in equity of associates in proportion to the Company's ownership	-	-	574	-	-
At September 30	<u>\$ 9,167,217</u>	<u>\$ 490,871</u>	<u>\$ 2,122,679</u>	<u>\$ 446</u>	<u>\$6,750</u>

(21) Retained earnings

	September 30, 2021	September 30, 2020
At January 1	\$ 27,734,460	\$ 3,659,042
Profit for the period	158,279,091	10,935,991
Appropriation of earnings	(16,145,182)	-
Remeasurement on post employment benefit obligations, net of tax	(23,448)	3,024
Adjustments to share of changes in equity of associates and joint ventures	40,981	1,268
At September 30	<u>\$ 169,885,902</u>	<u>\$ 14,599,325</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

(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	333,332	-	-	333,332
Revaluation – tax	9,729	-	-	9,729
Revaluation – associates	1,242,167	-	-	1,242,167
Revaluation transferred to retained earnings – associates	(41,138)	-	-	(41,138)
Cash flow hedges:				
– Fair value gain in the period				
– Group	-	42,971	-	42,971
– Group – tax	-	3,837	-	3,837
– Associates	-	(178,395)	-	(178,395)
Currency translation differences:				
– Group	-	-	(792,246)	(792,246)
– Group – tax	-	-	(825)	(825)
– Associates	-	-	(30,373)	(30,373)
At September 30	<u>\$ 3,428,864</u>	<u>\$ 1,730,577</u>	<u>(\$ 5,151,788)</u>	<u>\$ 7,653</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	(137,823)	-	-	(137,823)
Revaluation – tax	8,932	-	-	8,932
Revaluation – associates	28,187	-	-	28,187
retained earnings – associates	(1,268)	-	-	(1,268)
Cash flow hedges:				
– Fair value loss in the period				
– Group	-	219,167	-	219,167
– Group – tax	-	(53,753)	-	(53,753)
– Associates	-	477,703	-	477,703
Currency translation differences:				
– Group	-	-	(1,456,530)	(1,456,530)
– Group – tax	-	-	13	13
– Associates	-	-	(166,846)	(166,846)
At September 30	<u>\$ 1,309,666</u>	<u>\$ 1,222,874</u>	<u>(\$ 2,480,136)</u>	<u>\$ 52,404</u>

(23) Operating revenue

	Three-month period ended September 30, 2021	Three-month period ended September 30, 2020
Revenue from contracts with customers	\$ 143,382,507	\$ 55,017,777
Other - ship rental and slottage income	99,140	24,341
	<u>\$ 143,481,647</u>	<u>\$ 55,042,118</u>
	Nine-month period ended September 30, 2021	Nine-month period ended September 30, 2020
Revenue from contracts with customers	\$ 333,184,876	\$ 142,314,609
Other - ship rental and slottage income	216,304	73,510
	<u>\$ 333,401,180</u>	<u>\$ 142,388,119</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).

Three-month period ended					
September 30, 2021	Ship-owners	Agents	Terminals	Other	Total
Total segment revenue	\$ 148,527,686	\$ 3,270,895	\$ 3,672,572	(\$ 9,267)	\$ 155,461,886
Inter-segment revenue	(7,903,460)	(1,957,079)	(2,218,840)	-	(12,079,379)
Revenue from external customer contracts	<u>\$ 140,624,226</u>	<u>\$ 1,313,816</u>	<u>\$ 1,453,732</u>	<u>(\$ 9,267)</u>	<u>\$ 143,382,507</u>

Three-month period ended					
September 30, 2020	Ship-owners	Agents	Terminals	Other	Total
Total segment revenue	\$ 56,826,367	\$ 1,725,389	\$ 3,702,058	\$ 359,420	\$ 62,613,234
Inter-segment revenue	(4,788,798)	(885,085)	(1,921,574)	\$ -	(7,595,457)
Revenue from external customer contracts	<u>\$ 52,037,569</u>	<u>\$ 840,304</u>	<u>\$ 1,780,484</u>	<u>\$ 359,420</u>	<u>\$ 55,017,777</u>

Nine-month period ended					
September 30, 2021	Ship-owners	Agents	Terminals	Other	Total
Total segment revenue	\$ 342,141,931	\$ 8,644,179	\$ 10,364,836	\$ 897,614	\$ 362,048,560
Inter-segment revenue	(18,106,326)	(4,866,071)	(5,891,287)	-	(28,863,684)
Revenue from external customer contracts	<u>\$ 324,035,605</u>	<u>\$ 3,778,108</u>	<u>\$ 4,473,549</u>	<u>\$ 897,614</u>	<u>\$ 333,184,876</u>

Nine-month period ended					
September 30, 2020	Ship-owners	Agents	Terminals	Other	Total
Total segment revenue	\$ 146,972,033	\$ 4,760,382	\$ 10,010,380	\$ 858,220	\$ 162,601,015
Inter-segment revenue	(12,935,665)	(2,307,585)	(5,043,156)	\$ -	(20,286,406)
Revenue from external customer contracts	<u>\$ 134,036,368</u>	<u>\$ 2,452,797</u>	<u>\$ 4,967,224</u>	<u>\$ 858,220</u>	<u>\$ 142,314,609</u>

B. Contract assets and liabilities

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

	September 30, 2021	December 31, 2020	September 30, 2020	January 1, 2020
Contract assets:				
Contract assets				
– relating to marine freight income	<u>\$ 6,500,080</u>	<u>\$ 3,041,569</u>	<u>\$ 2,387,617</u>	<u>\$ 1,693,497</u>
Contract liabilities:				
Contract liabilities				
– unearned marine freight income	<u>(\$ 10,544,321)</u>	<u>(\$ 3,677,100)</u>	<u>(\$ 3,930,913)</u>	<u>(\$ 2,213,538)</u>

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

	<u>Three-month period ended September 30, 2021</u>	<u>Three-month period ended September 30, 2020</u>
Marine freight income	<u>\$ -</u>	<u>\$ -</u>
	<u>Nine-month period ended September 30, 2021</u>	<u>Nine-month period ended September 30, 2020</u>
Marine freight income	<u>\$ 3,677,100</u>	<u>\$ 2,213,538</u>
(24) <u>Other income and expenses, net</u>		
	<u>Three-month period ended September 30, 2021</u>	<u>Three-month period ended September 30, 2020</u>
Net gains on disposal of property, plant and equipment	<u>\$ 59,278</u>	<u>\$ 37,813</u>
	<u>Nine-month period ended September 30, 2021</u>	<u>Nine-month period ended September 30, 2020</u>
Net gains on disposal of property, plant and equipment	<u>\$ 155,770</u>	<u>\$ 35,881</u>
(25) <u>Interest income</u>		
	<u>Three-month period ended September 30, 2021</u>	<u>Three-month period ended September 30, 2020</u>
Interest income from bank deposits	<u>\$ 80,321</u>	<u>\$ 53,584</u>
Interest income from financial assets measured at amortised cost	<u>18,549</u>	<u>4,866</u>
	<u>\$ 98,870</u>	<u>\$ 58,450</u>
	<u>Nine-month period ended September 30, 2021</u>	<u>Nine-month period ended September 30, 2020</u>
Interest income from bank deposits	<u>\$ 178,051</u>	<u>\$ 256,008</u>
Interest income from financial assets measured at amortised cost	<u>59,784</u>	<u>27,913</u>
	<u>\$ 237,835</u>	<u>\$ 283,921</u>

(26) Other income

	Three-month period ended September 30, 2021	Three-month period ended September 30, 2020
Rent income	\$ 42,839	\$ 54,830
Dividend income	80,845	(182)
Gain recognised in bargain purchase transaction	8,605	3,415
Other income, others	51,690	97,661
	<u>\$ 183,979</u>	<u>\$ 155,724</u>
	Nine-month period ended September 30, 2021	Nine-month period ended September 30, 2020
Rent income	\$ 156,622	\$ 164,738
Dividend income	106,275	73,065
Gain recognised in bargain purchase transaction	8,605	3,415
Other income, others	140,812	184,161
	<u>\$ 412,314</u>	<u>\$ 425,379</u>

(27) Other gains and losses

	Three-month period ended September 30, 2021	Three-month period ended September 30, 2020
Net gains on disposal of investments	\$ 3,967	\$ 40
Gains arising from lease modifications	4,474	1,586
Net currency exchange gains	103,198	481,906
Net (Loss) gains on financial assets / liabilities at fair value through profit or loss	(1)	2,609
Net (losses) gains on disposal of right-of-use assets	(37)	22,605
Depreciation on investment property	(36,088)	(38,528)
Other non-operating expenses	(29,844)	(26,838)
	<u>\$ 45,669</u>	<u>\$ 443,380</u>

	Nine-month period ended September 30, 2021	Nine-month period ended September 30, 2020
Net gains on disposal of investments	\$ 10,908	\$ 201
Gains arising from lease modifications	7,270	2,051
Net currency exchange gains	248,563	691,675
Net Gains on financial assets / liabilities at fair value through profit or loss	44,472	2,609
Net (losses) gains on disposal of right- of-use assets	(459)	56,282
Depreciation on investment property	(112,551)	(116,687)
Other non-operating expenses	(113,528)	(87,862)
	<u>\$ 84,675</u>	<u>\$ 548,269</u>

(28) Finance costs

	Three-month period ended September 30, 2021	Three-month period ended September 30, 2020
Interest expense:		
Bank loans	\$ 224,174	\$ 392,585
Corporate bonds	27,580	26,020
Lease liabilities	488,721	646,095
	<u>740,475</u>	<u>1,064,700</u>
Less: Capitalized borrowing costs	(23,717)	(39,344)
	<u>\$ 716,758</u>	<u>\$ 1,025,356</u>

	Nine-month period ended September 30, 2021	Nine-month period ended September 30, 2020
Interest expense:		
Bank loans	\$ 808,626	\$ 1,580,252
Corporate bonds	85,357	76,204
Lease liabilities	1,665,287	2,091,180
	<u>2,559,270</u>	<u>3,747,636</u>
Less: Capitalized borrowing costs	(92,383)	(171,441)
	<u>\$ 2,466,887</u>	<u>\$ 3,576,195</u>

(29) Expenses by nature

	<u>Three-month period ended</u> <u>September 30, 2021</u>	<u>Three-month period ended</u> <u>September 30, 2020</u>
Employee benefit expense	\$ 3,152,347	\$ 2,389,394
Depreciation charges on property, plant and equipment	2,640,763	2,243,318
Depreciation charges on right-of-use assets	2,991,108	2,868,624
Amortisation charges on intangible assets	71,852	76,834
Other operating costs and expenses	38,572,431	36,409,869
	<u>\$ 47,428,501</u>	<u>\$ 43,988,039</u>
	<u>Nine-month period ended</u> <u>September 30, 2021</u>	<u>Nine-month period ended</u> <u>September 30, 2020</u>
Employee benefit expense	\$ 8,723,498	\$ 7,023,701
Depreciation charges on property, plant and equipment	7,408,033	6,627,100
Depreciation charges on right-of-use assets	8,835,081	8,903,893
Amortisation charges on intangible assets	216,488	230,488
Other operating costs and expenses	116,226,092	102,864,113
	<u>\$ 141,409,192</u>	<u>\$ 125,649,295</u>

(30) Employee benefit expense

	<u>Three-month period ended</u> <u>September 30, 2021</u>	<u>Three-month period ended</u> <u>September 30, 2020</u>
Wages and salaries	\$ 2,690,932	\$ 1,989,860
Labor and health insurance fees	197,545	164,774
Pension costs	135,388	125,278
Other personnel expenses	128,482	109,482
	<u>\$ 3,152,347</u>	<u>\$ 2,389,394</u>
	<u>Nine-month period ended</u> <u>September 30, 2021</u>	<u>Nine-month period ended</u> <u>September 30, 2020</u>
Wages and salaries	\$ 7,343,770	\$ 5,842,552
Labor and health insurance fees	599,406	497,613
Pension costs	409,029	373,429
Other personnel expenses	371,293	310,107
	<u>\$ 8,723,498</u>	<u>\$ 7,023,701</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 three-month and nine-month periods ended September 30, 2021, employees' compensation and directors' remunerations were accrued at \$439,804, \$2,375, \$859,797 and \$7,125, respectively. The aforementioned amount was recognised in salary expenses.

(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:

	Three-month period ended September 30, 2021	Three-month period ended September 30, 2020
Current tax:		
Current tax on profits for the period	\$ 4,734,719	\$ 444,859
Tax on undistributed surplus earnings	-	-
Prior year income tax underestimation	971	614
Total current tax	<u>4,735,690</u>	<u>445,473</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>4,268,525</u>	<u>670,212</u>
Total deferred tax	<u>4,268,525</u>	<u>670,212</u>
Income tax expense	<u>\$ 9,004,215</u>	<u>\$ 1,115,685</u>

	Nine-month period ended September 30, 2021	Nine-month period ended September 30, 2020
Current tax:		
Current tax on profits for the period	\$ 13,011,458	\$ 873,065
Tax on undistributed surplus earnings	463	-
Prior year income tax (overestimation) underestimation	(1,108)	51,813
Total current tax	<u>13,010,813</u>	<u>924,878</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>3,244,343</u>	<u>751,841</u>
Total deferred tax	<u>3,244,343</u>	<u>751,841</u>
Income tax expense	<u>\$ 16,255,156</u>	<u>\$ 1,676,719</u>

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

	Three-month period ended September 30, 2021	Three-month period ended September 30, 2020
Changes in fair value of financial assets at fair value through other comprehensive (loss) income	(\$ 736)	\$ 1,266
Exchange differences on translating the financial statements of foreign operations	275	-
Remeasurement of defined benefit obligations	4,396	-
Cash flow hedges	<u>2,394</u>	<u>(14,723)</u>
	<u>\$ 6,329</u>	<u>(\$ 13,457)</u>

	<u>Nine-month period ended September 30, 2021</u>	<u>Nine-month period ended September 30, 2020</u>
Changes in fair value of financial assets at fair value through other comprehensive loss	(\$ 9,729)	(\$ 8,932)
Exchange differences on translating the financial statements of foreign operations	825	(13)
Remeasurement of defined benefit obligations	23,471	159
Cash flow hedges	(3,837)	53,753
	<u>\$ 10,730</u>	<u>\$ 44,967</u>

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

	<u>Three-month period ended September 30, 2021</u>	<u>Three-month period ended September 30, 2020</u>
Reduction in capital surplus caused by recognition of foreign investees based on the shareholding ratio	\$ 21	(\$ 17)
Reduction in retained earnings caused by recognition of foreign investees based on the shareholding ratio	31	-
	<u>\$ 52</u>	<u>(\$ 17)</u>
	<u>Nine-month period ended September 30, 2021</u>	<u>Nine-month period ended September 30, 2020</u>
Reduction in capital surplus caused by recognition of foreign investees based on the shareholding ratio	(\$ 510)	(\$ 63)
Reduction in retained earnings caused by recognition of foreign investees based on the shareholding ratio	156	-
	<u>(\$ 354)</u>	<u>(\$ 63)</u>

B. 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>Three-month period ended September 30, 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	\$ 80,138,088	5,290,848	\$ 15.15
<u>Diluted earnings per share</u>			
Net profit attributable to ordinary shareholders of the parent	\$ 80,138,088	5,290,848	
Assumed conversion of all dilutive potential ordinary shares			
Euro-Convertible Bond	12,659	53,378	
Employees' compensation	-	3,490	
Net profit attributable to ordinary shareholders of the parent	\$ 80,150,747	5,347,716	\$ 14.99
<u>Three-month period ended September 30, 2020</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>Nine-month period ended September 30, 2021</u>		
<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>		
Net profit attributable to ordinary shareholders of the parent	\$ 158,279,091	5,228,964
	<u>5,228,964</u>	<u>\$ 30.27</u>
<u>Diluted earnings per share</u>		
Net profit attributable to ordinary shareholders of the parent	\$ 158,279,091	5,228,964
Assumed conversion of all dilutive potential ordinary shares		
Euro-Convertible Bond	27,961	26,591
Employees' compensation	-	6,824
	<u>27,961</u>	<u>26,591</u>
Net profit attributable to ordinary shareholders of the parent	\$ 158,307,052	5,262,379
	<u>5,262,379</u>	<u>\$ 30.08</u>
<u>Nine-month period ended September 30, 2020</u>		
<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (share in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>		
Net profit attributable to ordinary shareholders of the parent	\$ 10,935,991	4,812,974
	<u>4,812,974</u>	<u>\$ 2.27</u>
<u>Diluted earnings per share</u>		
Net profit attributable to ordinary shareholders of the parent	\$ 10,935,991	4,812,974
Assumed conversion of all dilutive potential ordinary shares		
Euro-Convertible Bond	512	3,488
Employees' compensation	-	3,736
	<u>512</u>	<u>3,488</u>
Net profit attributable to ordinary shareholders of the parent	\$ 10,936,503	4,820,198
	<u>4,820,198</u>	<u>\$ 2.27</u>

(33) Transactions with non-controlling interest

For the nine-month periods ended September 30, 2021 and 2020, the amount of cash dividends paid to non-controlling interests were \$360,906 and \$198,535, 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 three-month and nine-month periods ended September 30, 2021 would show operating revenue and profit before income tax of \$10,205, \$35,666, \$14,517 and \$66,294, 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 three-month and nine-month periods ended September 30, 2020 would show operating revenue and profit before income tax of \$10,535, \$19,706, \$26,695 and \$42,789, respectively.

(35) Supplemental cash flow information

A. Investing activities with partial cash payments

(a) Property, plant and equipment

	Nine-month period ended September 30, 2021	Nine-month period ended September 30, 2020
Purchase of property, plant and equipment	\$ 12,302,329	\$ 4,799,715
Add: Opening balance of payable on equipment	278,482	455,427
Less: Ending balance of payable on equipment	(2,341,658)	(150,285)
Cash paid during the period	<u>\$ 10,239,153</u>	<u>\$ 5,104,857</u>

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

	Nine-month period ended September 30, 2021	Nine-month period ended September 30, 2020
Purchase of prepayments for equipment	\$ 27,764,477	\$ 17,097,032
Add: Opening balance of payable on prepayments for equipment	188,862	-
Less: Ending balance of payable on prepayments for equipment	(623,148)	(245,748)
Capitalized borrowing costs	(92,383)	(171,441)
Cash paid during the period	<u>\$ 27,237,808</u>	<u>\$ 16,679,843</u>

(c) Cash dividend received

	Nine-month period ended September 30, 2021	Nine-month period ended September 30, 2020
Dividend income	\$ 583,348	\$ 666,174
Add: Opening balance of dividends receivable	-	-
Less: Ending balance of dividends receivable	-	(194,135)
Cash received during the period	<u>\$ 583,348</u>	<u>\$ 472,039</u>

(d) Intangible assets

	<u>Nine-month period ended</u> <u>September 30, 2021</u>	<u>Nine-month period ended</u> <u>September 30, 2020</u>
Purchase of Intangible assets	\$ 19,641	\$ 19,097
Add: Opening balance of payable on equipment	-	-
Less: Ending balance of payable on equipment	(1,080)	-
Cash paid during the period	<u>\$ 18,561</u>	<u>\$ 19,097</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

	Nine-month period ended September 30, 2021	Nine-month period ended September 30, 2020
Change in transactions with non-controlling interest	\$ 350,190	\$ 338,416
Add: Opening balance of payable on investments	12,889	-
Less: Ending balance of payable on investments	(39,510)	-
Cash paid during the period	<u>\$ 323,569</u>	<u>\$ 338,416</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	1,043,871	(32,425,815)	143,918	(8,692,980)	(39,931,006)
Acquired from business combinations	-	-	-	8,615	8,615
Additions to lease liabilities	-	-	-	22,094,711	22,094,711
Remeasurement of lease liabilities	-	-	-	5,368,154	5,368,154
Changes in other non-cash items	(7,062,739)	-	-	(1,143)	(7,063,882)
Impact of changes in foreign exchange rate	-	(600,833)	(6,688)	(909,508)	(1,517,029)
At September 30, 2021	<u>\$ 10,760,175</u>	<u>\$ 62,215,400</u>	<u>\$ 438,050</u>	<u>\$ 92,038,781</u>	<u>\$ 165,452,406</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	8,655,358	3,269,876	(6,048)	(8,813,134)	3,106,052
Acquired from business combinations	-	-	14	2,586	2,600
Additions to lease liabilities	-	-	-	4,198,556	4,198,556
Remeasurement of lease liabilities	-	-	-	1,025,350	1,025,350
Changes in other non-cash items	(431,417)	-	-	(3,524)	(434,941)
Impact of changes in foreign exchange rate	-	(2,310,878)	(11,349)	(2,568,755)	(4,890,982)
At September 30, 2020	<u>\$ 18,223,941</u>	<u>\$ 107,660,566</u>	<u>\$ 308,604</u>	<u>\$ 75,072,914</u>	<u>\$ 201,266,025</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
Eever 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:

	Three-month period ended September 30, 2021	Three-month period ended September 30, 2020
Associates	\$ 496,099	\$ 538,125
Other related parties	6,520,502	3,051,368
	<u>\$ 7,016,601</u>	<u>\$ 3,589,493</u>
	Nine-month period ended September 30, 2021	Nine-month period ended September 30, 2020
Associates	\$ 1,476,244	\$ 1,466,584
Other related parties	15,370,703	8,901,136
	<u>\$ 16,846,947</u>	<u>\$ 10,367,720</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:

	Three-month period ended September 30, 2021	Three-month period ended September 30, 2020
Associates	\$ 1,510,310	\$ 887,395
Other related parties	3,049,365	1,942,614
	<u>\$ 4,559,675</u>	<u>\$ 2,830,009</u>
	Nine-month period ended September 30, 2021	Nine-month period ended September 30, 2020
Associates	\$ 4,151,541	\$ 2,608,058
Other related parties	7,489,337	5,185,422
	<u>\$ 11,640,878</u>	<u>\$ 7,793,480</u>

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

C. Receivables from related parties:

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Accounts receivable:			
Associates	\$ 56,939	\$ 95,943	\$ 82,428
Other related parties	1,432,999	753,489	616,408
Subtotal	<u>\$ 1,489,938</u>	<u>\$ 849,432</u>	<u>\$ 698,836</u>
Other receivables:			
Associates			
-EITC	\$ 18,196	\$ 701	\$ 194,406
-Other	3,221	3,158	3,738
Other related parties	21,315	16,005	3,023
Subtotal	<u>\$ 42,732</u>	<u>\$ 19,864</u>	<u>\$ 201,167</u>
Total	<u>\$ 1,532,670</u>	<u>\$ 869,296</u>	<u>\$ 900,003</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>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Accounts payable:			
Associates	\$ 120,471	\$ 89,633	\$ 110,739
Other related parties	<u>174,545</u>	<u>146,571</u>	<u>234,060</u>
Subtotal	<u>\$ 295,016</u>	<u>\$ 236,204</u>	<u>\$ 344,799</u>
Other payables:			
Associates	\$ 4,971	\$ 22,400	\$ 14,856
Other related parties	<u>629,427</u>	<u>99,118</u>	<u>113,213</u>
Subtotal	<u>\$ 634,398</u>	<u>\$ 121,518</u>	<u>\$ 128,069</u>
Total	<u>\$ 929,414</u>	<u>\$ 357,722</u>	<u>\$ 472,868</u>

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

E. Property transactions:

Acquisition of property, plant and equipment:

	<u>Three-month period ended September 30, 2021</u>	<u>Three-month period ended September 30, 2020</u>
Associates	\$ -	\$ -
Other related parties	<u>2,615,743</u>	<u>1,454</u>
	<u>\$ 2,615,743</u>	<u>\$ 1,454</u>
	<u>Nine-month period ended September 30, 2021</u>	<u>Nine-month period ended September 30, 2020</u>
Associates	\$ 20,381	\$ 8,570
Other related parties	<u>2,615,743</u>	<u>74,787</u>
	<u>\$ 2,636,124</u>	<u>\$ 83,357</u>

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 from other related parties for the nine-month period ended September 30, 2021 and increased 'right-of-use asset' by \$958.

(c) Lease liabilities:

i. Outstanding balance:

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Associates	\$ 55,396	\$ 390,161	\$ 530,269
Other related parties	<u>303,812</u>	<u>567,636</u>	<u>758,835</u>
	<u>\$ 359,208</u>	<u>\$ 957,797</u>	<u>\$ 1,289,104</u>

ii. Interest expense:

	<u>Three-month period ended September 30, 2021</u>	<u>Three-month period ended September 30, 2020</u>
Associates	\$ 476	\$ 7,826
Other related parties	22,101	16,673
	<u>\$ 22,577</u>	<u>\$ 24,499</u>
	<u>Nine-month period ended September 30, 2021</u>	<u>Nine-month period ended September 30, 2020</u>
Associates	\$ 6,091	\$ 22,970
Other related parties	29,596	24,363
	<u>\$ 35,687</u>	<u>\$ 47,333</u>

G. Agency accounts:

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Debit balance of agency accounts:			
Associates	\$ 39,788	\$ -	\$ -
Other related parties			
-EIC	1,424,877	1,207,412	635,892
-EGA	1,136,641	937,631	1,018,837
	<u>\$ 2,601,306</u>	<u>\$ 2,145,043</u>	<u>\$ 1,654,729</u>
	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Credit balance of agency accounts:			
Associates	(\$ 21,774)	(\$ 25,815)	(\$ 73,263)
Other related parties			
-EGJ	(201,942)	(523,231)	(338,307)
-EIM	(2)	-	-
	<u>(\$ 223,718)</u>	<u>(\$ 549,046)</u>	<u>(\$ 411,570)</u>

H. Shipowner's accounts:

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Debit balance of shipowner's accounts:			
Associates			
-ITS	\$ -	\$ 301,718	\$ -
Other related parties			
-EIS	-	309,179	324,599
-GESA	14,476	15,885	20,102
	<u>\$ 14,476</u>	<u>\$ 626,782</u>	<u>\$ 344,701</u>

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Credit balance of shipowner's accounts:			
Associates			
-ITS	(\$ 623,746)	\$ -	(\$ 127,143)
Other related parties			
-EIS	(328,397)	-	-
-EMS	(7,332,303)	(5,180,333)	(1,063,582)
	<u>(\$ 8,284,446)</u>	<u>(\$ 5,180,333)</u>	<u>(\$ 1,190,725)</u>

I. Loans to/from related parties:

(a) Loans to related parties:

i. Outstanding balance:

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Associates	<u>\$ 691,338</u>	<u>\$ 727,366</u>	<u>\$ 748,328</u>

ii. Interest income:

	<u>Three-month period ended September 30, 2021</u>	<u>Three-month period ended September 30, 2020</u>
Associates	<u>\$ 2,103</u>	<u>\$ 2,398</u>
	<u>Nine-month period ended September 30, 2021</u>	<u>Nine-month period ended September 30, 2020</u>
Associates	<u>\$ 6,270</u>	<u>\$ 10,106</u>

The loans to associates carry interest at floating rates for the three-month and nine-month periods ended September 30, 2021 and 2020.

(b) Loans from related parties:

i. Outstanding balance:

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Other related parties	<u>\$ 9,109</u>	<u>\$ 9,249</u>	<u>\$ 9,459</u>

ii. Interest expense:

	<u>Three-month period ended September 30, 2021</u>	<u>Three-month period ended September 30, 2020</u>
Other related parties	<u>\$ -</u>	<u>(\$ 60)</u>
	<u>Nine-month period ended September 30, 2021</u>	<u>Nine-month period ended September 30, 2020</u>
Other related parties	<u>\$ -</u>	<u>\$ 7,410</u>

The loans from associates carry interest at floating rates for the three-month and nine-month periods ended September 30, 2021 and 2020.

J. Endorsements and guarantees provided to related parties:

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Associates	<u>\$ 1,297,987</u>	<u>\$ 1,827,476</u>	<u>\$ 1,886,113</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

	Three-month period ended September 30, 2021	Three-month period ended September 30, 2020
Salaries and other short-term employee benefits	\$ 39,984	\$ 46,220
Post-employment benefits	798	438
	<u>\$ 40,782</u>	<u>\$ 46,658</u>
	Nine-month period ended September 30, 2021	Nine-month period ended September 30, 2020
Salaries and other short-term employee benefits	\$ 142,546	\$ 145,577
Post-employment benefits	2,988	1,927
	<u>\$ 145,534</u>	<u>\$ 147,504</u>

8. PLEGGED ASSETS

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

<u>Pledged assets</u>	<u>Book value</u>			<u>Purpose</u>
	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>	
Financial assets at amortised cost				Performance
- Pledged time deposits	\$ 258,838	\$ 248,609	\$ 241,014	guarantee
Property, plant and equipment				
-Land	514,312	514,312	514,312	Long-term loan
-Buildings	2,142,424	5,222,674	5,377,610	"
-Loading and unloading equipment	1,156,382	1,383,031	1,633,820	"
-Ships	63,718,471	79,606,284	76,768,227	"
-Computer and communication equipment	-	-	175,978	"
Investment property				
-Land	1,285,781	1,285,781	1,285,781	Long-term loan
-Buildings	3,291,452	3,599,168	3,776,252	"
	<u>\$ 72,367,660</u>	<u>\$ 91,859,859</u>	<u>\$ 89,772,994</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

A. As of September 30, 2021, December 31, 2020 and September 30, 2020, the Group had delegated DBS Bank to issue Standby Letter of Credit all amounting to USD 5,000.

B. As of September 30, 2021, December 31, 2020 and September 30, 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 \$94,296,836, \$117,309,468 and \$132,796,605, respectively, and the unutilized credit was \$31,979,158, \$21,876,445 and \$25,097,328, respectively.

C. As of September 30, 2021, December 31, 2020 and September 30, 2020, the amount of guaranteed notes issued by the Company for loans borrowed was \$86,628,850, \$92,037,348 and \$96,119,219, respectively.

- D. To meet its operational needs, the Company signed the shipbuilding contracts with Samsung Heavy Industries, Hyundai Mipo Dockyard Co., Ltd, CSSC Huangpn Wenchong Shipbuilding Company Limited, Jiangnan Shipyard (Group) Co., Ltd. and China Shipbuilding Trading Company Ltd. As of September 30, 2021, the total price of the contracts, wherein the vessels have not yet been delivered amounted to USD 4,741,321, of which USD 4,108,341 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 September 30, 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 September 30, 2021, the total price of the contracts amounted to USD 17,440, of which USD 15,944 remain unpaid.
- F. To meet its operational needs, the Group signed the loading and unloading equipment purchase contracts. As of September 30, 2021, the total price of the contracts, wherein the equipment has not yet been delivered, amounted to USD 273,145, of which USD 178,088 remain unpaid.
- G. To meet its operational needs, the Group signed the transportation equipment purchase contracts. As of September 30, 2021, the total price of the contracts, wherein the equipment has not yet been delivered, amounted to USD 399,391, of which USD 274,137 remain unpaid.
- H. For the Group's lease contracts which were entered into but not yet completed, as of September 30, 2021, the expected minimum lease payment in the future was \$63,611,846.
- I. As of September 30, 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) To reduce costs on rents and benefit from asset appreciation, the Board of Directors of the second-tier subsidiary, EGV, resolved to acquire an office floor located on the 4th Floor, Thu Thiem New District, Thu De County, Ho Chi Minh City, Vietnam from a third party, Quoc Loc Phat Joint Stock Company, for VND 328,851,121 (approx. USD 14,114).
- (2) To meet the future planning of the fleet, enhance the operational competitiveness of the subsidiary, EMA, and take into consideration taxation, the Board of Directors of the subsidiary, EGH, resolved to transfer the rights and obligations of 2 full container ships of 23,000 TEU to the subsidiary, EMA, on November 5, 2021, which were contracted with China Jiangnan Shipyard (Group) Co., Ltd. on November 26, 2019, and the total price of the contracts amounted to USD 290,600.
- (3) Considering the rising ship prices in the second-hand ship market, the Board of Directors of the second-tier subsidiary, GMS, resolved to sell its own 2,800 TEU full container vessels for USD 45,000 per vessel on November 5, 2021, and the total transaction price amounted to USD 90,000. The vessels are scheduled to be delivered gradually during the period from January 2022 to March 2022.

- (4) To strengthen the agency business in East Asia and operational flexibility, the Board of Directors of the subsidiary, EMA, resolved to acquire a 100% equity interest in Evergreen Shipping Agency (Japan) Corporation from a related party, EIS, for a negotiated price of USD 14,567. The transaction date will be agreed in a contract between both parties.
- (5) To meet its operational needs, the Board of Directors of the Company resolved to order 53,250 set containers from Dong Fang International Container Co., Ltd., Guangdong Fuwa Engineering Group Co., Ltd. and CXIC Group Container Company Ltd, on November 5, 2021, and the transaction price amounted to USD 327,816.

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>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 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	\$ 60,999	\$ 4,289	\$ -
Financial assets at fair value through other comprehensive income			
Designation of equity instrument	\$ 1,987,496	\$ 1,657,983	\$ 1,566,894
Financial assets at amortised cost			
Cash and cash equivalents	\$ 98,043,087	\$ 44,096,485	\$ 41,927,208
Financial assets at amortised cost	28,740,862	7,117,212	8,963,839
Notes receivable	458,692	113,313	89,968
Accounts receivable	47,690,187	21,805,310	17,304,357
Other accounts receivable	1,133,740	986,883	1,175,144
Guarantee deposits paid	264,200	236,729	264,974
	<u>\$ 176,330,768</u>	<u>\$ 74,355,932</u>	<u>\$ 69,725,490</u>
Financial assets for hedging (including current portion)	\$ 28,340,932	\$ -	\$ -

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
<u>Financial liabilities</u>			
Financial liabilities at fair value through profit or loss			
Financial liabilities designated as at fair value through profit or loss	\$ -	\$ -	\$ 28,071
Financial liabilities at amortised cost			
Notes payable	\$ 3,581	\$ 3,973	\$ 33,219
Accounts payable	25,687,071	20,563,234	18,141,153
Other accounts payable	10,990,031	5,586,636	6,007,866
Bonds payable (including current portion)	10,760,175	16,779,043	18,223,941
Lease payable (including current portion)	80,165,799	63,300,557	63,632,642
Long-term borrowings (including current portion)	62,215,400	95,242,048	107,660,566
Guarantee deposits received	438,050	300,820	308,604
	<u>\$ 190,260,107</u>	<u>\$ 201,776,311</u>	<u>\$ 214,007,991</u>
Financial liabilities for hedging (including current portion)	<u>\$ 11,872,982</u>	<u>\$ 10,870,375</u>	<u>\$ 11,440,272</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:

	September 30, 2021		
	Foreign currency amount	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 2,177,662	27.8335	\$ 60,611,955
EUR:NTD	12,964	32.2980	418,711
EUR:USD	4,082	1.1579	131,556
GBP:USD	10,384	1.3443	388,534
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,289,295	27.8335	\$ 35,885,592
HKD:USD	106,877	0.1285	382,257
EUR:USD	7,516	1.1579	242,229
CNY:USD	244,003	0.1545	1,049,280

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

September 30, 2020			
	Foreign currency amount	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 844,598	28.9975	\$ 24,491,231
EUR:USD	8,533	1.1708	289,698
GBP:USD	3,803	1.2855	141,762
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,087,406	28.9975	\$ 31,532,055
HKD:USD	111,894	0.1290	418,559
GBP:USD	6,460	1.2855	240,805
EUR:USD	4,073	1.1708	138,279
CNY:USD	403,402	0.1467	1,716,045

- 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 three-month and nine-month periods ended September 30, 2021 and 2020 amounted to \$103,198, \$481,906, \$248,563 and \$691,675, respectively.

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

<u>Nine-month period ended September 30, 2021</u>			
<u>Sensitivity analysis</u>			
	<u>Degree of variation</u>	<u>Effect on profit or loss</u>	<u>Effect on other comprehensive income</u>
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 322,711	\$ 283,409
EUR:NTD	1%	4,187	-
EUR:USD	1%	1,316	-
GBP:USD	1%	3,885	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 240,126	\$ 118,730
HKD:USD	1%	3,823	-
EUR:USD	1%	2,422	-
CNY:USD	1%	10,493	-
<u>Nine-month period ended September 30, 2020</u>			
<u>Sensitivity analysis</u>			
	<u>Degree of variation</u>	<u>Effect on profit or loss</u>	<u>Effect on other comprehensive income</u>
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 244,912	\$ -
EUR:USD	1%	2,897	-
GBP:USD	1%	1,418	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 200,918	\$ 114,403
HKD:USD	1%	4,186	-
GBP:USD	1%	2,408	-
EUR:USD	1%	1,383	-
CNY:USD	1%	17,160	-

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 \$19,732 and \$15,417 for the nine-month periods ended September 30, 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 nine-month periods ended September 30, 2021 and 2020, the Group's borrowings at variable rate were denominated in the NTD and USD.
- ii. At September 30, 2021 and 2020, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the nine-month periods ended September 30, 2021 and 2020 would have been \$563,399 and \$960,369 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 September 30, 2021, December 31, 2020 and September 30, 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 September 30, 2021, December 31, 2020 and September 30, 2020, the loss rate methodology is as follows:

Notes receivable			
<u>September 30, 2021</u>	<u>Total book value</u>	<u>Expected loss rate</u>	<u>Loss allowance</u>
Not past due	\$ 377,382	0%	\$ -
Up to 30 days	81,304	0%	-
31 to 180 days	6	0%	-
	<u>\$ 458,692</u>		<u>\$ -</u>
Accounts receivable (including related parties)			
<u>September 30, 2021</u>	<u>Total book value</u>	<u>Expected loss rate</u>	<u>Loss allowance</u>
Not past due	\$ 39,992,491	0.0000%~0.0216%	\$ 73
Up to 30 days	7,332,905	0.0109%~0.2497%	2,315
31 to 180 days	370,196	0.0021%~5.5809%	3,017
	<u>\$ 47,695,592</u>		<u>\$ 5,405</u>
Contract assets			
<u>September 30, 2021</u>	<u>Total book value</u>	<u>Expected loss rate</u>	<u>Loss allowance</u>
Not past due	\$ 6,500,080	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

Notes receivable			
<u>September 30, 2020</u>	<u>Total book value</u>	<u>Expected loss rate</u>	<u>Loss allowance</u>
Not past due	\$ 89,970	0.02250%	\$ 2
Accounts receivable (including related parties)			
<u>September 30, 2020</u>	<u>Total book value</u>	<u>Expected loss rate</u>	<u>Loss allowance</u>
Not past due	\$ 15,184,325	0.0016%~0.0934%	\$ 2,767
Up to 30 days	2,040,353	0.0035%~0.4583%	1,417
31 to 180 days	87,358	0.0166%~26.5625%	3,495
	<u>\$ 17,312,036</u>		<u>\$ 7,679</u>
Contract assets			
<u>September 30, 2020</u>	<u>Total book value</u>	<u>Expected loss rate</u>	<u>Loss allowance</u>
Not past due	\$ 2,387,796	0.0016%~0.0225%	\$ 179
Overdue receivable			
<u>September 30, 2020</u>	<u>Total book value</u>	<u>Expected loss rate</u>	<u>Loss allowance</u>
Over 180 days	\$ 260,620	100%	\$ 260,620

- 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			
	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Contract assets</u>	
At January 1	(\$ 1)	(\$ 6,742)	(\$ 205)	
Provision for impairment	-	(897)	-	
Reversal of impairment loss	1	2,030	205	
Effect of foreign exchange	-	204	-	
At September 30	<u>\$ -</u>	<u>(\$ 5,405)</u>	<u>\$ -</u>	
	2020			
	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Contract assets</u>	<u>Overdue receivable</u>
At January 1	(\$ 2)	(\$ 12,345)	(\$ 575)	(\$ 269,506)
Provision for impairment	-	(2,103)	(29)	-
Reversal of impairment loss	-	6,284	417	-
Effect of foreign exchange	-	485	8	8,886
At September 30	<u>(\$ 2)</u>	<u>(\$ 7,679)</u>	<u>(\$ 179)</u>	<u>(\$ 260,620)</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:

September 30, 2021	Less than 3 months	Between 3 months and			Over 5 years	Total
		1 year	Between 1 and 2 years	Between 2 and 5 years		
Notes payable	\$ 3,581	\$ -	\$ -	\$ -	\$ -	\$ 3,581
Accounts payable	25,168,608	223,447	-	-	-	25,392,055
Accounts payable - related parties	295,016	-	-	-	-	295,016
Other payables	7,940,852	2,405,672	-	-	-	10,346,524
Other payables - related parties	634,398	-	-	-	9,109	643,507
Bonds payable (including current portion)	-	4,059,200	2,017,200	4,999,900	-	11,076,300
Long-term loans (including current portion)	10,155,235	6,336,802	7,811,504	25,067,651	15,459,404	64,830,596
Lease payable and financial liabilities for hedging (including current portion)	3,222,575	15,258,664	11,767,099	30,179,905	39,476,978	99,905,221

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

Non-derivative financial liabilities:

September 30, 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	\$ 33,219	\$ -	\$ -	\$ -	\$ -	\$ 33,219
Accounts payable	17,587,826	208,528	-	-	-	17,796,354
Accounts payable - related parties	232,187	112,612	-	-	-	344,799
Other payables	5,135,279	735,059	-	-	-	5,870,338
Other payables - related parties	128,068	-	-	-	9,460	137,528
Bonds payable (including current portion)	-	4,101,200	4,059,200	10,714,500	-	18,874,900
Long-term loans (including current portion)	7,768,506	16,740,942	26,850,966	44,169,850	16,046,376	111,576,640
Lease payable and financial liabilities for hedging (including current portion)	3,074,926	9,713,246	17,021,345	25,883,364	29,853,074	85,545,955

Derivative financial liabilities:

September 30, 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
Overseas convertible bonds with embedded derivatives	\$ 28,701	\$ -	\$ -	\$ -	\$ -	\$ 28,701

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.

	September 30, 2021		
	Book value	Fair value Level 2	Fair value Level 3
	Financial liabilities:		
Bonds payable (including current portion)	\$ 10,760,175	\$ 4,760,175	\$ 6,057,530
Long-term loans (including current portion)	<u>62,215,400</u>	<u>-</u>	<u>64,723,469</u>
	<u>\$ 72,975,575</u>	<u>\$ 4,760,175</u>	<u>\$ 70,780,999</u>
	December 31, 2020		
	Book value	Fair value Level 2	Fair value Level 3
	Financial liabilities:		
Bonds payable (including current portion)	\$ 16,779,043	\$ 6,779,043	\$ 10,155,165
Long-term loans (including current portion)	<u>95,242,048</u>	<u>-</u>	<u>98,724,856</u>
	<u>\$ 112,021,091</u>	<u>\$ 6,779,043</u>	<u>\$ 108,880,021</u>
	September 30, 2020		
	Book value	Fair value Level 2	Fair value Level 3
	Financial liabilities:		
Bonds payable (including current portion)	\$ 18,223,941	\$ -	\$ 18,361,079
Long-term loans (including current portion)	<u>107,660,566</u>	<u>-</u>	<u>111,427,415</u>
	<u>\$ 125,884,507</u>	<u>\$ -</u>	<u>\$ 129,788,494</u>

- D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:
- (a) The related information of natures of the assets and liabilities is as follows:

September 30, 2021	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Derivative instruments	\$ -	\$ 60,999	\$ -	\$ 60,999
Financial assets at fair value through other comprehensive income				
Equity securities	<u>1,368,834</u>	<u>-</u>	<u>618,662</u>	<u>1,987,496</u>
	<u>\$ 1,368,834</u>	<u>\$ 60,999</u>	<u>\$ 618,662</u>	<u>\$ 2,048,495</u>
December 31, 2020	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Derivative instruments	\$ -	\$ 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>
September 30, 2020	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	<u>\$ 1,009,796</u>	<u>\$ -</u>	<u>\$ 557,098</u>	<u>\$ 1,566,894</u>
Liabilities:				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through other comprehensive income				
Derivative instruments	<u>-</u>	<u>28,701</u>	<u>-</u>	<u>28,701</u>
	<u>\$ -</u>	<u>\$ 28,701</u>	<u>\$ -</u>	<u>\$ 28,701</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:

	Listed shares
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 nine-month periods ended September 30, 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 nine-month periods ended September 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
At January 1	\$ 526,014	\$ 729,573
Gains and losses recognised in other comprehensive income (Note 1)	<u>92,648</u>	<u>(172,595)</u>
At September 30	<u>\$ 618,662</u>	<u>\$ 556,978</u>

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

G. For the nine-month periods ended September 30, 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 September 30, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 611,890	Market comparable companies	Price to earnings ratio multiple	8.76~49.23	The higher the multiple and control premium, the higher the fair value
			Price to book ratio multiple	0.54~3.49	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

	Fair value at September 30, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 550,326	Market comparable companies	Price to earnings ratio multiple	8.19~47.72	The higher the multiple and control premium, the higher the fair value
			Price to book ratio multiple	0.57~2.69	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:

				September 30, 2021			
				Recognised in profit or loss		Recognised in other comprehensive income	
				Favourable	Unfavourable	Favourable	Unfavourable
Input	Change	change	change	change	change	change	change
Financial assets							
Equity instrument	Price to earnings ratio/ price to book ratio/ discount for lack of marketability	±1%	\$ -	\$ -	\$ 6,119	\$ 6,119	
				December 31, 2020			
				Recognised in profit or loss		Recognised in other comprehensive income	
				Favourable	Unfavourable	Favourable	Unfavourable
Input	Change	change	change	change	change	change	change
Financial assets							
Equity instrument	Price to earnings ratio/ price to book ratio/ discount for lack of marketability	±1%	\$ -	\$ -	\$ 5,192	\$ 5,192	
				September 30, 2020			
				Recognised in profit or loss		Recognised in other comprehensive income	
				Favourable	Unfavourable	Favourable	Unfavourable
Input	Change	change	change	change	change	change	change
Financial assets							
Equity instrument	Price to earnings ratio/ price to book ratio/ discount for lack of marketability	±1%	\$ -	\$ -	\$ 5,503	\$ 5,503	

(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:

Nine-month period ended September 30, 2021				
	Transportation Department	Other Departments	Adjustments and written-off	Total
Revenue from external customers	\$ 332,503,566	\$ 897,614	\$ -	\$ 333,401,180
Revenue from internal customers	32,698,007	-	(32,698,007)	-
Segment revenue	365,201,573	897,614	(32,698,007)	333,401,180
Interest income	227,171	10,664	-	237,835
Interest expense	(2,462,492)	(4,395)	-	(2,466,887)
Depreciation and amortisation	(16,370,212)	(201,941)	-	(16,572,153)
Share of income (loss) of associates and joint ventures accounted for using equity method	383,891	2,412,494	-	2,796,385
Other items	(123,409,547)	(816,958)	-	(124,226,505)
Segment profit (loss)	<u>\$ 223,570,384</u>	<u>\$ 2,297,478</u>	<u>(\$ 32,698,007)</u>	<u>\$ 193,169,855</u>
Recognisable assets	\$ 480,694,712	\$ 10,142,202	\$ -	\$ 490,836,914
Investments accounted for using equity method	25,308,027	7,830,818	-	33,138,845
Segment assets	<u>\$ 506,002,739</u>	<u>\$ 17,973,020</u>	<u>\$ -</u>	<u>\$ 523,975,759</u>
Segment liabilities	<u>\$ 250,872,024</u>	<u>\$ 781,389</u>	<u>\$ -</u>	<u>\$ 251,653,413</u>

Nine-month period ended September 30, 2020				
	Transportation Department	Other Departments	Adjustments and written-off	Total
Revenue from external customers	\$ 141,529,899	\$ 858,220	\$ -	\$ 142,388,119
Revenue from internal customers	22,190,706	-	(22,190,706)	-
Segment revenue	163,720,605	858,220	(22,190,706)	142,388,119
Interest income	269,225	14,696	-	283,921
Interest expense	(3,570,632)	(5,563)	-	(3,576,195)
Depreciation and amortisation	(15,684,306)	(193,862)	-	(15,878,168)
Share of income (loss) of associates and joint ventures accounted for using equity method	(184,917)	(2,971)	-	(187,888)
Other items	(107,870,033)	(884,928)	-	(108,754,961)
Segment profit (loss)	<u>\$ 36,679,942</u>	<u>(\$ 214,408)</u>	<u>(\$ 22,190,706)</u>	<u>\$ 14,274,828</u>
Recognisable assets	\$ 286,271,640	\$ 8,885,786	\$ -	\$ 295,157,426
Investments accounted for using equity method	22,944,371	5,654,730	-	28,599,101
Segment assets	<u>\$ 309,216,011</u>	<u>\$ 14,540,516</u>	<u>\$ -</u>	<u>\$ 323,756,527</u>
Segment liabilities	<u>\$ 237,784,126</u>	<u>\$ 967,398</u>	<u>\$ -</u>	<u>\$ 238,751,524</u>

(3) Reconciliation for segment income (loss)

- A. Sales between segments are carried out at arm's length. The revenue from external parties reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.
- B. The amounts provided to the chief operating decision-maker with respect to total assets are measured in a manner consistent with that in the balance sheet.
- C. The amounts provided to the chief operating decision-maker with respect to total liabilities are measured in a manner consistent with that in the balance sheet.
- D. The amounts provided to the chief operating decision-maker with respect to segment profit (loss) are measured in a manner consistent with the income (loss) before tax from continuing operations.

Evergreen Marine Corporation (Taiwan) Ltd.
Loans to others
For the nine-month period ended September 30, 2021

Table 1

Expressed in thousands of TWD

Number (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the nine-month period ended September 30, 2021 (Note 3)	Balance at September 30, 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	\$ -	\$ 14,113,835	\$ 35,284,587	
1	Peony Investment S.A.	Clove Holding Ltd.	Receivables from related parties	Yes	227,932	222,668	208,751	1.18350~ 1.18788	2	-	Working capital requirement	-	None	-	28,227,669	35,284,587	(Note9)
1	Peony Investment S.A.	Colon Container Terminal S.A.	Receivables from related parties	Yes	575,528	562,237	562,237	1.18313- 1.19575	2	-	Working capital requirement	-	None	-	14,113,835	35,284,587	
2	Evergreen Marine (Hong Kong) Ltd.	Colon Container Terminal S.A.	Receivables from related parties	Yes	129,494	126,503	126,503	1.18313- 1.19575	2	-	Working capital requirement	-	None	-	11,960,752	23,921,505	
3	Everport Terminal Services Inc.	Whitney Equipment LLC.	Receivables from related parties	Yes	256,424	167,001	167,001	1.2885	2	-	Working capital requirement	-	None	-	1,251,672	1,564,590	(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 nine-month period ended September 30, 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 2,535,404*27.8335*20%=14,113,835

Evergreen Marine (Hong Kong) Ltd. : USD 2,148,625*27.8335*20%=11,960,752

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 2,535,404*27.8335*40%=28,227,669

Everport Terminal Services Inc. : USD 112,425*27.8335*40%=1,251,672

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 2,148,625*27.8335*40%=23,921,505

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 2,535,404*27.8335*50%=35,284,587

Everport Terminal Services Inc. : USD 112,425*27.8335*50%=1,564,590

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 nine-month period ended September 30, 2021

Table 2

Expressed in thousands of TWD

Number (Note 1)	Endorser/Guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of September 30, 2021 (Note 4)	Outstanding endorsement/ guarantee amount at September 30, 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	\$ 493,990,840	\$ 62,822,748	\$ 48,750,154	\$ 23,957,200	\$ -	19.74%	\$ 617,488,550	Y	N	N	
0	Evergreen Marine Corporation	Peony Investment S.A.	2	493,990,840	142,458	139,168	-	-	0.06%	617,488,550	Y	N	N	
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	2	493,990,840	30,815,715	18,728,156	12,628,944	-	7.58%	617,488,550	Y	N	N	
0	Evergreen Marine Corporation	Colon Container Terminal S.A.	6	123,497,710	770,410	581,163	528,280	-	0.24%	617,488,550	N	N	N	
0	Evergreen Marine Corporation	Balsam Investment (Netherlands) N.V.	6	123,497,710	837,650	409,152	-	-	0.17%	617,488,550	N	N	N	
0	Evergreen Marine Corporation	Everport Terminal Services Inc.	2	493,990,840	1,511,949	1,274,774	577,545	-	0.52%	617,488,550	Y	N	N	
0	Evergreen Marine Corporation	Evergreen Marine (Asia) Pte. Ltd.	2	493,990,840	10,003,360	10,003,360	-	-	4.05%	617,488,550	Y	N	N	
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	2	493,990,840	32,235,669	20,877,297	11,876,453	-	8.45%	617,488,550	Y	N	N	
1	Evergreen Marine (Hong Kong) Ltd.	Colon Container Terminal S.A.	6	29,901,881	257,962	252,005	130,438	-	0.42%	149,509,403	N	N	N	

Evergreen Marine Corporation (Taiwan) Ltd.
Provision of endorsements and guarantees to others
For the nine-month period ended September 30, 2021

Table 2

Expressed in thousands of TWD

Number (Note 1)	Endorser/Guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of September 30, 2021 (Note 4)	Outstanding endorsement/ guarantee amount at September 30, 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)											
2	Greencompass Marine S.A.	Everport Terminal Services Inc.	1	\$ 20,477,744	\$ 142,458	\$ 139,168	\$ 139,168	\$ -	0.34%	\$ 102,388,720	N	N	N	
3	Clove Holding Ltd.	Colon Container Terminal S.A.	6	1,338,790	56,983	55,667	51,446	-	2.08%	6,693,952	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: $246,995,420 \times 250\% = 617,488,550$

Limit on endorsement or guarantees provided by the Company for a single entity is \$123,497,710 (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 \$493,990,840.)

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: $USD\ 2,148,625 \times 27.8335\% \times 250\% = 149,509,403$

Limit on endorsements or guarantees provided for a single entity : 29,901,881 (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: $USD\ 1,471,446 \times 27.8335\% \times 250\% = 102,388,720$

Limit on endorsements or guarantees provided for a single entity : 20,477,744 (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: $USD\ 96,200 \times 27.8335\% \times 250\% = 6,693,952$

Limit on endorsements or guarantees provided for a single entity : 1,338,790 (Amounting to 50% of its net worth).

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 5: Fill in the amount approved by the Board of Directors or the chairman if the chairman has been 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 nine-month period ended September 30, 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 September 30, 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	22,532	1.44%	22,532	
	TopLogis, Inc.		"	2,464	25,671	17.48%	25,671	
	Ever Accord Construction Corp.	Other related party	"	10,500	99,234	17.50%	99,234	
	Central Reinsurance Corp.	"	"	49,866	1,368,834	8.45%	1,368,834	
	Financial bonds:							
	Sunny Bank 2nd Subordinate Financial Debentures-B Issue in 2015		Financial asset measured at amortised cost - non-current	-	50,000	-	50,000	
	Sunny Bank 3rd Subordinate Financial Debentures-B Issue in 2017		"	-	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 337	5.27%	USD 337	
	South Asia Gateway Terminals (Private) Ltd.		"	18,942	USD 16,334	5.00%	USD 16,334	
Evergreen Shipping Agency (Europe) GmbH	Zoll Pool Hafen Hamburg AG		"	10	EUR 10	2.86%	EUR 10	
Evergreen Shipping Agency Philippines Corporation	Eagle Ridge Golf & Country Club Inc.		"	0.001	PHP 200	0.02%	PHP 200	

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IFRS9, 'Financial instruments: recognition and measurement'.

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

Evergreen Marine Corporation (Taiwan) Ltd.

Purchases or sales of goods from or to related parties reaching TWD 100 million or 20% of paid-in capital or more

For the nine-month period ended September 30, 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	\$ 1,552,451	5%	30~60 days	\$ -	-	\$ -	-	(Note)
	Greencompass Marine S.A.	Subsidiary	Purchases	767,611	2%	30~60 days	-	-	(192)	-	(Note)
			Sales	1,473,268	2%	30~60 days	-	-	83	-	(Note)
	Taiwan Terminal Services Co., Ltd.	Subsidiary	Purchases	626,185	2%	30~60 days	-	-	(84,040)	2%	(Note)
	Italia Marittima S.P.A.	Associates	Purchases	195,849	1%	30~60 days	-	-	-	-	
			Sales	192,401	0%	30~60 days	-	-	148	-	
	Evergreen International Storage and Transport Corp.	Associates	Purchases	504,609	1%	30~60 days	-	-	(16,798)	-	
	Evergreen Shipping Agency (America) Corporation	Other related parties	Purchases	581,491	2%	30~60 days	-	-	-	-	
	Evergreen International Corp.	Other related parties	Purchases	570,755	2%	30~60 days	-	-	(42,032)	1%	
	Evergreen Marine (UK) Limited	Subsidiary	Purchases	259,846	1%	30~60 days	-	-	-	-	(Note)
			Sales	411,289	1%	30~60 days	-	-	39	-	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Purchases	194,915	1%	30~60 days	-	-	(17,984)	-	
			Sales	932,333	1%	30~60 days	-	-	1,026	-	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary	Purchases	1,925,838	6%	30~60 days	-	-	(355)	-	(Note)
			Sales	1,099,128	2%	30~60 days	-	-	24,777	-	(Note)
Evergreen Marine (Asia) Pte. Ltd.	Subsidiary	Purchases	270,447	1%	30~60 days	-	-	(485,272)	-	(Note)	
		Sales	466,561	1%	30~60 days	-	-	6,058	-	(Note)	
Evergreen Shipping Agency (Europe) GmbH	Subsidiary	Purchases	120,396	0%	30~60 days	-	-	-	-	(Note)	

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Evergreen Marine Corporation	Evergreen Logistics Corp.	Investee of the Parent Company's major shareholder	Sales	273,608	0%	30~60 days	\$ -	-	\$ -	-	
	Round The World Logistics (U.S.A) Corp.	Investee of the Parent Company's major shareholder	Sales	429,580	1%	30~60 days	-	-	-	-	
	Evergreen Logistics Co., Ltd.	Investee of the Parent Company's major shareholder	Sales	140,340	0%	30~60 days	-	-	-	-	
	Gaining Enterprise S.A.	Other related parties	Purchases	229,073	1%	30~60 days	-	-	-	-	
	Evergreen Marine Corp. (Malaysia) Sdn.Bhd.	Subsidiary	Purchases	105,298	0%	30~60 days	-	-	-	-	(Note)
	Evergreen Shipping Agency (Vietnam) Corp.	Subsidiary	Purchases	\$ 129,710	0%	30~60 days	-	-	-	-	(Note)
	Taipei Port Container Terminal Corporation	Associates	Purchases	184,922	1%	30~60 days	-	-	-	-	
Taiwan Terminal Services Co.,Ltd.	Evergreen Marine Corp.	The parent	Sales	626,185	100%	30~60 days	-	-	84,040	100%	(Note)
Everport Terminal Services Inc.	Evergreen Marine Corp.	The parent	Sales	USD 55,520	17%	30~60 days	-	-	-	-	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	USD 60,964	18%	30 days	-	-	-	-	
	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	USD 51,337	15%	30 days	-	-	-	-	(Note)
	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	USD 46,634	14%	30 days	-	-	-	-	(Note)
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	USD 33,846	10%	30 days	-	-	-	-	(Note)
	Evergreen Shipping Agency (America) Corporation	Investee of the Parent Company's major shareholder	Purchases	USD 4,214	1%	30 days	-	-	(USD 145)	-	
Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine Corp.	The parent	Sales	USD 68,873	2%	30~60 days	-	-	USD 13	-	(Note)
			Purchases	USD 39,308	3%	30~60 days	-	-	(USD 890)	-	(Note)
	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	USD 98,862	3%	30~60 days	-	-	USD 2	-	(Note)
			Purchases	USD 28,024	2%	30~60 days	-	-	-	-	(Note)
	Italia Marittima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Sales	USD 12,485	0%	30~60 days	-	-	USD 2	-	
			Purchases	USD 26,241	2%	30~60 days	-	-	(USD 730)	-	

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 (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	USD 146,707	5%	30~60 days	\$ -	-	USD 44	-	
			Purchases	USD 6,963	1%	30~60 days	-	-	(USD 1,271)	-	
	Evergreen International Corp.	Investee of the Parent Company's major shareholder	Purchases	USD 10,891	1%	30~60 days	-	-	-	-	
	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	USD 37,272	1%	30~60 days	-	-	-	-	(Note)
			Purchases	USD 79,540	7%	30~60 days	-	-	(USD 3,891)	1%	(Note)
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Sales	USD 57,922	2%	30~60 days	-	-	USD 21	-	(Note)
			Purchases	USD 8,631	1%	30~60 days	-	-	(USD 463)	-	(Note)
	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 33,846	3%	30 days	-	-	-	-	(Note)
	Evergreen Shipping Agency (America) Corporation	Investee of the Parent Company's major shareholder	Purchases	USD 29,623	2%	30~60 days	-	-	-	-	
	Evergreen Shipping Agency (Europe) GmbH	Indirect subsidiary of the Parent Company	Purchases	USD 7,014	1%	30~60 days	-	-	-	-	(Note)
	Evergreen Shipping Agency (Vietnam) Corp.	Indirect subsidiary of the Parent Company	Purchases	USD 7,324	1%	30~60 days	-	-	-	-	
	Evergreen Shipping Agency (Thailand) Co., Ltd	Indirect subsidiary of the Parent Company	Purchases	USD 4,146	0%	30~60 days	-	-	-	-	
	Taipei Port Container Terminal Corporation	Associates	Purchases	USD 5,005	0%	30~60 days	-	-	-	-	
	Round The World Logistics (U.S.A) Corp.	Other related parties	Sales	USD 27,764	1%	30~60 days	-	-	-	-	
	Evergreen Logistics Corp.	Other related parties	Sales	USD 11,808	0%	30~60 days	-	-	-	-	
	Evergreen Logistics Co., Ltd.	Other related parties	Sales	USD 3,912	0%	30~60 days	-	-	-	-	
Evergreen International Storage and Transport Corp.	Associates	Purchases	USD 7,114	1%	30~60 days	-	-	-	-		
Evergreen Shipping Agency (China) Co., Ltd.	Subsidiary	Purchases	USD 27,482	2%	30~60 days	-	-	(USD 3,089)	1%	(Note)	
Evergreen Marine (Asia) Pte. Ltd.	Evergreen Marine Corp.	The parent	Sales	USD 9,672	1%	30~60 days	-	-	USD 17,435	2%	(Note)
			Purchases	USD 16,685	3%	30~60 days	-	-	(USD 218)	-	(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 (Asia) Pte. Ltd.	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	USD 8,724	0%	30~60 days	\$ -	-	USD 230	-	(Note)
			Purchases	USD 51,250	8%	30~60 days	-	-	(USD 1,543)	-	(Note)
	Evergreen Marine (Hong Kong) Ltd.	Indirect subsidiary of the Parent Company	Sales	USD 8,631	0%	30~60 days	-	-	USD 463	-	(Note)
			Purchases	USD 57,922	9%	30~60 days	-	-	(USD 21)	-	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	USD 8,186	0%	30~60 days	-	-	-	-	
	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Purchases	USD 26,083	4%	30~60 days	-	-	-	-	(Note)
	Round The World Logistics (U.S.A) Corp.	Other related parties	Sales	USD 18,193	1%	30~60 days	-	-	-	-	
	Evergreen Logistics Corp.	Other related parties	Sales	USD 12,602	1%	30~60 days	-	-	-	-	
	Evergreen International Corp.	Investee of the Parent Company's major shareholder	Purchases	USD 7,852	1%	30~60 days	-	-	-	-	
	Evergreen Shipping Agency (Vietnam) Corp.	Indirect subsidiary of the Parent Company	Purchases	USD 3,701	1%	30~60 days	-	-	-	-	(Note)
Evergreen Shipping Agency (America) Corporation	Investee of the Parent Company's major shareholder	Purchases	USD 21,408	3%	30~60 days	-	-	-	-		
Greencompass Marine S.A.	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	USD 14,143	0%	30~60 days	-	-	-	-	(Note)
			Purchases	USD 17,551	1%	30~60 days	-	-	-	-	(Note)
	Evergreen Marine Corp.	The parent	Sales	USD 27,452	1%	30~60 days	-	-	USD 7	-	(Note)
			Purchases	USD 52,688	3%	30~60 days	-	-	(USD 3)	-	(Note)
	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 51,337	3%	30 days	-	-	-	-	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	USD 36,121	1%	30~60 days	-	-	-	-	
			Purchases	USD 14,009	1%	30~60 days	-	-	-	-	
	Italia Marittima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Sales	USD 12,894	0%	30~60 days	-	-	-	-	
			Purchases	USD 27,285	1%	30~60 days	-	-	-	-	
	Evergreen Shipping Agency (America) Corporation	Investee of the Parent Company's major shareholder	Purchases	USD 33,079	2%	30~60 days	-	-	-	-	

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Greencompass Marine S.A.	Evergreen International Corp.	Investee of the Parent Company's major shareholder	Purchases	USD 15,794	1%	30~60 days	\$ -	-	-	-	
	Evergreen Shipping Agency (Japan) Corporation	Investee of the Parent Company's major shareholder	Purchases	USD 6,177	0%	30~60 days	-	-	-	-	
	Evergreen Shipping Agency (Europe) GmbH	Indirect subsidiary of the Parent Company	Purchases	USD 8,440	0%	30~60 days	-	-	-	-	(Note)
	Evergreen Marine Co. (Malaysia) SDN.BHD.	Indirect subsidiary of the Parent Company	Purchases	USD 7,672	0%	30~60 days	-	-	-	-	(Note)
	PT. Evergreen Shipping Agency Indonesia	Indirect subsidiary of the Parent Company	Purchases	USD 4,863	0%	30~60 days	-	-	-	-	
	Round-the-world logistice (U.S.A) Corps	Other related parties	Sales	USD 19,952	1%	30~60 days	-	-	-	-	
	Evergreen International Storage and Transport Corp.	Associates	Purchases	USD 11,748	1%	30~60 days	-	-	-	-	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	USD 28,024	1%	30~60 days	-	-	-	-	(Note)
			Purchases	USD 98,862	5%	30~60 days	-	-	(USD 2)	-	(Note)
	Evergreen Logistics Corp.	Other related parties	Sales	USD 10,190	0%	30~60 days	-	-	-	-	
	Evergreen Shipping Agency (Vietnam) Corp.	Indirect subsidiary of the Parent Company	Purchases	USD 9,435	1%	30~60 days	-	-	-	-	(Note)
	Taipei Port Container Terminal Corporation	Associates	Purchases	USD 7,552	0%	30~60 days	-	-	-	-	(Note)
	Eergreen logistics Co., Ltd.	Other related parties	Sales	USD 4,652	0%	30~60 days	-	-	-	-	
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Sales	USD 51,250	0%	30~60 days	-	-	USD 1,543	1%	(Note)
			Purchases	USD 8,724	0%	30~60 days	-	-	(USD 230)	-	(Note)
Evergreen Marine (UK) Limited	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	USD 17,551	1%	30~60 days	-	-	-	-	(Note)
			Purchases	USD 14,143	2%	30~60 days	-	-	-	-	(Note)
	Evergreen Marine Corp.	The Parent	Sales	USD 9,293	1%	30~60 days	-	-	-	-	(Note)
			Purchases	USD 14,709	2%	30~60 days	-	-	(USD 1)	-	(Note)
	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 46,634	5%	30 days	-	-	-	-	(Note)

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Evergreen Marine (UK) Limited	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	USD 20,959	1%	30~60 days	\$ -	-	USD 383	1%	
			Purchases	USD 5,021	1%	30~60 days	-	-	-	-	
	Evergreen Shipping Agency (America) Corporation	Investee of the Parent Company's major shareholder	Purchases	USD 20,692	2%	30~60 days	-	-	-	-	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	USD 79,540	5%	30~60 days	-	-	USD 3,891	-	(Note)
			Purchases	USD 37,272	4%	30~60 days	-	-	-	-	(Note)
	Italia Marittima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Purchases	USD 4,155	0%	30~60 days	-	-	-	-	
	Evergreen International Corporation	Investee of the Parent Company's major shareholder	Purchases	USD 4,430	1%	30~60 days	-	-	-	-	
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Sales	USD 26,083	2%	30~60 days	-	-	-	-	(Note)
	Round The World Logistics (U.S.A) Corp.	Other related parties	Sales	USD 9,850	1%	30~60 days	-	-	-	-	(Note)
Evergreen Logistics Corp.	Other related parties	Sales	USD 3,804	0%	30~60 days	-	-	-	-		
Evergreen Heavy Industrial Corp.(Malaysia) Berhad	Gaining Enterprise S.A.	Investee of EITC	Sales	MYR 132,690	100%	45 days	-	-	-	-	
Evergreen Shipping Agency (Europe) GmbH	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	EUR 5,864	20%	30~60 days	-	-	-	-	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	EUR 6,785	23%	30~60 days	-	-	USD 679	-	
	Evergreen Marine Corp.	The Parent	Sales	EUR 3,600	12%	30~60 days	-	-	-	-	(Note)
	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	EUR 7,056	24%	30~60 days	-	-	-	-	(Note)
Evergreen Shipping Agency (Thailand) Co., Ltd	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	THB 130,913	22%	30~60 days	-	-	-	-	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	THB 140,641	23%	30~60 days	-	-	THB 13,259	2%	
Evergreen Marine Co. (Malaysia) SDN.BHD.	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	MYR 31,711	26%	30~60 days	-	-	-	-	(Note)
	Evergreen Marine Corp.	The Parent	Sales	MYR 15,566	13%	30~60 days	-	-	-	-	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	MYR 19,504	22%	30~60 days	-	-	MYR 2,544	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 Shipping Agency (Vietnam) Corp.	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	VND 216,896,931	26%	30~60 days	-	-	-	-	(Note)
	Evergreen Marine Corp.	The Parent	Sales	VND 106,636,608	13%	30~60 days	-	-	-	-	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Investee of the Parent Company's major shareholder	Sales	VND 163,318,840	20%	30~60 days	-	-	VND 14,966,431	2%	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	VND 168,358,903	20%	30~60 days	-	-	-	-	(Note)
Evergreen Shipping Agency (China) Co., Ltd.	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	CNY 177,986	100%	30~60 days	-	-	-	-	(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 nine-month period ended September 30, 2021

Table 5

Expressed in thousands of TWD/thousands of foreign currency

Creditor	Counterparty	Relationship with the counterparty	Balance as at September 30, 2021 (Note 1)	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts	Footnote
					Amount	Action taken			
Peony Investment S.A.	Clove Holding Ltd.	Subsidiary	USD 7,571	-	-	-	-	-	Note
Peony Investment S.A.	Colon Container Terminal, S.A.	Associates	USD 20,276	-	-	-	-	-	
Everport Terminal Services Inc.	Evergreen Shipping Agency (America) Corporation	Investee of the Parent Company's major shareholder	USD 43,476	-	-	-	USD 34,411	-	
Greencompass Marine S.A.	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	USD 7,323	-	-	-	-	-	
Evergreen Marine (UK) Limited	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	USD 3,891	-	-	-	-	-	
Evergreen Marine (UK) Limited	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	USD 6,948	-	-	-	-	-	
Evergreen Marine (Asia) Pte. Ltd.	Evergreen Marine Corp.	The parent	USD 17,435	-	-	-	-	-	
Evergreen Marine (Hong Kong) Ltd.	Colon Container Terminal, S.A.	Associates	USD 4,562	-	-	-	-	-	

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 nine-month period ended September 30, 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	\$ 626,185	Note 4	0.19
0	Evergreen Marine Corporation	Greencompass Marine S.A.	1	Operating revenue	1,473,268	"	0.44
0	Evergreen Marine Corporation	Greencompass Marine S.A.	1	Operating cost	767,611	"	0.23
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	1	Operating revenue	411,289	"	0.12
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	1	Operating cost	259,846	"	0.08
0	Evergreen Marine Corporation	Evergreen Marine (Asia) Pte. Ltd.	1	Operating cost	270,447	"	0.08
0	Evergreen Marine Corporation	Evergreen Marine (Asia) Pte. Ltd.	1	Operating revenue	466,561	"	0.14
0	Evergreen Marine Corporation	Evergreen Marine (UK) Limited	1	Shipowner's account - debit	335,785	"	0.06
0	Evergreen Marine Corporation	Greencompass Marine S.A.	1	Shipowner's account - credit	247,140	"	0.05
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	1	Shipowner's account - credit	373,083	"	0.07
0	Evergreen Marine Corporation	Evergreen Marine (Asia) Pte. Ltd.	1	Shipowner's account - credit	893,557	"	0.17
0	Evergreen Marine Corporation	Evergreen Shipping Agency (Europe) GmbH	1	Shipowner's account - debit	113,241	"	0.02
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	1	Operating revenue	1,099,128	"	0.33
0	Evergreen Marine Corporation	Evergreen Marine (Hong Kong) Ltd.	1	Operating cost	1,925,838	"	0.58
0	Evergreen Marine Corporation	Everport Terminal Services Inc.	1	Operating cost	1,552,451	"	0.47
0	Evergreen Marine Corporation	Evergreen Shipping Agency (Europe) GmbH	1	Operating cost	120,396	"	0.04
0	Evergreen Marine Corporation	Evergreen Shipping Agency (Vietnam) Corp.	1	Operating cost	129,710	"	0.04
0	Evergreen Marine Corporation	Evergreen Marine Corp. (Malaysia) SDN BHD	1	Operating cost	105,298	"	0.03
0	Evergreen Marine Corporation	Evergreen Marine (Asia) Pte. Ltd.	1	Accounts payable	485,272	"	0.09
1	Greencompass Marine S.A.	Evergreen Marine (Asia) Pte. Ltd.	3	Operating revenue	1,433,068	"	0.43

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 Marine (Asia) Pte. Ltd.	3	Shipowner's account - credit	\$ 577,244	Note 4	0.11
1	Greencompass Marine S.A.	Evergreen Marine (Hong Kong) Ltd.	3	Shipowner's account - credit	205,855	"	0.04
1	Greencompass Marine S.A.	Everport Terminal Services Inc.	3	Operating cost	1,435,496	"	0.43
1	Greencompass Marine S.A.	Evergreen Shipping Agency (Europe) GmbH	3	Operating cost	235,997	"	0.07
1	Greencompass Marine S.A.	Evergreen Shipping Agency (Vietnam) Corp.	3	Operating cost	263,828	"	0.08
1	Greencompass Marine S.A.	Evergreen Marine Corp. (Malaysia) SDN BHD	3	Operating cost	214,517	"	0.06
2	Evergreen Marine (UK) Limited	Greencompass Marine S.A.	3	Operating revenue	490,768	"	0.15
2	Evergreen Marine (UK) Limited	Evergreen Marine (Hong Kong) Ltd.	3	Operating revenue	2,224,092	"	0.67
2	Evergreen Marine (UK) Limited	Evergreen Marine (Asia) Pte. Ltd.	3	Operating revenue	729,331	"	0.22
2	Evergreen Marine (UK) Limited	Greencompass Marine S.A.	3	Operating cost	395,470	"	0.12
2	Evergreen Marine (UK) Limited	Everport Terminal Services Inc.	3	Operating cost	1,303,984	"	0.39
2	Evergreen Marine (UK) Limited	Evergreen Marine (Hong Kong) Ltd.	3	Accounts receivable	108,307	"	0.02
3	Evergreen Marine (Asia) Pte. Ltd.	Evergreen Marine (Hong Kong) Ltd.	3	Operating cost	1,612,172	"	0.48
3	Evergreen Marine (Asia) Pte. Ltd.	Evergreen Shipping Agency (Vietnam) Corp.	3	Operating cost	103,018	"	0.03
3	Evergreen Marine (Asia) Pte. Ltd.	Evergreen Shipping Agency (Europe) GmbH	3	Shipowner's account - debit	172,188	"	0.03
3	Evergreen Marine (Asia) Pte. Ltd.	Evergreen Marine (UK) Limited	3	Shipowner's account - debit	257,297	"	0.05
3	Evergreen Marine (Asia) Pte. Ltd.	Evergreen Marine (Hong Kong) Ltd.	3	Shipowner's account - debit	2,615,114	"	0.50
4	Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine (UK) Limited	3	Operating revenue	1,042,191	"	0.31
4	Evergreen Marine (Hong Kong) Ltd.	Greencompass Marine S.A.	3	Operating revenue	2,764,389	"	0.83
4	Evergreen Marine (Hong Kong) Ltd.	Greencompass Marine S.A.	3	Operating cost	783,615	"	0.24
4	Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine (Asia) Pte. Ltd.	3	Operating cost	241,334	"	0.07
4	Evergreen Marine (Hong Kong) Ltd.	Evergreen Shipping Agency (Thailand) Co., Ltd.	3	Operating cost	115,939	"	0.03
4	Evergreen Marine (Hong Kong) Ltd.	Everport Terminal Services Inc.	3	Operating cost	946,407	"	0.28

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.	Evergreen Shipping Agency (China) Co., Ltd.	3	Operating cost	\$ 769,163	Note 4	0.23
4	Evergreen Marine (Hong Kong) Ltd.	Evergreen Shipping Agency (Europe) GmbH	3	Operating cost	196,129	"	0.06
4	Evergreen Marine (Hong Kong) Ltd.	Evergreen Shipping Agency (Vietnam) Corp.	3	Operating cost	204,788	"	0.06
4	Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine (UK) Limited	3	Shipowner's account - debit	137,117	"	0.03
4	Evergreen Marine (Hong Kong) Ltd.	Evergreen Shipping Agency (Europe) GmbH	3	Shipowner's account - debit	217,369	"	0.04
4	Evergreen Marine (Hong Kong) Ltd.	Evergreen Shipping Agency (China) Co., Ltd.	3	Shipowner's account - debit	176,529	"	0.03
5	Peony Investment S.A.	Clove Holding Ltd.	3	Other receivables	210,731	"	0.04

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 nine-month period ended September 30, 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 September 30, 2021			Net profit (loss) of the investee For the nine-month period ended September 30, 2021 (Note 2(2))	Investment income (loss) recognised by the Company For the nine-month period ended September 30, 2021 (Note 2(3))	Footnote
				Balance as of September 30, 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	\$ 13,262,663	\$ 13,262,663	4,765	100.00	\$ 70,472,984	\$ 65,279,870	\$ 65,254,607	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	74,794	24,589	13,524	" (Note)
	Everport Terminal Services Inc.	U.S.A	Terminal services	2,783	2,783	1	94.43	2,804,079	729,631	688,981	" (Note)
	Evergreen Marine (Hong Kong) Ltd.	Hong Kong	Marine transportation and shipping agency	5,826,943	5,826,943	6,320	79.00	50,421,354	48,852,944	38,535,277	" (Note)
	Evergreen Shipping Agency (Israel) Ltd.	Israel	Shipping agency	9,184	9,184	1,062	59.00	99,855	129,483	76,395	" (Note)
	Evergreen Marine (Asia) Pte. Ltd.	Singapore	Marine transportation	1,391,675	-	50,000	100.00	35,715,588	34,324,160	34,324,160	" (Note)
	Chang Yang Development Co.,Ltd.	Taiwan	Development, rental, sale of residential and commercial buildings	320,000	320,000	58,542	40.00	544,614	121,161	48,465	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	10,462,118	703,786	248,941	"
	Evergreen Security Corporation	Taiwan	General security guards services	25,000	25,000	6,336	31.25	113,400	27,672	8,647	"
	EVA Airways Corporation	Taiwan	International passengers and cargo transportation	11,276,823	11,276,823	776,541	15.13	11,393,314	(569,819)	(102,679)	"
	Taipei Port Container Terminal Corporation	Taiwan	Container distribution and cargo stevedoring	1,446,196	1,446,196	144,799	27.85	1,632,596	391,605	109,046	"
	Ever Ecove Corporation	Taiwan	Waste treatment and combined heat and power	305,000	305,000	30,500	19.06	301,598	(22,909)	(4,367)	"
	VIP Greenport Joint Stock Company	Vietnam	Terminal services	165,000	165,000	13,750	21.74	264,952	167,762	36,470	"
Peony Investment S.A.	Clove Holding Ltd.	British Virgin Islands	Investment holding company	1,462,630	1,462,630	10	100.00	2,677,581	120,377	120,377	Indirect subsidiary of the Company (Note)
	Evergreen Shipping Agency (Europe) GmbH	Germany	Shipping agency	231,463	231,463	-	100.00	150,180	14,902	14,902	" (Note)
	Evergreen Shipping Agency (Korea) Corporation	South Korea	Shipping agency	67,524	67,524	121	100.00	155,594	151,394	151,394	" (Note)
	Greencompass Marine S.A.	Republic of Panama	Marine transportation	9,839,142	9,839,142	3,535	100.00	40,955,488	51,360,979	51,360,979	" (Note)
	Evergreen Shipping Agency (India) Pvt. Ltd.	India	Shipping agency	32,752	32,752	100	99.99	338,284	198,182	198,162	" (Note)

Investor	Investee (Note 1、Note 2)	Location	Main business activities	Initial investment amount		Shares held as of September 30, 2021			Net profit (loss) of the investee For the nine-month period ended September 30, 2021 (Note 2(2))	Investment income (loss) recognised by the Company For the nine-month period ended September 30, 2021 (Note 2(3))	Footnote
				Balance as of September 30, 2021	Balance as of December 31, 2020	Number of shares	Ownership (%)	Book value			
Peony Investment S.A.	Evergreen Argentina S.A.	Argentina	Leasing	\$ 3,897	\$ 3,897	150	95.00	\$ 36,890	(\$ 2,186)	(\$ 2,077)	Indirect subsidiary of the Company (Note)
	PT. Multi Bina Pura International	Indonesia	Loading and discharging operations of container yards and inland transportation	237,307	237,307	18	95.03	458,092	51,635	49,069	" (Note)
	PT. Multi Bina Transport	Indonesia	Container repair, cleaning and inland transportation	22,386	22,386	2	17.39	12,835	(686)	(119)	" (Note)
	Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Malaysia	Container manufacturing	759,711	759,711	42,120	84.44	962,390	103,888	87,723	" (Note)
	Evergreen Shipping (Spain) S.L.	Spain	Shipping agency	187,745	187,745	6	100.00	306,211	227,402	227,402	" (Note)
	Evergreen Shipping Agency (Italy) S.p.A.	Italy	Shipping agency	65,464	65,464	0.55	55.00	128,552	141,616	77,889	" (Note)
	Evergreen Marine (UK) Limited	U.K	Marine transportation	3,732,546	3,732,546	765	51.00	12,103,890	16,957,005	8,648,072	" (Note)
	Evergreen Shipping Agency (Australia) Pty. Ltd.	Australia	Shipping agency	47,550	47,550	1	100.00	122,910	123,762	123,762	" (Note)
	Evergreen Shipping Agency (Russia) Ltd.	Russia	Shipping agency	23,603	23,603	-	51.00	18,361	94,338	48,113	" (Note)
	Evergreen Shipping Agency (Thailand) Co., Ltd.	Thailand	Shipping agency	62,431	62,431	680	85.00	105,089	283,517	240,990	" (Note)
	Evergreen Agency (South Africa) (Pty) Ltd.	South Africa	Shipping agency	16,171	16,171	5,500	55.00	62,578	43,915	24,153	" (Note)
	Evergreen Shipping Agency (Vietnam) Corp.	Vietnam	Shipping agency	34,263	34,263	-	100.00	1,326,933	717,588	717,588	" (Note)
	PT. Evergreen Shipping Agency Indonesia	Indonesia	Shipping agency	27,082	27,082	0.441	49.00	261,836	276,296	135,385	Investee company of Peony accounted for using equity method
	Luanta Investment (Netherlands) N.V.	Curaçao	Investment holding company	1,323,184	1,323,184	460	50.00	715,951	(1,974,548)	(987,274)	"
	Balsam Investment (Netherlands) N.V.	Curaçao	Investment holding company	11,625,675	11,625,675	0.451	49.00	3,699,513	6,142,045	3,009,602	"
	Evergreen Shipping Agency Co. (U.A.E.) LLC	United Arab Emirates	Shipping agency	57,949	57,949	-	49.00	132,642	192,341	94,247	"
Greenpen Properties Sdn. Bhd.	Malaysia	Renting estate and storehouse company	11,858	11,858	1,500	30.00	3,878	24,572	7,372	"	
Evergreen Marine Corp. (Malaysia) SDN.BHD.	Malaysia	Shipping agency	262,030	262,030	500	100.00	921,469	470,990	470,990	Indirect subsidiary of the Company (Note)	

Investor	Investee (Note 1 · Note 2)	Location	Main business activities	Initial investment amount		Shares held as of September 30, 2021			Net profit (loss) of the investee For the nine-month period ended September 30, 2021 (Note 2(2))	Investment income (loss) recognised by the Company For the nine-month period ended September 30, 2021 (Note 2(3))	Footnote
				Balance as of September 30, 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	\$ 73,759	\$ 73,759	80	1.00	\$ 635,967	\$ 48,852,944	\$ 487,788	Subsidiary of the Company (Note)
	Ics Depot Services Snd. Bhd.	Malaysia	Depot services	31,006	31,006	286	28.65	62,696	4,996	1,431	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	636,274	636,274	22,860	40.00	2,475,766	205,438	82,175	Investee company of Clove Holding Ltd. accounted for using equity method
	Everport Terminal Services Inc.	U.S.A	Terminal services	181,028	181,028	0.059	5.57	58,480	729,631	40,650	Indirect subsidiary of the Company (Note)
Everport Terminal Services Inc.	Whitney Equipment LLC.	U.S.A	Equipment Leasing Company	5,567	5,567	-	100.00	263,235	35,981	35,981	" (Note)
PT. Multi Bina Pura International	PT. Multi Bina Transport	Indonesia	Container repair cleaning and inland transportation	91,890	91,890	7.55	72.95	53,843	(686)	(500)	" (Note)
Evergreen Marine (Hong Kong) Limited	Colon Container Terminal S.A.	Republic of Panama	Inland container storage and loading	434,203	434,203	5,144	9.00	577,482	205,438	18,489	Investee company of Evergreen Marine (Hong Kong) Limited accounted for using equity method
	Evergreen Marine (Latin America), S.A.	Republic of Panama	Management consultancy	18,135	18,135	600	100.00	17,599	903	903	Indirect subsidiary of the Company (Note)
	Evergreen Shipping Service (Cambodia) Co., Ltd.	Cambodia	Shipping agency	5,567	5,567	200	100.00	88,713	43,968	43,968	" (Note)
	Evergreen Shipping Agency (Peru) S.A.C.	Peru	Shipping agency	7,727	7,727	900	60.00	40,380	124,980	74,988	" (Note)
	Evergreen Shipping Agency (Colombia) S.A.S	Colombia	Shipping agency	9,771	9,771	80	75.00	52,556	107,294	80,471	" (Note)
	Evergreen Shipping Agency Mexico S.A. de C.V.	Mexico	Shipping agency	6,380	6,380	44	60.00	87,600	137,168	82,301	" (Note)
	Evergreen Shipping Agency (Chile) SPA.	Chile	Shipping agency	8,874	8,874	2	60.00	34,058	99,483	59,690	" (Note)
	Evergreen Shipping Agency (Greece) Societe Anonyme.	Greece	Shipping agency	7,523	7,523	2	60.00	89,051	119,675	71,805	" (Note)
	Evergreen Shipping Agency (Israel) Ltd.	Israel	Shipping agency	142	142	18	1.00	1,692	129,483	1,295	" (Note)

Investor	Investee (Note 1 · Note 2)	Location	Main business activities	Initial investment amount		Shares held as of September 30, 2021			Net profit (loss) of the investee For the nine-month period ended September 30, 2021 (Note 2(2))	Investment income (loss) recognised by the Company For the nine-month period ended September 30, 2021 (Note 2(3))	Footnote
				Balance as of September 30, 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	\$ 6,885	\$ 6,885	120	60.00	\$ 39,684	\$ 100,308	\$ 60,185	" (Note)
	Evergreen Shipping Agency Lanka (Private) Ltd.	Sri Lanka	Shipping agency	3,374	3,374	2,160	40.00	17,954	52,195	20,879	Investee company of Evergreen Marine (Hong Kong) Limited accounted for using equity method
	Evergreen Shipping Agency Philippines Corporation	Philippines	Shipping agency	137,159	137,159	10,000	100.00	213,529	105,315	105,315	Indirect subsidiary of the Company (Note)
	Evergreen Shipping Agency (Argentina) S.A.	Argentina	Shipping agency	2,671	-	9,000	60.00	38,411	60,972	36,583	" (Note)
	Unigreen Marine, S.A.	Republic of Panama	Shipping agency	13,378	-	3	100.00	52,396	59,381	35,628	" (Note)
	Evergreen Shipping Agency Saudi Co. (L.L.C.)	Saudi Arabia	Shipping agency	16,932	-	180	60.00	28,954	26,117	15,670	" (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 September 30, 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 nine-month period ended September 30, 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 nine-month period ended September 30, 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 nine-month period ended September 30, 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 nine-month period ended September 30, 2021		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2021	Net income (loss) of the investee for the nine-month period ended September 30, 2021	Ownership held by the Company (direct of indirect) (%)	Investment income (loss) recognised by the Company. for the nine-month period ended September 30, 2021 (Note 2(2)B)	Book value of investments in Mainland China as of September 30, 2021	Accumulated amount of investment income remitted back to Taiwan as of September 30, 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	\$ 537,538	(2)	\$ 199,330	\$ -	\$ -	\$ 199,330	\$ 48,668	40.00	\$ 19,262	\$ 333,576	\$ -	
Qingdao Evergreen Container Storage & Transportation Co., Ltd.	Inland container transportation, storage, loading, discharging, repair, cleaning and related activities	182,801	(2)	39,436	-	-	39,436	125,736	40.00	50,294	144,959	-	
Kingtrans Intl. Logistics (Tianjin) Co., Ltd.	Inland container transportation, storage, loading, discharging, repair, cleaning and related activities	335,190	(2)	263,451	-	-	263,451	41,820	46.20	19,321	209,238	-	(Note)
Ever Shine (Shanghai) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	1,868,771	(2)	2,267,327	-	-	2,267,327	16,272	80.00	(38,459)	2,951,893	-	(Note)
Ever Shine (Ningbo) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	184,952	(2)	250,832	-	-	250,832	704	80.00	603	147,201	-	(Note)
Ever Shine (Shenzhen) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	263,864	(2)	436,443	-	-	436,443	2,399	80.00	(4,052)	387,704	-	(Note)
Ever Shine (Qingdao) Enterprise Management Consulting Co., Ltd.	Management consultancy, self-owned property leasing	213,942	(2)	355,778	-	-	355,778	3,253	80.00	596	242,493	-	(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 nine-month period ended September 30, 2021		Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2021	Net income (loss) of the investee for the nine-month period ended September 30, 2021	Ownership held by the Company (direct of indirect) (%)	Investment income (loss) recognised by the Company for the nine-month period ended September 30, 2021 (Note 2(2)B)	Book value of investments in Mainland China as of September 30, 2021	Accumulated amount of investment income remitted back to Taiwan as of September 30, 2021	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Evergreen Shipping Agency (China) Co., Ltd.	Agency services dealing with port formalities	29,494	(2)	82,383	-	-	82,383	35,166	52.00	18,286	42,450	-	(Note)

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 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.	\$ 3,894,980	\$ 4,408,264	\$ 163,393,408

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 nine-month period ended September 30, 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 nine-month period ended September 30, 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.