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ANNUAL REPORT

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Chapter 01 Letter to Shareholders

Dear Shareholders,

While the global economy continued to recovery in 2021, momentum slowed and uncertainty increased with the emergence of the highly transmissible Delta variant. Pandemic outbreaks in Southeast Asia have resulted in the risk of supply disruptions, which plays a key role in the global industrial chain. At the same time, due to the severe epidemic, we are facing greatest challenges in the global shipping system, such as port congestion, poor terminal operation performance, and significantly delays in sailing schedules that result in capacity and container shortages. Overall, global growth is expected to slow down in 2022 due to the increased risk of supply chain disruption and consumer price inflation, the global economic prospects have decelerated.

Indeed, the epidemic has challenged the prospects for economic growth in various countries around the world, and the recovery does show signs of slowing down. However, positive growth is still expected. According to the latest report of the International Monetary Fund (IMF), the global economic growth rate reached 5.9% in 2021, and the growth of major countries and economies also made considerable progress, of which the United States increased by 5.6%, the euro area increased by 5.2%, China increased by 8.1%, and the ASEAN-5 countries increased by 3.1%. However, if the imbalance between supply and demand caused by the epidemic does not improve for a long time, huge negative impacts on consumer demand, business investment, income and employment are expected due to inflation pressures arising, and definitely will also limit the potential for global economic growth.



There is no boundary for virus, and the uncertainty of epidemics have brought unprecedented challenges, such as disruptions of supply chain and industries around the world. The most common situation in the industry is that a disruption in the production or transportation of components may lead to a halt in the industrial chain and a serve shortage in the market, which also prompts governments to review the safety of their industrial chains and the stability of their supply chains policies. We will closely monitor the changes in the momentum of the cargo volume in the market, while adjusting the fleet deployment in a timely manner in order to achieve great performance.

The shipping industry will still face a highly uncertain operating environment in 2022, such as increasingly stringent environmental regulations, fluctuating fuel costs, e-commerce intense competition, urgently to improve the efficiency of terminal operations and the integration of regional economies. Therefore, we need to work together to improve operational efficiency with a more advanced fleet and optimized route network, while accelerating the process of shipping digitalization, environmental protection and carbon reduction, so that we can maintain high-quality customer service, and seize on the news opportunity resulted from these various challenges.

EVER SUSTAINABLY GREEN

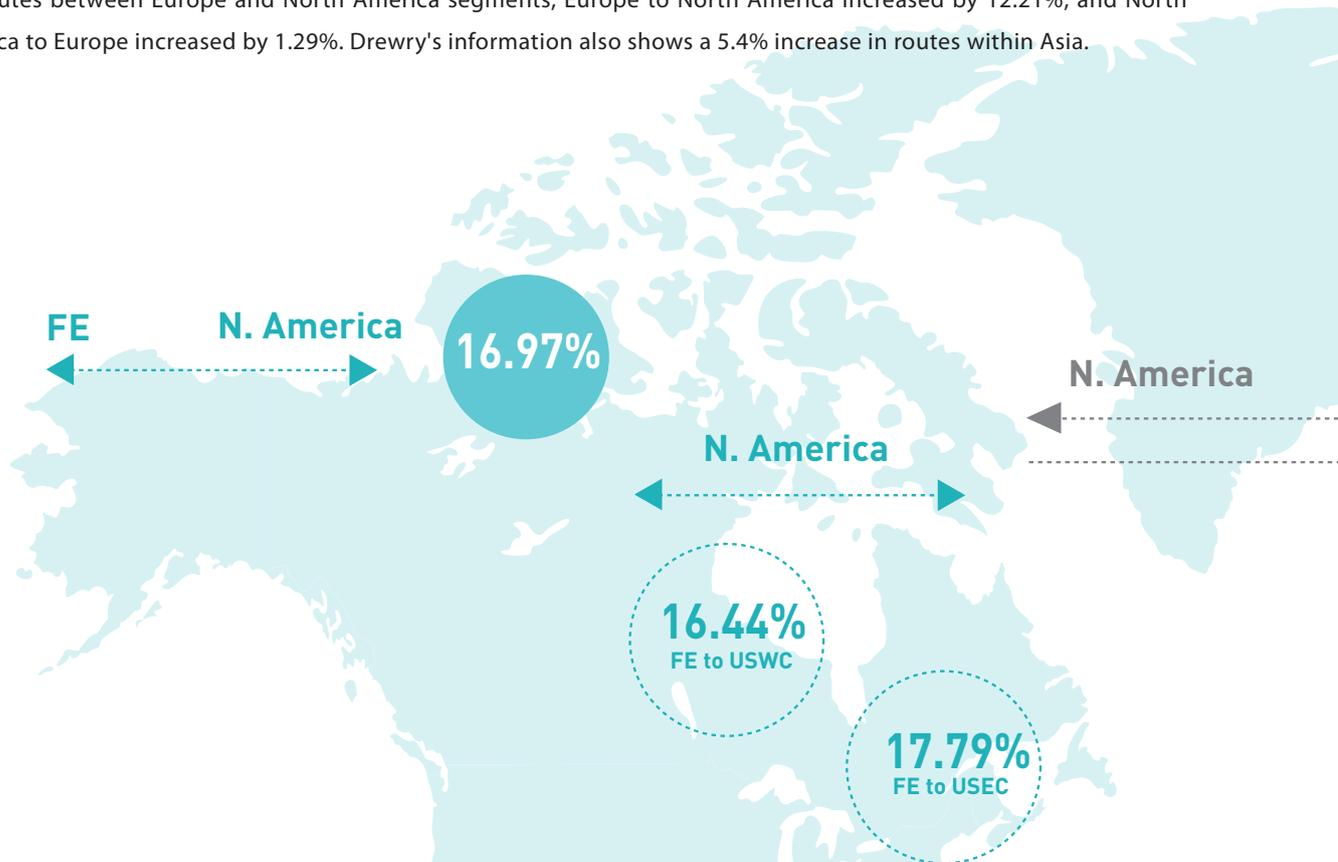


I. 2021 Business Report

1. Container Shipping Market Overview

(1) Cargo Volume Growth

According to the latest statistical analysis reports of Datamyne and Container Trades Statistics (CTS), the cargo volume of the world's main routes increased by about 7.24% in 2021 compared with that of 2020. Cargo volume from the Far East to North America increased by 16.97% (the US West Coast increased by 16.44%, and the US East Coast increased by 17.79%) ; The Far East to Europe increased by 10.14% and the Mediterranean region by 4.78% ; In the routes between Europe and North America segments, Europe to North America increased by 12.21%, and North America to Europe increased by 1.29%. Drewry's information also shows a 5.4% increase in routes within Asia.



(2) Capacity Supply

According to Alphaliner, published in March 2022, the total global container fleet growth of 4.5% in 2021 (about 24.97 million TEU).

New deliveries totaled 153 units of 1.08 million TEU in 2021. The new ship orders consisted of 52 units of 18 thousand TEU, 239 units of 10 thousand ~18 thousand TEU, there are 291 large ships in total with a size of 10 thousand TEU and above, and the total capacity totaled 4.74 million TEU, accounting for 75% of the order-yet-undelivered global total capacity.

Idle capacity stood at 0.15 million TEU, 48 vessels, accounting for 0.6% of the global total capacity. In comparison, idle capacity was 64 vessels at the end of 2020, totaling 0.23 million TEU, accounting for 1.0% of the global total at the time.

There were 146 ships over 18 thousand TEU in 2021, accounting for 12.2% of the global total capacity, 327 ships of 12.5 thousand ~18 thousand TEU, accounting for 18.7% of the global total capacity, 190 ships of 10 thousand ~12.5 thousand TEU, accounting for 8.3% of the global total capacity. There were total of 663 ships over 10 thousand TEU, accounting for 39.2% of the global total capacity.

(3) Freight Market Status

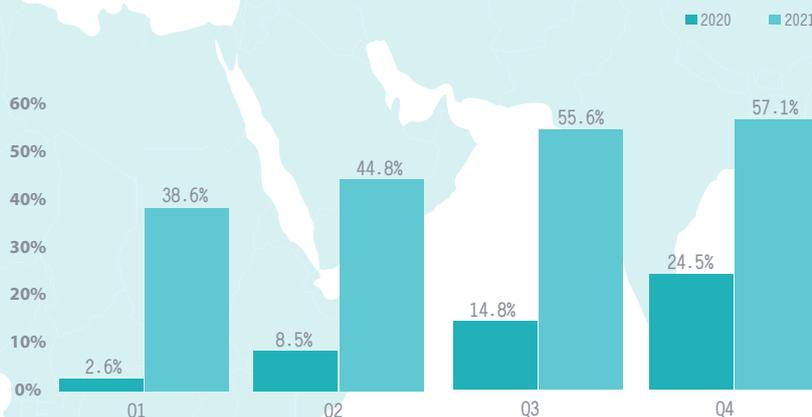
Affected by the epidemic, the major ports around the world are suffered shortage of labor force and container equipment, poor terminal operation efficiency and port congestion, resulting in the reduction of effective fleet capacity and an imbalance between supply and demand, thereby seriously impairing the global industrial and logistics. The statistics of Alphaliner show that global cargo volume rate increased by 6.7% in 2021, much higher than the negative growth rate of 1.0% in 2020.

The global economy continued to recover, consumer spending increased, and strong space demand was driven by manufacturers' eagerness to replenish inventory. However, due to port congestion, space supply and effective fleet space is reduced, while land logistics intermodal operations face challenges. This has increased the risk of supply chain disruption, leading to manufacturers become even more eager to replenish inventory, resulting in non-stop market demand. Alphaliner shows that the average profit level of the industry's airlines in the 1st quarter was 38.6% (2.6% in the same period of 2020), 44.8% in the 2nd quarter (8.5% in the same period of 2020), 55.6% in the 3rd quarter (14.8% in the same period of 2020), and the 4th quarter 57.1% (24.5% in the same period of 2020).

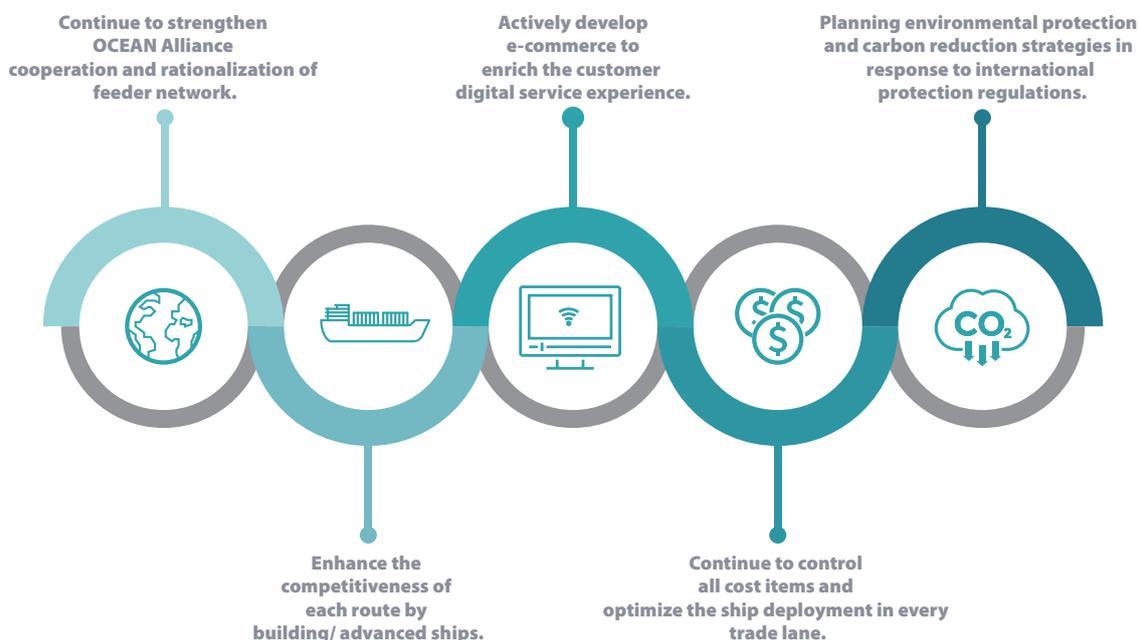


- Far East <-> North America, Europe, Mediterranean
- Europe <-> North America, North America <-> Europe

■ Average Profitability



2. Company Operational Strategy



3. Results vs. Projections

In 2021, the estimated total consolidated operating income was TWD 230.18 billion and the actual consolidated operating income was TWD 489.41 billion, with an achievement rate of 213%.

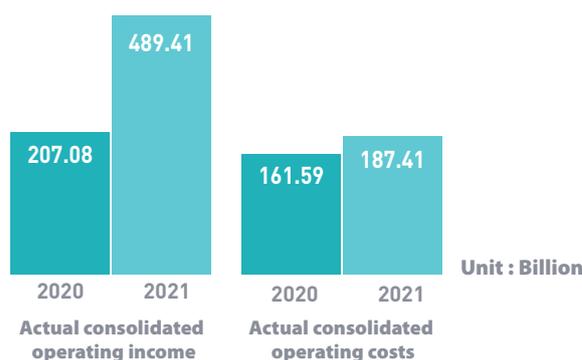
4. Annual Accounts & Profitability Analysis

A. Annual Accounts

In 2021, actual consolidated operating income totaled TWD 489.41 billion, an increase of TWD 282.33 billion compared to TWD 207.08 billion in 2020. In 2021, actual consolidated operating costs were TWD 187.41 billion, an increase of TWD 25.82 billion compared to TWD 161.59 billion in 2020.

B. Profitability Analysis

ROA: 56.22%
 ROE: 114.69 %
 Net Profit Margin: 53.76 %
 EPS: TWD 45.57 per share



5. Research & Development

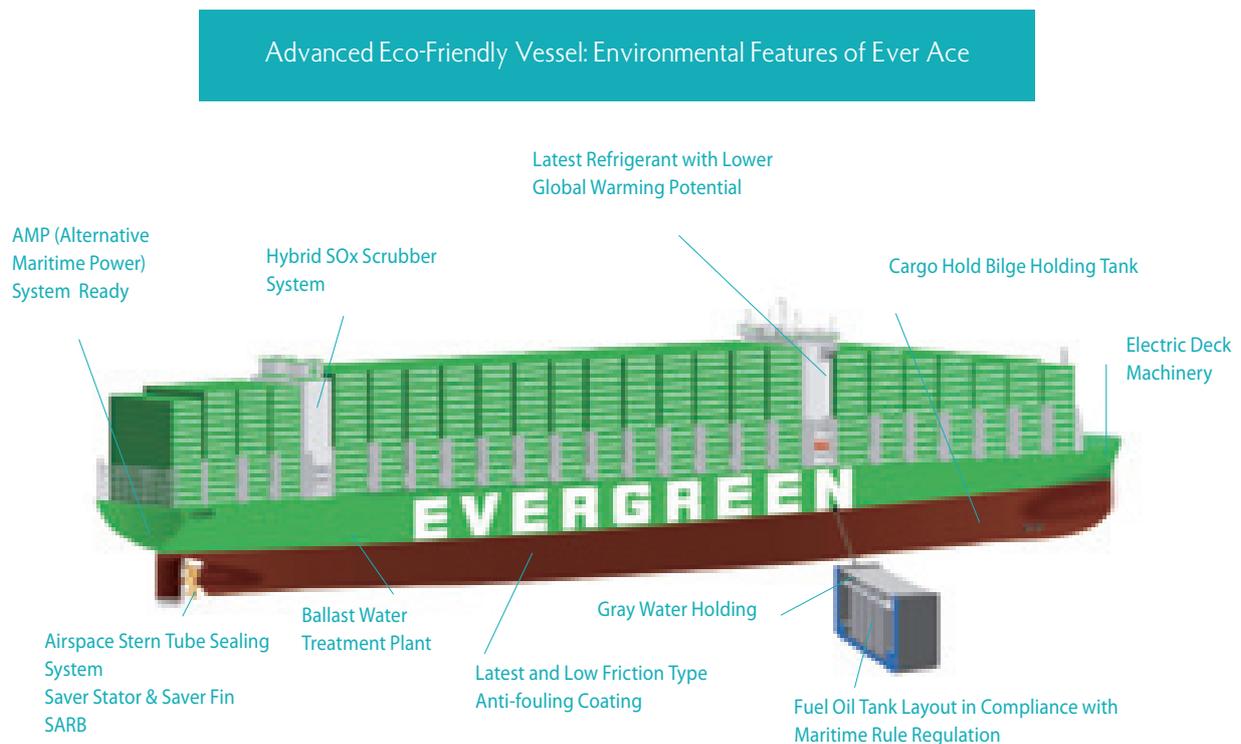
(1) Green Fleet

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

Providing quality services to deliver goods safely and timely and achieving environmental protection, energy conservation, as well as greenhouse gas emissions and air pollution reduction have always been our goal. The Shipbuilding Dept. is responsible for the design of the new ships that stay ahead of international laws and conventions. Evergreen adopts advanced marine technology to optimize each ship type in order to maximize operational efficiency and energy conservation results. The Evergreen newly built vessel can meet company's demand for efficiency and sustainability. All environmental protection designs comply with relevant international regulations, such as using double-bottom oil tank to effectively reduce the risk of oil spills, and counteract air pollution and climate change (for example, Montreal, Kyoto and Paris agreements to reduce Global Warming Potential † GWP, Ozone Depletion Potential † ODP, SOx, NOx emissions, etc.) and mitigate biodiversity issue with ballast water treatment.

The new ships built and delivered by Evergreen in 2021, such as A, C, F, and O series vessels, have improved energy efficiency and reduced emissions of greenhouse gases, carbon, nitrogen sulfide, sulfur oxides, etc., and will help improve shipping schedule accuracy and competitiveness in the marketplace. The latest ship design improves propulsion efficiency, reduces fuel consumption, optimizes the shape of the bow and other key elements, and is equipped with a hybrid type SOx scrubber. The introduction of the new ship will reduce the unit carbon emissions significantly.

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



■ Environmental Protection Notation (ABS: ENVIRO Notation † LR:IHM Notation)

(2) Maritime Training

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

Practice Training



Alongside the construction of new ship types, new types of main engine training equipment have been added. At the end of 2021, a new Win GD-X92B simulator equipment was added to the lineup, in addition to the original X92 and X62 main engine training courses. Now, training for all types of main engines in the WinGD fleet are covered.



Cooperation Project



To expand the cultivation of maritime professionals, we have been stepping up the cooperation with National Kaohsiung University of Science and Technology. This starts with a post-bachelor program of engineering. In addition, we encourage non-maritime undergraduates to engage in maritime work. We also subsidizes full tuition and part of the accommodation cost to qualified students who are offered the opportunity to intern onboard the Evergreen fleet. Employment offers are extended to cadets with excellent performance.

Training Courses



- In order to ensure the continuation of training throughout the COVID-19 preventative lockdown of 2021, some training courses moved to a Webex remote video format, and used the Evergreen E-learning platform for post-course evaluations. The Evergreen Seafarer Training Center organized 133 training courses in 23 categories throughout the year, including 13 STCW international convention trainings and 120 company-organized trainings, with 1,087 total trainees.
- In June 2021, the MOTC (Ministry of Transportation and Communications) bestowed several awards on Evergreen for the Excellence in Shipping, including the categories of "number of interns and internship days for cadets and students from domestic maritime college" and "number of teaching hours to support professional training for seafarers". Evergreen ranked first in both categories, as well as winning recognition for our project to "support the expansion of maritime training program".
- In November 2021, the Evergreen Training Center successfully completed an ISO 9001:2015 Quality Management System annual audit by Class NK, and was designated an "Evaluation of Seafarer Training Organization" carried out by the MOTC's MPB (Maritime and Port Bureau), in recognition of our high-quality seafarer training.

(3) E-Commerce

(a) Evergreen Shipping Zero Contact Service - Electronic Delivery Order (e-DO)

In an era of digital shipping, Evergreen has launched the zero-contact e-DO project. This includes the complete cargo release procedure from payment to depart. Release can easily be completed online as long as the electronic voucher collection process has been completed.

(b) Taishin Bank has joined SHIPLINK as its seventh strategic partner, adding to the ranks of the six existing bank partners (CTBC Bank, Taipei Fubon Bank, DBS Bank, Cathay United Bank, Mega Bank, Bank SinoPac).

(c) To simplify trade processes and improve the efficiency of transportation operations, in addition to providing digital integration services such as "i-B/L", "Cloud Express" (i-Dispatch) and GreenX e-commerce platform to help cargo owners, Evergreen Shipping also actively participates in the Digital Container Shipping Association (DCSA), and cooperates with international carriers to promote the digitization and standardization of container transportation information, making the integration and hand-off between the shipping industry and related industries more efficient.



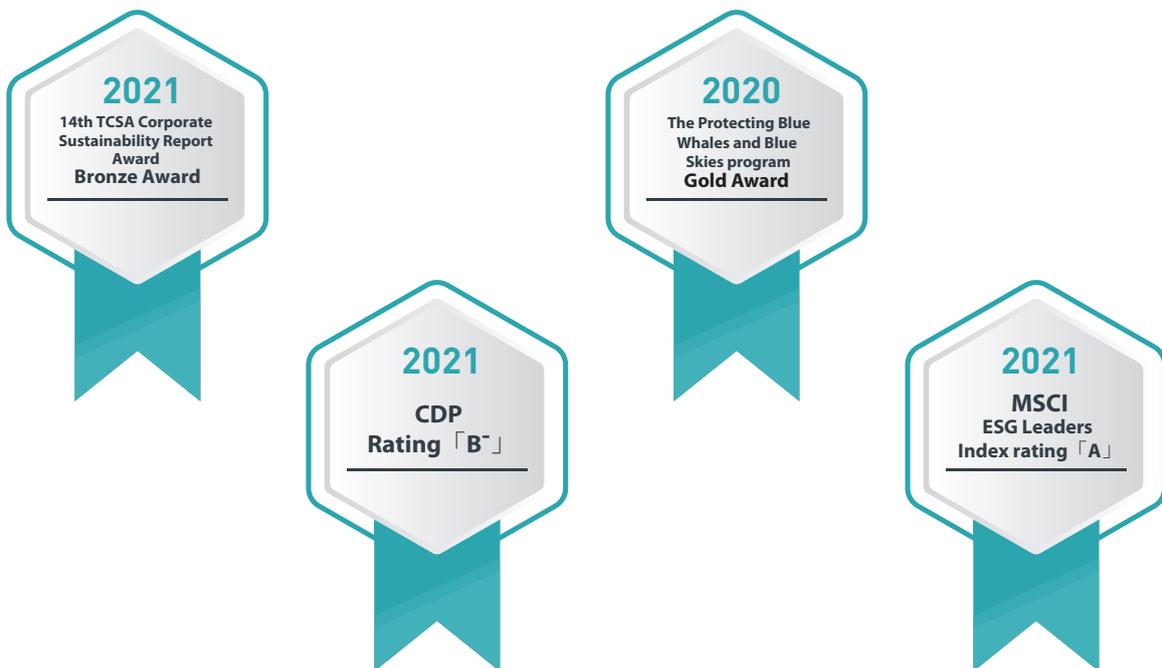
(4) Quality Recognition

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

■ Outstanding Supplier and Partnership related Awards



■ Environmental Sustainability and Corporate Governance related Awards



A close-up photograph of a person's hands holding a small green seedling with soil. The hands are positioned in the lower left, with the soil being transferred to a hole in the ground on the right. The background is a soft-focus green field. A semi-transparent white box is overlaid on the upper left portion of the image, containing text.

"Creating profits, caring for employees, and giving back to the society" is Evergreen's commitment to sustainability for stakeholders, and robust corporate governance is the cornerstone of that sustainability. Evergreen has built corporate sustainability into the company's daily operations. Considering the United Nations' Sustainable Development Goals (SDGs) as our vision, we have set various goals and taken actions to cooperate with stakeholders to create a roadmap for environmental protection, social inclusivity, and economic growth.

From "Corporate Social Responsibility (CSR)" to "Environment, Social, Governance (ESG)", our efforts have been affirmed by domestic and overseas evaluation agencies. In 2020 and 2021, We won an "A" rating in the MSCI ESG scheme, demonstrating how Evergreen has led the industry in managing the ESG.



6. Strengthen Corporate Governance and Corporate Sustainability

(1) Environment

Facing the increasingly worse situation of climate change, we've not only complied with environmental regulations, but also voluntarily created "Task Force on Climate-related Financial Disclosures (TCFD)" in 2020 to identify the risks and opportunities of climate change, as well as its financial impacts serve as an input into the company's business decisions.

(2) Social

The COVID-19 outbreak continues, and we have implemented a number of measures in response, and provided personal protective equipment and supplies to safeguard employees' health and safety.

Our charitable activities at home and abroad have also continued unabated. Domestic events included: "Earth Day - Evergreen Loves the Earth", "Reforestation – Sustainable Green Earth", "Bringing Warmth in Winter – Christmas With Love", and "Evergreen Marine Joins Chang Yung-Fa Foundation to Donate Computers to Charity"; We also held overseas activities such as: "Beach Cleanup in Panama", "Donation Boxes in Malaysia", "Distribution of Epidemic Prevention Materials in Vietnam", and "Sending Love to Orphanage at Christmas in Philippines", among others.

(3) Governance

In 2020, the Chairman signed the "Statement of Compliance with the Ethical Corporate Management Policy", and Evergreen also joined the "Maritime Anti-Corruption Network (MACN)" platform in 2021 to demonstrate our determination to stop all forms of corruption in the maritime industry through collective action.

II. 2022 Business Plan

According to the Alphaliner forecast in the latest report released in March 2022, global capacity will increase by 4.1%, while demand for growth will increase by 5.9% in 2022. In the context of uncertainties over COVID-19, port congestion, disruptions in supply chain and inflation, the global container transport market still faces considerable challenges.

1. Business Strategy

(1) Continuously Strengthen the Alliance Collaboration

The OCEAN Alliance was kicked off officially in April 2017, which comprises the French CMA CGM, China Ocean (COSCO), Hong Kong Orient Overseas (OOCL), and Evergreen. In 2021, it had 39 service routes, 334 vessels, and a total operating capacity of nearly 4.03 million TEU. In 2022, it is planned to continue its cooperation to provide 42 service routes, 352 vessels, and a total operating capacity of nearly 4.43 million TEU to develop a better serve network



(2) Accelerated Fleet Upgrade Plan

Upgrading green ship features to fulfill policy and efficiency by ordering ships ranging from 1,800 TEU, 2,300 TEU, 2,500 TEU, 3,000 TEU, 12,000 TEU, 15,000 TEU and 24,000 TEU, deploying the most competitive vessels for a given routes, fully taking advantage of the Alliance network, and flexibly adjusting capacity to reduce the cost of transshipment. At the same time, the use of advanced analytics for ship date and the latest weather/ navigation information will save fuel costs and improve navigation safety.

2. Industry Outlook

(1) Capacity Supply

According to Alphaliner, the global fleet will be 26 million TEU in 2022, an increase of 4.1% over 2021. It is expected that 184 new ships at 1.09 million TEU will be added in 2022.

(2) The Growth of Cargo Volume

Alphaliner has projected the global volume of goods is estimated to be increased by 5.9%. (-1.0% in 2020, the growth rate of 6.7% in 2021)



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

1. External Competitive Environment

Effective January 1, 2020, low Sulphur fuel is required in all waters of the world except for vessels equipped with scrubbers. In response to the IMO 2020 Sulphur Limit regulations, we have completed the scrubber installation on a total of 125 vessels by the end of 2021. Since fuel costs are one of the shipping company's important cost items, changes in fuel prices affect the company's control over related costs.

2. Regulatory Impact

With the impact of the greenhouse effect and global warming becoming more significant, the increasingly serious impact of climate change is an inevitable area of focus for companies' sustainability efforts. The International Maritime Organization (IMO) has followed the footsteps of the Paris Agreement by developing a medium- and long-term greenhouse gas reduction strategy for the entire shipping industry. Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator (CII), which are the new regulations set to take effect in 2023, are going to affect the performance of carbon emission and vessel speed.

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

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



3. Macro Business Environment

The pandemic, port congestion, inflation threats and international trade protectionism will continue to affect global supply chains. Reasons for uncertainty such as uneven economic recovery and geopolitical tension will accelerate the integration of certain regional economies, and will continue to dominate the future global economic trends. Alphaliner estimates a global volume growth rate of 5.9% in 2022, and the global economic recovery is expected to continue slowly.

IV. Future Strategy

Looking ahead, with high coverage of vaccination around the world, the shortage of labor and equipment, port congestion, and terminal operation will be improved, and the global economy will gradually regain momentum. In this context, we will continue to upgrade our fleet, fully leverage the Alliance to enhance the efficiency, and better control costs and expenses. All employees of the company will also go the extra mile to provide greater customer service and generate more profits for better overall results

In order to achieve sustainable operations, we have set short-, medium- and long-term environmental, social, and governance goals. To protect the environment, we continue to renew our fleet and support greenhouse gas emissions verification and certification. We are also replacing old elevators in buildings with intelligent elevators and installing hydraulic mechanical parking spaces and other equipment to save energy and reduce carbon emissions.

In terms of social impact, we continue to promote social welfare activities, support maritime education, attach importance to human rights and legal compliance, and establish a friendly workplace that nurtures and retains talents. In order to fulfill our responsibility to give back to the society, we have enhanced corporate governance by implementing Maritime Anti-Corruption Network (MACN) policy and strengthening information security. We also work with suppliers toward the common goal of transparency and sustainable operations.



Chapter 02 Company Profile

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

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

1968-1976

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



1977-1986

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

1987-1996

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

1997-2001

- Evergreen Shipping Agency Philippines Corporation was founded.
- Colon Container Terminal S.A. in Panama became fully

operational as a common user facility.

- Evergreen Shipping Agency (Poland) SP.Z.O.O. was founded.
- Taiwan's Customs authorities approved the implementation of an "overall self-management" system to improve and upgrade Evergreen's services to shippers.
- Evergreen Shipping Agency (France) S.A.S. was founded.
- Evergreen Container Terminal No. 5, Berths 79, 80 and 81 in Kaohsiung Port becomes fully operational.
- Evergreen Shipping Agency (Korea) Corporation, Evergreen Marine Corp. (Malaysia) Sdn. Bhd., Evergreen Shipping Agency (Netherlands) B.V., Evergreen Shipping Agency (Thailand) Co., Ltd. Founded and Evergreen Marine (Singapore) Pte. Ltd. were founded.
- Taranto Container Terminal in the south of Italy, with Evergreen Group as one of the investors, opened for business with a comprehensive feeder network serving other Italian ports, the western and eastern Mediterranean, the Adriatic Sea and the Black Sea.
- The Evergreen Seafarer Training Center was awarded ISO-9001:2000 for quality systems, marine simulator equipment, and training centers by DNV. The training center, an Evergreen Group investment opened in 1999, aims to boost the professional skills of the Group's crew, reduce the risk of accidents and environmental pollution at sea and conform to international regulations.
- Chang Yang Development Co., Ltd. was established as a joint venture with Tesco Taiwan for investment and construction of the Tesco Chingkuo Store in Taoyuan City.



2002-2006

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

2007-2011

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



2012-2016

- Launching of "ShipmentLink Mobile," an e-commerce app for mobile devices.
- Honored with the AEO certificate by Customs Administration.
- Launching of West Coast of Central America (WCA) service with X-Press.
- The Evergreen Seafarer Training Center passed ClassNK Certification.
- Launching of South China–Philippines–East Malaysia (CPM) service.
- Launching of China–Pacific South West (CPS2) service.
- Launching of China–Australia–Taiwan (CAT) service.
- Launching of New Ho Chi Minh Service (NHS).
- Evergreen Line signed agreements with Costamare and Shoeni Kisen Kaisha for the lease of five 14,000 TEU container ships each.
- Evergreen teamed up with COSCO, "K" Line, Yang Ming and Hanjin to establish the CKYHE Alliance.
- Ever Living, Evergreen's first L-type container ship built by CSBC Corporation was selected as "Ship of the Year" by Taiwan Society of Naval Architects and Marine Engineers.
- Evergreen Group signed time charter agreements with Shoeni Kisen Kaisha in January to charter eleven 20,000 TEU container ships, including six units chartered by Evergreen Marine Corp. (EMC) and its subsidiary.
- Evergreen Line launched a new Taiwan–Shekou–Malacca Strait (TSS) service in March and introduced a dedicated Taiwan–Hong Kong (THK) service. GHG emissions generated by land transport arde reduced through a "Blue Highway" for containers in Northern, Central, and Southern Taiwan.
- Evergreen Line launched its new China–Surabaya Express (CSX) service and Vietnam–Singapore–Malaysia (VSM) service in May.
- Evergreen Group signed an agreement with CSBC Corporation in July to build ten 2800 TEU B-type

container vessels and signed an agreement with Japanese shipbuilder Imabari in September for another ten 2800 TEU B-type container vessels.

- Evergreen Group's Colon Container Terminal, S.A. (CCT) completed the construction of its Berth No. 4 in December. The facility can accommodate large container vessels of up to 14,000 TEU.
- Evergreen Line signed a Memorandum of Understanding with CMA CGM, COSCO Container Lines and OOCL to form the OCEAN Alliance, which provides a comprehensive service network covering Asia–Europe, Asia–Mediterranean, Asia–Red Sea, Asia–Middle East, Trans–Pacific, Asia–North America East Coast, and Trans–Atlantic trade routes. Subject to regulatory approval of the competent authority, the new Alliance planned to begin operations in April 2017.
- In order to train more marine professionals, Evergreen Marine Corporation concluded a cooperation agreement with National Kaohsiung Marine University, offering marine technology classes for students who previously have no relevant background.
- Evergreen Line named "Best Shipping Line – Trans-Pacific" by Asia Cargo News at the 2016 Asian Freight, Logistics and Supply Chain Awards (AFLAS).
- Evergreen's 8000 TEU container vessel passed through the expanded Panama Canal in July. In light of the business opportunities offered by the expansion of the Canal, Evergreen upgraded the size of ships utilized for Far East–US East Coast services.
- In a move designed to significantly enhance China-Indian Subcontinent trade, Evergreen Line teamed up with Wan Hai, COSCO, "K" Line and PIL to offer two joint services.
- In response to the reorganization of Hanjin (a CKYHE Alliance member), Evergreen Line added new functions to its on-line e-commerce system, offering customers real-time cargo status updates, and providing detailed service plans within its own networks as an effective

substitute to cover the services impacted by Hanjin's reorganization.

- Evergreen Line worked with COSCO in operating a joint Adriatic–Israel service, providing direct and rapid service to customers.
- Evergreen teamed up with Yang Ming, OOCL, MOL & "K" Line to offer a new joint North East Asia–Australia Express service.
- Evergreen Line and OCEAN Alliance partners signed a document entitled "The Day One Product" that set out the proposed OCEAN Alliance's network, including port rotation for each service loop.

2017

- For an unprecedented third consecutive year, Evergreen Line received the E-Commerce Excellence Award from LOG-NET, a leading information systems integrator of ocean carriers and customers. Striving to create efficient information system and reliable service chain, Evergreen continued its pursuit of growth and success for our valued customers.
- For the cultivation of maritime talents and sustainable development of the local shipping industry, Evergreen teamed up with National Taiwan Ocean University to provide a special seafarer training program. The 18-month program is designed to offer professional engineering classes to those who have a bachelor's degree and passion for ship maintenance but without a mechanical engineering background of maritime colleges.
- Rolled out online price inquiry and booking platform with Alibaba.com to offer guaranteed and more convenient sea freight services by relying on the Evergreen Professional Logistics and Supply Chain Management.
- Evergreen Line was named "Best Shipping Line – Asia-Africa" by Asia Cargo News at the 2017 Asian Freight, Logistics and Supply Chain Awards (AFLAS).

- OCEAN Alliance officially commenced operations, with service networks covering Asia–Europe/Mediterranean, Trans-Pacific, Asia–North America East Coast, Trans-Atlantic trades and Far East-Middle East trades.
- Evergreen Shipping Agency (Deutschland) GmbH renamed to Evergreen Shipping Agency (Europe) GmbH, and merged with Evergreen shipping agencies in the Netherlands, Belgium, France, Poland, Switzerland and Austria as branch offices.
- Evergreen and its subsidiary, Peony Investment S.A. acquired 80% shares of Evergreen Marine (Hong Kong) Ltd.

2018

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

- Ordered four 2,500 TEU and chartered ten 2,500 TEU and twenty-four 1,800 TEU container vessels.



2019

- Evergreen Shipping Agency (Colombia) S.A.S. was founded.
- Announced the optimization and improvement of "The Day Three Product" network and extended OCEAN Alliance agreement to ten years until 2027, providing unmatched services to customers.
- Ever Boomy, Evergreen's B-type container ship built by CSBC Corporation is the first domestic ship to have an open loop SOx scrubber system installed, which is selected as "Ship of the Year" by Taiwan Society of Naval Architects and Marine Engineers.
- Evergreen teamed up with National Taiwan Ocean University again to provide a special seafarer training program.
- Evergreen Shipping Agency (Greece) Societe Anonyme was founded.
- Evergreen Shipping Agency (Israel) Ltd. was founded.
- Evergreen Shipping Agency Lanka (Private) Limited was founded.
- Evergreen ordered ten 24,000 TEU container vessels from Samsung Heavy Industries, Hudong-Zhonghua Shipbuilding and Jiangnan Shipyard.
- Evergreen ordered four 1,800 TEU container vessels from Hyundai Mipo Dockyard.



2020

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



2021

- Evergreen teamed up with National Taiwan Ocean University to provide a special seafarer training program.
- Evergreen Marine (Asia) Pte. Ltd. was founded.
- Evergreen ordered twenty 15,000 TEU container vessels from Samsung Heavy Industries.
- Evergreen Shipping Agency (Argentina) S.A. was founded.
- Evergreen ordered two 1,900 TEU, eleven 2,300 TEU and eleven 3,000 TEU container vessels from Huangpu Wenchong Shipbuilding.
- Evergreen Shipping Agency Saudi CO. (L.L.C.) was founded.
- Evergreen Marine (Hong Kong) Ltd. acquired 100% shares of Unigreen Marine, S.A.

2022

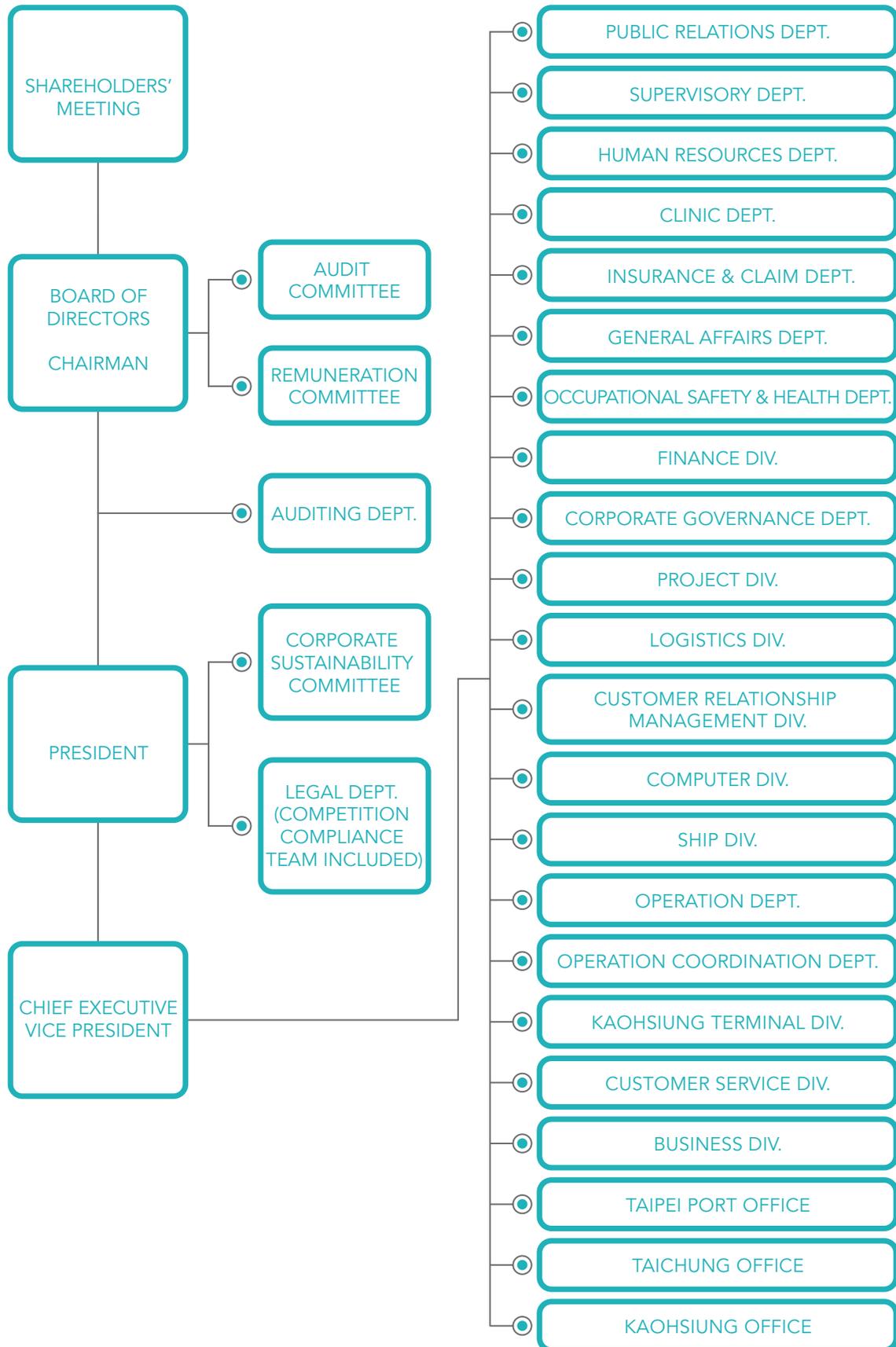
- Evergreen orders three 24,000 TEU container vessels from Hudong-Zhonghua Shipbuilding.
- Evergreen Marine (Asia) Pte. Ltd. acquired 100% shares of Evergreen Shipping Agency (Japan) Corporation.
- Evergreen Business Process Inc. (EBPI) was founded.





I. Organization

1. Organizational Chart



2. Major Corporate Functions

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

retention, employees' training and organizational development.

- (10) Clinic Dept.: Regular physical exams, health services and health management including the provision of suitable health advice and fitness of work for both sea and land crew.
- (11) Insurance & Claim Dept.: Handle marine incidents, settlement of insurance claims, vessel insurance planning, and provide legal counseling on marine insurance.
- (12) General Affairs Dept.: General affairs, equipment and engineering maintenance and staff canteen.
- (13) Occupational Safety & Health Dept.: Plan and implement the occupational safety and health.
- (14) Finance Div.: Corporate finance and accounting, agency account assessment
- (15) Corporate Governance Dept.: Corporate governance affairs.
- (16) Project Div.: Global business strategy monitoring, alliances and chartered vessels planning, fleet deployment, agency management, IT integration, industry researching, price setting and shipping spaces controlling for all services.
- (17) Logistics Div.: Deployment of global empty containers, management of terminal contracts, planning of inland transportation and container related affairs.
- (18) Customer Relationship Management Div.: Ecommerce websites development, design, promotion and management, global agency customer service supervision, document management system maintenance, customer data processing, bill of lading processing and ocean freight rating.
- (19) Computer Div.: System programming, information security management, and planning, purchasing and maintenance of information appliances.
- (20) Ship Div.: Shipbuilding supervision, vessel repair and maintenance supervision, supplies arrangement, fuel and lubricating oil procurement, fleet audits, marine technology enhancement, vessel energy efficiency management and seamen's human resources management.
- (21) Operation Dept.: Global short-term sailing schedule planning, port cargo handling, and out of gauge and dangerous cargoes examination.
- (22) Operation Coordination Dept.: Global long-term sailing schedule management, fleet fuel consumption monitoring and analysis, terminal/depot contracts negotiation and owned terminal operation management.
- (23) Kaohsiung Terminal Div.: Terminal operation, machinery and equipment maintenance.
- (24) Customer Service Div.: Taiwan export booking, import releasing, consulting service and counter operation.

- (25) Business Div.: Taiwan export and import cargo canvassing and market analysis.
- (26) Taipei Port Office: Taipei Port shipping affairs.
- (27) Taichung Office: Taichung cargo canvassing and shipping affairs.
- (28) Kaohsiung Office: Kaohsiung cargo canvassing and shipping affairs.

II. Directors and Management Team

1. Directors

(1) Director information

April 1, 2022

Title	Nationality	Name	Gender Age (Note 2)	Date First Elected	Date Elected	Tenure	Shareholding When Elected		Current Shareholding		Spouses & Minor Shareholding		Shares Held by Nominee Arrangement		Experience & Education	Concurrent Positions in Other Companies	Executives Directors or Supervisors who are Spouses or Within Second Degree of Kinship		
							Shares (Note 1)	(%) (Note 1)	Shares (Note 1)	(%) (Note 1)	Number (Note 1)	(%) (Note 1)	Title	Name			Relation		
	R.O.C	HUI Corporation	-	2020.06.24	2020.06.24	3 Years	1,000,000	0.020	1,000,000	0.019	-	-	0	0.000	-	-	-	-	-
Chairman	R.O.C.	Representative: Chang, Yen-I	Male 61-70	2020.10.07	2020.10.07	2.71 Years	-	-	0	0.000	0	0.000	0	0.000	Chairman, Taipei Port Con- tainer Terminal Corp. Chairman, United Stevedor- ing Corp. Taipei College of Maritime Technology in Navigation (Now called Taipei University of Marine Technology)	Chairman: Chang Yang Development Corp. Director: Evergreen International Storage & Transport Corp., Taipei Port Container Terminal Corp.	-	-	-
Director	R.O.C.	Chang, Kuo- Hua	Male 61-70	1976.09.02 (Note 3)	2020.06.24	3 Years	319,646,157	6.641	159,846,157	3.021	0	0.000	0	0.000	Vice Chairman, Evergreen Marine Corp. (Taiwan) Ltd. Taipei College of Maritime Technology in Marine Engi- neering (Now called Taipei University of Marine Technol- ogy)	Director: Evergreen International Corp., Evergreen Steel Corp.	-	-	-
Director	Panama	Evergreen International S.A.	-	1988.03.25 (Note 4)	2020.06.24	3 Years	391,786,816	8.140	391,786,816	7.405	-	-	0	0.000	-	-	-	-	-

Title	Nationality	Name	Gender Age (Note 2)	Date First Elected	Date Elected	Tenure	Shareholding When Elected		Current Shareholding		Spouses & Minor Shareholding		Shares Held by Nominee Arrangement		Experience & Education	Concurrent Positions in Other Companies	Executives Directors or Supervisors who are Spouses or Within Second Degree of Kinship		
							Shares	(%) (Note 1)	Shares	(%) (Note 1)	Shares	(%) (Note 1)	Number	(%) (Note 1)			Title	Name	Relation
Director	R.O.C.	Representative: Ko, Lee-Ching	Female 71-80	1982.06.12 (Note 5)	2020.06.24	3 Years	-	-	92,563	0.002	0	0.000	0	0.000	Vice Group Chairman, Evergreen Group National Keelung Girls' Senior High School	Chairman: Evergreen (Shanghai) Hotel Limited Director: EVA Airways Corp., Evergreen International Storage & Transport Corp., Taiwan High Speed Rail Corp., Evergreen Steel Corp.	-	-	-
	R.O.C.	Representative: Hsieh, Huey-Chuan	Male 61-70	2016.03.18	2020.06.24	3 Years	-	-	103,752	0.002	0	0.000	0	0.000	Vice Chairman, Itaila Maritime S.p.A. Bachelor of Transportation Engineering and Management, National Chiao Tung University	President: Evergreen Marine Corporation (Taiwan) Ltd. Director: Taipei Port Container Terminal Corp.	-	-	-
Director	R.O.C.	HUI Corporation	-	2020.06.24	2020.06.24	3 Years	1,000,000	0.020	1,000,000	0.019	-	-	0	0.000	-	-	-	-	-
	R.O.C.	Representative: Tai, Jjin-Chyuan	Male 61-70	2011.06.24 (Note 6)	2020.06.24	3 Years	-	-	74,436	0.001	0	0.000	0	0.000	Executive Vice President, Legal Dept., Evergreen International Corp. Master of Maritime Law, National Taiwan Ocean University	Director & President: Evergreen International Corp. Director: EVA Airways Corp., Evergreen International Storage & Transport Corp., Central Reinsurance Corp., Evergreen Aviation Technologies Corp., Evergreen Sky Catering Corp., Uni Airways Corp., Taipei Port Container Terminal Corp., Evergreen (Shanghai) Hotel Limited	-	-	-

Title	Nationality	Name	Gender Age (Note 2)	Date First Elected	Date Elected	Tenure	Shareholding When Elected		Current Shareholding		Spouses & Minor Shareholding		Shares Held by Nominee Arrangement		Experience & Education	Concurrent Positions in Other Companies	Executives Directors or Supervisors who are Spouses or Within Second Degree of Kinship			
							Shares	(%) (Note 1)	Shares	(%) (Note 1)	Shares	(%) (Note 1)	Number	(%) (Note 1)			Title	Name	Relation	
	R.O.C.	Evergreen Steel Corp.	-	2014.06.18	2020.06.24	3 Years	38,261,703	0.794	38,261,703	0.723	-	0	0.000	-	-	-	-	-	-	
Director	R.O.C.	Representative: Wu, Kuang-Hui	Male 61-70	2020.06.24	2020.06.24	3 Years	102,219	-	102,219	0.002	0	0.000	0	0.000	Executive Vice President, Finance Department of Evergreen Marine Corporation (Taiwan) Ltd. Master of Business Administration, National Sun Yat-Sen University	Chief Executive Vice President: Evergreen Marine Corp. (Taiwan) Ltd. Director: Central Reinsurance Corp., Taipei Port Container Terminal Corp. Supervisor: UNI Airways Corp.				
Independent Director	R.O.C.	Yu, Fang-Lai	Male 71-80	2017.06.22	2020.06.24	3 Years	0	0.000	0	0.000	0	0.000	0	0.000	Chairman, Chunghwa Post Co., Ltd. Political Deputy Minister, Ministry of Transportation & Communications MBA of Institute of Management Science, National Chiao Tung University					
Independent Director	R.O.C.	Li, Chang-Chou	Male 51-60	2017.06.22	2020.06.24	3 Years	0	0.000	0	0.000	0	0.000	0	0.000	Partner, Pricewaterhouse Coopers, Taiwan Master of Accounting, University of Illinois at Urbana-Champaign	Partner, CPA, Zhi Cheng CPA Firm Independent Director: Silicon Optronics, Inc., St. Shine Optical Co., Ltd., Hotalai Insurance Co., Ltd.				

Title	Nationality	Name	Gender Age (Note 2)	Date First Elected	Date Elected	Tenure	Shareholding When Elected		Current Shareholding		Spouses & Minor Shareholding		Shares Held by Nominee Arrangement		Experience & Education	Concurrent Positions in Other Companies	Executives Directors or Supervisors who are Spouses or Within Second Degree of Kinship	
							Shares	(%) (Note 1)	Shares	(%) (Note 1)	Shares	(%) (Note 1)	Number	(%) (Note 1)			Title	Name
Independent Director	R.O.C.	Chang, Chia-Chee	Male 61-70	2014.06.18	2020.06.24	3 Years	0	0.000	0	0.000	0	0.000	0	0.000	Attorney-in-Charge, Tai-Yang Life Science Business Law Office Master degree: School of Law of National Taiwan University College of Medicine Institute of Molecular Medicine of National Taiwan University	Tai-Yang Life Science Business Law Office Attorney-in-Charge	-	-

Note 1: The Company had issued 4,812,973,786 shares when current Board of Directors was elected on 06/24/2020. As of 04/01/2022, the Company has issued 5,291,050,204 shares.

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

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

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

Note 5: Ms. Ko, Lee-Ching has served as a director or supervisor of the Company from 06/12/1982 to 03/31/1983, 06/11/1983 to 06/12/1984, and from 05/09/1992 till present.

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

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

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

Note 9: The diversity policy of the Board of Directors: Please refer to page 38 to 39.

(2) Major shareholders of the institutional shareholders

April. 1, 2022

Name of Institutional Shareholder (Note1)	Major Shareholders of Institutional Shareholder (Note2)
HUI Corporation	Yang, Mei-Chen (72.86%) Chang, Chien-Hui (27.14%)
Evergreen Steel Corp.	Evergreen International Corp. (21.69%) EVA Airways Corp. (9.10%) Continental Engineering Corp. (6.11%) Chang, Kuo-Hua (5.95%) Chang, Kuo-Ming (5.95%) Chang, Kuo-Cheng (5.95%) Chang Yung-Fa Foundation (5.95%) Wei-Dah Development Co., Ltd. (3.05%) TSRC Corp. (2.89%) Chang-Ying Development Ltd. (2.12%)
Evergreen International S.A.	Chang, Yung-Fa (20%) (Deceased) Chang, Kuo-Hua (20%) Chang, Kuo-Ming (20%) Chang, Kuo-Cheng (20%) Pieca Corp. (20%)

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

Note2: The major shareholders of the institutional shareholder (for those holding more than 10% shares) and its shareholdings percentage should be disclosed. If the major shareholders of the institutional shareholders are institute, please fill in chart 2.

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

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

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

April. 1, 2022

Legal Entity (Note1)	Name of Institutional Shareholders (Note2)	Major Shareholders of Institutional Shareholders (Note3)
Evergreen Steel Corp.	Evergreen International Corp.	Chang Yung-Fa Foundation (28.86%) Sheng Shi Corp. (18%) Chang, Kuo-Ming (17.99%) Lee, Yu-Mei (7.14%) Chang, Kuo-Hua (6.46%) Cathay United Bank. Trust Account – Chang, Kuo-Hua (6.44%) Chang Yung-Fa Charity Foundation (5%) Chang, Yung-Fa (5%) (Deceased) Yang, Mei-Chen (2.55%) Cathay United Bank. Trust Account – Yang, Mei-Chen (2.05%)
	EVA Airways Corp.	Evergreen Marine Corp. (Taiwan) Ltd. (15.11%) Evergreen International Corp. (10.69%) FALCON INVESTMENT SERVICES LTD (9.35%) Evergreen Steel Corp. (4.23%) Chang, Yung-Fa (2.57%) Chang, Kuo-Cheng (1.80%) Chang, Kuo-Ming (1.09%) New Labor Pension Fund (0.99%) Evergreen International Storage & Transport Corp. (0.95%) Cathay Life Insurance Co., Ltd. (0.90%)
	Continental Engineering Corp.	Continental Holdings Corp. (99.99%)
	Chang Yung-Fa Foundation (Note 6)	Chang ,Yung-Fa (Deceased) Chang, Shu-Hua Chang, Kuo-Hua Chang, Kuo-Ming Chang, Kuo-Cheng Evergreen International Corp. Evergreen Marine Corp. (Taiwan) Ltd. Everglory Transport Corp. Evergreen Investment Corp. Eversaftey Container Terminal Corp. Evermaster Industrial Corp. Evergenius Computer Information Corp. Everlaural Trading Corp. Ltd. Uniglory Marine Corp.

Legal Entity (Note1)	Name of Institutional Shareholders (Note2)	Major Shareholders of Institutional Shareholders (Note3)
Evergreen Steel Corp.	Wei-Dah Development Co., Ltd.	Maoshi Corp. (99.59%)
	TSRC Corp.	Panama Banco Industrial Company (8.42%) Han-De Construction Co., Ltd. (7.64%) Wei-Dah Development Co., Ltd. (6.50%) Formosa Plastics Marine Corp. (4.99%) Tamerton Group Limited (4.19%) Fubon Life Insurance Co., Ltd.(4.05%) Hao Ran Foundation (3.41%) Cathay Life Insurance Co., Ltd. (3.02 %) Miriton Investment Corp. (1.71%) CITI Bank Taiwan branch in custody for Government of Singapore Investment Fund (1.59%)
	Chang-Ying Development Ltd.	Lin, Yan-Huang (46.24%)
Evergreen International S.A.	Pieca Corp.	Chang, Kuo-Wei (100%)

Note 1: Name of Institutional Shareholders of Table 1.

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

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

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

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

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

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

April. 1, 2022

Name and Title	Professional Qualifications and Independence Criteria
Chairman, Chang, Yen-I	<p>1. Education: Taipei College of Maritime Technology in Navigation (Now called Taipei University of Marine Technology)</p> <p>2. Professional qualifications and experience: Please refer to page 28 to 31. (Director information)</p> <p>3. Independence Criteria: In addition to being a director of the Company’s affiliated company and being elected a director of the Company as a representative of a corporate shareholder, meets the requirement of independence as stipulated in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”.</p> <p>4. Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director or the member of Remuneration Committee:0</p>
Director, Chang, Kuo-Hua	<p>1. Education: Taipei College of Maritime Technology in Marine Engineering (Now called Taipei University of Marine Technology)</p> <p>2. Professional qualifications and experience: Please refer to page 28 to 31. (Director information)</p> <p>3. Independence Criteria: In addition to being a natural-person shareholder holdings one percent of the total number of issued shares, and being a director of the Company’s affiliated company, and being a director of a corporate shareholder, which ranks among the top five in shareholdings, meets the requirement of independence as stipulated in the” Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”.</p> <p>4. Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director or the member of Remuneration Committee:0</p>

Name and Title	Professional Qualifications and Independence Criteria
Director, Ko, Lee-Ching	<ol style="list-style-type: none"> 1. Education: National Keelung Girls' Senior High School 2. Professional qualifications and experience: Please refer to page 28 to 31. (Director information) 3. Independence Criteria In addition to being a director of the Company's affiliated company and being a director of a corporate shareholder, which ranks among the top five in shareholdings, and being elected a director of the Company as a representative of a corporate shareholder, meets the requirement of independence as stipulated in the " Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". 4. Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director or the member of Remuneration Committee: 0
Director, Tai, Jiin-Chyuan	<ol style="list-style-type: none"> 1. Education: Master of Maritime Law, National Taiwan Ocean University 2. Professional qualifications and experience: Please refer to page 28 to 31. (Director information) 3. Independence Criteria: In addition to being a director of the Company's affiliated company and being a director of a corporate shareholder, which ranks among the top five in shareholdings, and being elected a director of the Company as a representative of a corporate shareholder, meets the requirement of independence as stipulated in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". 4. Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director or the member of Remuneration Committee: 0
Director, Hsieh, Huey-Chuan	<ol style="list-style-type: none"> 1. Education: Bachelor of Transportation Engineering and Management, National Chiao Tung University 2. Professional qualifications and experience: Please refer to page 28 to 31. (Director information) 3. Independence Criteria: In addition to being a president of the Company and being a director of the Company's affiliated company, and being elected a director of the Company as a representative of a corporate shareholder, meets the requirement of independence as stipulated in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". 4. Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director or the member of Remuneration Committee: 0

Name and Title	Professional Qualifications and Independence Criteria
Director, Wu, Kuang-Hui	<ol style="list-style-type: none"> 1. Education: Master of Business Administration, National Sun Yat-Sen University 2. Professional qualifications and experience: Please refer to page 28 to 31. (Director information) 3. Independence Criteria In addition to being an chief executive vice president of the Company and being a director of the Company’s affiliated company, and being elected a director of the Company as a representative of a corporate shareholder, meets the requirement of independence as stipulated in the” Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”. 4. Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director or the member of Remuneration Committee: 0
Independent Director, Yu, Fang-Lai (Convener of the Remuneration Committee and Member of the Audit Committee)	<ol style="list-style-type: none"> 1. Education: MBA of Institute of Management Science, National Chiao Tung University 2. Professional qualifications and experience: Please refer to page 28 to 31. (Director information) 3. Independence Criteria (Note 2): Independence Director, Yu, Fang-Lai complies with the independence requirements of “ Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies “. 4. Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director or the member of Remuneration Committee: 0
Independent Director, Li, Chang-Chou (Convener of the Audit Committee and Member of the Remuneration Committee)	<ol style="list-style-type: none"> 1. Education: Master of Accounting, University of Illinois at Urbana-Champaign 2. Professional qualifications and experience: Please refer to page 28 to 31. (Director information) 3. Independence Criteria (Note 2): Independence Director, Li, Chang-Chou complies with the independence requirements of “ Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies “. 4. Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director or the member of Remuneration Committee: Independent Director: Silicon Optronics, Inc., St.Shine Optical Co.,Ltd., Hotai Insurance Co., Ltd. The member of Remuneration Committee: Silicon Optronics, Inc., St.Shine Optical Co.,Ltd.

Name and Title	Professional Qualifications and Independence Criteria
Independent Director, Chang, Chia-Chee (Member of the Remuneration Committee and Audit Committee)	<ol style="list-style-type: none"> 1. Education: Master of Law and College of Medicine Institute of Molecular Medicine, National Taiwan University 2. Professional qualifications and experience: Please refer to page 28 to 31. (Director information) 3. Independent Criteria (Note 2): Independence Director, Chang, Chia-Chee complies with the independence requirements of “ Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies “. 4. Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director or the member of Remuneration Committee: 0
<p>Note 1: There are none of the situations listed in Article 30 of the Company Act with the 9 directors of the Company.</p> <p>Note 2: The Company reviews the qualifications of Independent Directors on a regular basis (once a year).The 3 Independent Directors themselves, their spouses, relative within the second degree of kinship, or lineal relative within the third degree of kinship are not the natural person shareholders holding in an aggregate of 1% or more of the total number of issued shares of the Company or ranking in the top 10 in holdings, nor are they directors, supervisors or employees of the Company and its affiliated companies.; the other 3 Independent Directors are not directors, supervisors or employees of the companies listed in Article 3, Paragraph 1, Subparagraphs 5 to 8 of the " Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies ", and apart from being an Independent Director and a member of the functional committees of the Company, they don't provide auditing or other professional services for the Company. According to the above, the three Independent Directors all meet the independence requirements.</p>	

(5) Diversity and Independence of the Board of Directors

(1) Diversity of the Board of Directors:

- A. According to the Company’s “Corporate Governance Best- Practice Principles” paragraph 3 of Article 20, the composition of the Board of Directors should consider its diversification. According to Paragraph 4 of the same Article, the members of the Board of Directors should have professional knowledge, skill and ability. The directors of the company have expertise in different fields such as transportation management, business management, law, finance accounting, government & supervision, etc., which can improve the professionalism of the board of directors' decision-making and help the company's operation and long-

term development.

- B. The board of directors of the company consists of 9 directors, 3 of which are independent directors (accounting for 33.33%). All directors are of their own nationalities.
- C. Gender equality in the board members' composition is deeply concerned by the Company, and the goal of female rate in board members is at least 10%. The current Board of Directors consists of 9 directors and 1 of whom is a female, which accounts for 11.11% of the board.
- D. In the future, the Company will modify the diversity policy in a timely manner according to the actual operation of the board of directors and the needs, in order to achieve the ideal goal of corporate governance.
- E. The Diversification of the Company's Board of Directors is as follows:

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

(2) Independence of the Board of Directors

- A. The Company has a total of 9 directors, of which 3 are independent directors, accounting for 33.33% of the total number of directors. In order to strengthen the independence and operational efficiency of the Board of Directors, the Company has formulated the "Rules for the Scope of Responsibilities of Independent Directors". All independent directors perform their duties in accordance with the "Rule of Scope of Responsibilities of Independent Directors", and have not established any relationship with the management or the company's relationship during their term of office. The three independent directors are able to independently and effectively supervise the operation of the board of directors if it will harm the interests of the company or impair fair judgment.

- B. All directors of the Company have no spouse or relatives within the second degree of kinship. If the board meeting matters involve the interests of the directors to prejudice the interest of the company, the directors refrain from discussing and voting on the proposal to ensure that the board of directors can make resolutions independently and objectively.

Note 1: Professional qualifications and experience:

State the professional qualifications and experience of individual directors. If they are members of the audit committee and have accounting or financial expertise, they should state their accounting or financial background and work experience. In addition, indicate whether there is any circumstance in Article 30 of the Company Act.

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

2. Management Team

April. 01, 2022

Title	Nationality	Name	Gender	Date First Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Other Position	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
President	R.O.C.	Hsieh, Huey-Chuan	Male	108.04.15	103,752	0.00	0	0.00	0	0.00	Exp: Italla Marittima S.P.A. Vice Chairman Edu: National Chiao Tung University Transportation And Logistics Management	Director: Taipei Port Container Terminal Corp.	-	-	-
Chief Executive Vice President (Finance Supervisor)	R.O.C.	Wu, Kuang-Hui	Male	107.07.01	102,219	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Finance Div. Executive Vice President Edu: National Sun Yat-Sen University Business Management	Director: Central Reinsurance Corp., Taipei Port Container Terminal Corp. Supervisor: UNI Airways Corp.	-	-	-
Finance Div. Div. Chief	ROC	Tsai, I-Jung	Male	103.07.01	0	0.00	0	0.00	0	0.00	Exp: Italla Marittima S.P.A. Finance Dept. Senior Vice President Edu: Tamkang University Accounting	-	-	-	-
Project Div. Div. Chief	R.O.C.	Wang, Pei-Chun	Male	110.01.01	0	0.00	0	0.00	0	0.00	Exp: Exp: Evergreen Marine Corp. (Taiwan) Ltd. Marketing Div. Executive Vice President Edu: University Of Hertfordshire Business Administration	-	-	-	-

Title	Nationality	Name	Gender	Date First Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Other Position	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Project Div. Business Coordination Dept. Dept. Head	R.O.C.	Wei, Wei-Der	Male	110.01.01	130,291	0.00	0	0.00	0	0.00	Exp: Evergreen Shipping Agency(Europe) Gmbh President Edu: National Chung Hsing University Finance And Cooperative Management	-	-	-	
Project Div. Business Coordination Dept. Deputy Dept. Head	R.O.C.	Chang, Da-Chih	Male	110.04.15	0	0.00	0	0.00	0	0.00	Exp: Evergreen Shipping Agency (America) Corp. President Edu: Soochow University Business Administration	-	-	-	
Project Div. Business Coordination Dept. Executive Vice President	R.O.C.	Tang, Chia-Sheng	Male	110.01.01	0	0.00	0	0.00	0	0.00	Exp: Evergreen Shipping Agency(Europe) Gmbh France Branch President Edu: Tamkang University International Business	-	-	-	
Logistics Div. Div. Chief	R.O.C.	Lin, Wen-Kuei	Male	106.02.25	230	0.00	0	0.00	0	0.00	Exp: Evergreen Shipping Agency (Netherlands) B.V. President Edu: National Taiwan Ocean University Merchant Marine	-	-	-	

Title	Nationality	Name	Gender	Date First Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Other Position	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Customer Relationship Management Div. Chief	R.O.C.	Fang, Yu-Yen	Female	109.04.10	3,163	0.00	0	0.00	0	0.00	Exp: Evergreen International Corp. International Customer Service Div. Executive Vice President Edu: Shilin High School Of Commerce Business Management	-	-	-	
Computer Div. Chief	R.O.C.	Huang, Chao-Kuo	Male	111.03.17	0	0.00	3216	0.00	0	0.00	Exp: Evergreen International Corp. Computer Div. Executive Vice President Edu: Tamkang University Cooperative Economics	Auditing Dept. Dept. Head	Wu, Yu-Chi	Couples	
Ship Div. Chief	R.O.C.	Huang, Tsung-Yung	Male	109.04.01	87,000	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Shipbuilding Dept. Executive Vice President Edu: National Taiwan Ocean University Systems Engineering And Naval Architecture	-	-	-	
Operation Coordination Dept. Head	R.O.C.	Su, Teng-Huan	Male	109.01.01	0	0.00	0	0.00	0	0.00	Exp: Taipei Port Container Terminal Corp. Chairman Edu: National Taiwan Ocean University Shipping And Transportation Management	-	-	-	

Title	Nationality	Name	Gender	Date First Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Other Position	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Business Div. Div. Chief	R.O.C.	Lian, Chung-Te	Male	111.03.10	0	0.00	0	0.00	0	0.00	Exp: Evergreen International Corp. Business Div. Executive Vice President Edu: Tamkang University German	-	-	-	-
Public Relations Dept. Dept. Head	R.O.C.	Li, Ying-Ti	Female	111.03.10	10,000	0.00	0	0.00	0	0.00	Exp: Evergreen International Corp. Public Relations Dept. Senior Vice President Edu: Shih Hsin School Of Journalism Journalism	-	-	-	-
Supervisory Dept. Dept. Head	R.O.C.	Chao, Hui-Ling	Female	111.01.10	0	0.00	610	0.00	0	0.00	Exp: Evergreen International Corp. Supervisory Dept. Senior Vice President Edu: National Chengchi University Banking	-	-	-	-
Human Resources Dept. Dept. Head	R.O.C.	Yang, Pi-Sao	Female	103.01.01	18,000	0.00	0	0.00	0	0.00	Exp: Evergreen Group Management Office Junior Vice President Edu: Lawrence Technological University Business Administration	-	-	-	-

Title	Nationality	Name	Gender	Date First Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Other Position	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Corporate Governance Dept. Dept. Head	R.O.C.	Hsieh, Shu-Hui	Female	105.04.27	0	0.00	0	0.00	0	0.00	Exp: Evergreen International Corp. Stocks Dept. Senior Vice President Edu: Soochow University Law	-	-	-	-
Finance Div. Finance Dept. Dept. Head	R.O.C.	Mo, Cheng-Ping	Male	106.02.22	20,000	0.00	1269	0.00	0	0.00	Exp: Italla Marittima S.P.A. Chief Executive Vice President Edu: Tamsui Institute Of Business Administration Public Finance And Taxation	-	-	-	-
Project Div. Business Coordination Dept. Vice President	R.O.C.	Tseng, Neng-Fang	Male	110.01.01	0	0.00	0	0.00	0	0.00	Exp: Evergreen International S.A. HKG Representative Edu: Tunghai University International Business	-	-	-	-
Project Div. North America Dept. Dept. Head	R.O.C.	Hsu, Ching-Che	Male	111.01.01	0	0.00	0	0.00	0	0.00	Exp: Evergreen Shipping Agency (America) Corp. Dallas Office Senior Vice President Edu: National Chung Hsing University Foreign Languages And Literatures	-	-	-	-

Title	Nationality	Name	Gender	Date First Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Other Position	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Project Div. Latin America Dept. Dept. Head	R.O.C.	Su, Ming-Sung	Male	110.01.01	32,086	0.00	0	0.00	0	0.00	Exp: Evergreen International Corp. Latin America Dept. Deputy Senior Vice President Edu: National Chiao Tung University Transportation And Logistics Management	-	-	-	
Project Div. Europe Dept. Dept. Head	R.O.C.	Huang, Sheng-Peng	Male	110.02.25	431	0.00	938	0.00	0	0.00	Exp: Evergreen Shipping Agency(Europe) Gmbh President Edu: Chinese Culture University Mechanical Engineering	-	-	-	
Project Div. Intra Asia Dept. Dept. Head	R.O.C.	Wu, Yi-Min	Male	110.01.01	0	0.00	0	0.00	0	0.00	Exp: Pt. Evergreen Shipping Agency Indonesia President Edu: National Chung Hsing University Business Administration	-	-	-	
Project Div. Near East Dept. Dept. Head	R.O.C.	Huang, Ming-Jer	Male	110.01.01	0	0.00	0	0.00	0	0.00	Exp: Evergreen Shipping Agency(Europe) Gmbh France Branch Executive Vice President Edu: Fu Jen Catholic University International Trade	-	-	-	

Title	Nationality	Name	Gender	Date First Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Other Position	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Logistics Div. Equipment Control Dept. Dept. Head	R.O.C.	Kuo, Yuan-Ping	Male	109.02.17	22	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Logistics Div. Intermodal Dept. Senior Vice President Edu: National Taiwan University Of Science And Technology Mechanical Engineering	-	-	-	
Computer Div. Software De-signing Dept.III Dept. Head	R.O.C.	Chen, Sheng-Pao	Male	111.03.17	0	0.00	0	0.00	0	0.00	Exp: Evergreen International Corp. Computer Div. Software De-signing Dept.III Senior Vice President Edu: National Chiao Tung University Applied Mathematics	-	-	-	
Ship Div. KSG Maintenance Dept.	R.O.C.	Kung, Chir-Chieh	Male	111.03.01	5,000	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Project Dept. Senior Vice President Edu: National Taiwan Ocean University Systems Engineering And Naval Architecture	-	-	-	

Title	Nationality	Name	Gender	Date First Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Other Position	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Ship Div. Shipbuilding Dept. Dept. Head	R.O.C.	Chiang, Shou-Hsing	Male	95.01.01	0	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Engineering Div. Shipbuilding Dept. Deputy Senior Vice President Edu: National Taiwan Ocean University Systems Engineering And Naval Architecture	-	-	-	
KSG Terminal Div. Div. Chief	R.O.C.	Kuo, Feng-Yi	Male	111.01.01	0	0.00	0	0.00	0	0.00	Exp: Evergreen International Corp. Investment Dept. Deputy Senior Vice President Edu: Tunghai University Business Administration	Taiwan Terminal Services Corp. Ltd. Chairman	-	-	
Customer Service Div. Traffic Dept. Dept. Head	R.O.C.	Lee, Kuej-Chu	Female	111.03.10	26,932	0.00	0	0.00	0	0.00	Exp: Evergreen International Corp. Customer Service Div. Traffic Dept. Senior Vice President Edu: National Taipei College Of Business Banking And Insurance	-	-	-	
Customer Service Div. Documentation Dept. Dept. Head	R.O.C.	Chou, So-Hui	Female	111.03.10	207,689	0.00	0	0.00	0	0.00	Exp: Evergreen International Corp. Customer Service Div. Documentation Dept. Senior Vice President Edu: Fu Jen Catholic University French Language And Culture	-	-	-	

Title	Nationality	Name	Gender	Date First Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Other Position	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Auditing Dept. Head	R.O.C.	Wu, Yu-Chi	Female	104.01.01	3,216	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Finance Div. Finance Dept. Junior Vice President Edu: Chungyu Institute Of Technology Accounting	-	Computer Div. Div. Chief	Huang, Chao-Kuo	Couples
Human Resources Dept. Deputy Dept. Head	R.O.C.	Lin, An-Yi	Male	111.01.01	0	0.00	0	0.00	0	0.00	Exp: Evergreen Shipping Agency (China) Co., Ltd. (Shanghai Branch) Human Resources Dept. Junior Vice President Edu: National Central University Business Administration	-	-	-	-
Project Div. Business Coordination Dept. Vice President	R.O.C.	Chen, Chun-Yen	Male	110.01.01	0	0.00	0	0.00	0	0.00	Exp: Evergreen International Corp. Business Div. America Dept. Deputy Senior Vice President Edu: National Taiwan Ocean University Shipping And Transportation Management	-	-	-	-

Title	Nationality	Name	Gender	Date First Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Other Position	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Project Div. Business Coordination Dept. Vice President	R.O.C.	Cheng, Min-Chou	Male	110.03.08	0	0.00	0	0.00	0	0.00	Exp: Evergreen International Corp. Business Div. Europe Dept. Deputy Senior Vice President Edu: Chinese Culture University International Trade	-	-	-	-
Project Div. Business Coordination Dept. Vice President	R.O.C.	Sheu, Dong-Han	Male	110.01.01	0	0.00	0	0.00	0	0.00	Exp: Evergreen Marine (UK) Limited Project Div. Deputy Senior Vice President Edu: National Chung Hsing University Economics	-	-	-	-
Project Div. Business Coordination Dept. Vice President	R.O.C.	Jou, Kuen-Cheng	Male	110.01.01	0	0.00	224	0.00	0	0.00	Exp: Evergreen International Corp. Computer Div. Software Designing Dept. II Deputy Senior Vice President Edu: National Taipei College Of Business Information Management	-	-	-	-
Customer Relationship Management Div. Customer Relationship Management Dept. Dept. Head	R.O.C.	Chiu, Ping-Chuan	Female	109.04.10	0	0.00	0	0.00	0	0.00	Exp: Evergreen International Corp. International Customer Service Div. Customer Service System Dept. Deputy Senior Vice President Edu: National Sun Yat-Sen University Information Management	-	-	-	-

Title	Nationality	Name	Gender	Date First Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Other Position	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Customer Relationship Management Div. Customer Data Processing Dept.I Dept. Head	R.O.C.	Lin, Chi-Day	Female	109.05.21	0	0.00	0	0.00	0	0.00	Exp: Evergreen International Corp. International Customer Service Div. Data Maintenance Dept.I Deputy Senior Vice President Edu: Tamkang University International Trade	-	-	-	
Customer Relationship Management Div. Customer Data Processing Dept.II Dept. Head	R.O.C.	Chien, Chin-Fang	Female	110.07.01	0	0.00	0	0.00	0	0.00	Exp: Evergreen International Corp. International Customer Service Div. Data Maintenance Dept.II Deputy Senior Vice President Edu: National Taipei College Of Business International Trade	-	-	-	
Ship Div. Seaman Dept. Dept. Head	R.O.C.	Yang, Hong-Ming	Male	111.02.14	0	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Maritech Dept. Junior Vice President Edu: National Chiao Tung University Transportation & Logistics Management	-	-	-	

Title	Nationality	Name	Gender	Date First Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Other Position	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Ship Div. Maritech Dept. Dept. Head	R.O.C.	Li, Hua-Lung	Male	111.02.14	60,190	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Maritech Dept. Deputy Senior Vice President Edu: National Taiwan Ocean University Shipping And Transportation Management	-	-	-	-
Ship Div. Maintenance Dept.II Dept. Head	R.O.C.	Chen, Jenn-Hwang	Male	111.03.01	12,000	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Maritech Dept. Deputy Senior Vice President Edu: National Taiwan Ocean University Marine Engineering	-	-	-	-
Ship Div. Supply Dept. Dept. Head	R.O.C.	Yeh, Ching-Rong	Male	109.07.01	23,000	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Engineering Div. Maintenance Dept. Junior Vice President Edu: National Taiwan Ocean University Marine Engineering	-	-	-	-

Title	Nationality	Name	Gender	Date First Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Other Position	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Operation Dept. Dept. Head	R.O.C.	Hwang, Yi-Syou	Male	107.04.01	0	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Operation Coordination Dept. Deputy Senior Vice President Edu: China Junior College Of Marine Technology Navigation	-	-	-	
Operation Coordination Dept. Deputy Dept. Head	R.O.C.	Huang, Yi-En	Male	111.03.22	250	0.00	0	0.00	0	0.00	Exp: Evergreen Shipping Agency (China) Co., Ltd. (Shanghai Branch) Marine Dept. Deputy Senior Vice President Edu: National Taiwan Ocean University Shipping And Transportation Management	-	-	-	
Operation Coordination Dept. Vice President	R.O.C.	Chang, Chih-Chao	Male	107.02.01	66,000	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Project Dept. Deputy Senior Vice President Edu: Tamkang University Navigation	-	-	-	
Operation Coordination Dept. Vice President	R.O.C.	Yeh, Cheng-Hung	Male	111.02.21	3,000	0.00	0	0.00	0	0.00	Exp: Evergreen International Corp. Business Div. Intra Asia Dept. Deputy Senior Vice President Edu: National Chiao Tung University Management Science	-	-	-	

Title	Nationality	Name	Gender	Date First Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Other Position	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Operation Coordination Dept. Vice President	R.O.C.	Fan, Cheng-Fu	Male	111.03.10	0	0.00	0	0.00	0	0.00	Exp: Evergreen International Corp. Investment Dept. Deputy Senior Vice President Edu: Chung Yuan Christian University Hydraulic Engineering	-	-	-	-
KSG Terminal Div. Terminal Operation Dept. Head	R.O.C.	Hwang, Ming-Ling	Male	111.02.21	0	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. KSG Terminal Div. Terminal Operation Dept. I Deputy Senior Vice President Edu: China Junior College Of Marine Technology Navigation	Taiwan Terminal Services Corp. Ltd. President	-	-	-
Business Div. America Dept. Dept. Head	R.O.C.	Jen, Yi-Kang	Male	111.03.10	924	0.00	0	0.00	0	0.00	Exp: Evergreen International Corp. Business Div. America Dept. Deputy Senior Vice President Edu: National Chengchi University Oriental Languages	-	-	-	-
Business Div. Europe Dept. Dept. Head	R.O.C.	Cheng, Chi-Yi	Male	111.03.10	0	0.00	0	0.00	0	0.00	Exp: Evergreen International Corp. Business Div. Europe Dept. Deputy Senior Vice President Edu: National Cheng Kung University Transportation And Communication Management	-	-	-	-

Title	Nationality	Name	Gender	Date First Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience & Education	Other Position	Managers Who are Spouses or within Second Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Business Div. Import Dept. Dept. Head	R.O.C.	Lu, Pao-Lung	Male	111.03.10	0	0.00	0	0.00	0	0.00	Exp: Evergreen International Corp. Business Div. Import Dept. Deputy Senior Vice President Edu: National Taiwan Institute Of Technology Industrial Management	-	-	-	
Taipei Port Office Office Head	R.O.C.	Chang, Shing-Hua	Male	111.03.10	0	0.00	0	0.00	0	0.00	Exp: Evergreen International Corp. Taipei Port Office Deputy Senior Vice President Edu: Tamkang University English	-	-	-	
Kaohsiung Office Office Head	R.O.C.	Wang, Chien-Kuo	Male	111.03.10	0	0.00	0	0.00	0	0.00	Exp: Evergreen International Corp. Kaohsiung Office Deputy Senior Vice President Edu: National Chengchi University International Trade	-	-	-	
Finance Div. Finance Dept. Deputy Dept. Head (Accounting Supervisor)	R.O.C.	Chang, Chuan-Fu	Male	108.01.01	2,000	0.00	0	0.00	0	0.00	Exp: Evergreen Marine Corp. (Taiwan) Ltd. Finance Div. Finance Dept. Deputy Junior Vice President Edu: National Chung Hsing University Public Finance	-	-	-	

Note: The president or a person with an equivalent position (the top manager) and the chairman are the same person, spouses, or within first degree of kinship:

None.

3. Remuneration of Directors, President, and Vice Presidents

(1) Remuneration of General Directors and Independent Directors

Unit: TWD Thousands

Title	Name	Remuneration				Total Remuneration (A+B+C+D) and Ratio of Total Remuneration to Net Income (Note 7)	Relevant Remuneration Received by Directors Who are Also Employees				Total Compensation (A+B+C+D+E+F+G) and Ratio of Total Compensation to Net Income (Note 7)		Compensation from an Invested Company and the Company Other than the Company's Subsidiaries (Note 8)		
		Base Compensation (A) (Note 1)	Severance Pay (B)	Directors Compensation (C) (Note 2)	Allowances (D) (Note 3)		Salary, Bonuses, and Allowances (E) (Note 4)	Severance Pay (F)	Employee Compensation (G) (Note 5)		Consolidated Subsidiaries of EMC (Note 6)	Consolidated Subsidiaries of EMC (Note 6)			
									EMC	Consolidated Subsidiaries of EMC (Note 6)				EMC	Consolidated Subsidiaries of EMC (Note 6)
Chairman	HUI Corp. Representative: Chang, Yen-I	19,345	0	2,000	48	0	2,000	2,000	0	0	0	21,393/ 0.01%	21,393/ 0.01%	826	
Director	Chang, Kuo-Hua	0	0	1,500	48	0	1,500	1,500	0	0	0	1,548/ 0.00%	1,548/ 0.00%	802	
Director	Evergreen International S.A. Representative: Ko, Lee-Ching	0	0	1,500	48	0	1,500	1,500	0	0	0	1,548/ 0.00%	1,548/ 0.00%	988	
Director	HUI Corp. Representative: Tai, Jjin-Chyuan	0	0	1,500	48	0	1,500	1,500	0	0	0	1,548/ 0.00%	1,548/ 0.00%	962	

Title	Name	Remuneration						Total Remuneration (A+B+C+D) and Ratio of Total Remuneration to Net Income (Note 7)				Relevant Remuneration Received by Directors Who are Also Employees						Total Compensation (A+B+C+D+E+F+G) and Ratio of Total Compensation to Net Income (Note 7)		Compensation from an Invested Company and the Company other than the Company's Subsidiaries (Note 8)				
		Base Compensation (A) (Note 1)		Severance Pay (B)		Directors Compensation (C) (Note 2)		Allowances (D) (Note 3)		Ratio of Total Remuneration to Net Income (Note 7)		Salary, Bonuses, and Allowances (E) (Note 4)		Severance Pay (F)		Employee Compensation (G) (Note 5)		Consolidated Subsidiaries of EMC (Note 6)			Consolidated Subsidiaries of EMC (Note 6)			
		EMC	Consolidated Subsidiaries of EMC (Note 6)	EMC	Consolidated Subsidiaries of EMC (Note 6)	EMC	Consolidated Subsidiaries of EMC (Note 6)	EMC	Consolidated Subsidiaries of EMC (Note 6)	EMC	Consolidated Subsidiaries of EMC (Note 6)	EMC	Consolidated Subsidiaries of EMC (Note 6)	EMC	Consolidated Subsidiaries of EMC (Note 6)	Cash	Stock	Cash	Stock		EMC	Consolidated Subsidiaries of EMC (Note 6)	EMC	Consolidated Subsidiaries of EMC (Note 6)
Director	Evergreen International S.A. Representative: Hsieh, Huey-Chuan	0	0	0	0	1,500	1,500	48	48	1,548/0.00%	17,063	0	0	3,373	0	3,373	0	0	21,984/0.01%	21,984/0.01%	24			
Director	Evergreen Steel Corp. Representative: Wu, Kuang-Hui	0	0	0	0	1,500	1,500	48	48	1,548/0.00%	15,555	108	108	3,079	0	3,079	0	0	20,290/0.01%	20,290/0.01%	124			
Independent Director	Yu, Fang-Lai	1,960	1,960	0	0	0	0	54	54	2,014/0.00%	0	0	0	0	0	0	0	0	2,014/0.00%	2,014/0.00%	0			
Independent Director	Li, Chang-Chou	1,960	1,960	0	0	0	0	54	54	2,014/0.00%	0	0	0	0	0	0	0	0	2,014/0.00%	2,014/0.00%	0			
Independent Director	Chang, Chia-Chee	1,960	1,960	0	0	0	0	54	54	2,014/0.00%	0	0	0	0	0	0	0	0	2,014/0.00%	2,014/0.00%	0			

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

(1) Independent directors of the company also serve as members of the audit committee and the remuneration committee. According to "Payment Regulation of Directors Compensation", the independent directors receive not only monthly remuneration but travel allowance each time they attend committee meetings

(2) The company periodically reviews remuneration standard and structure for independent directors based on the company's operating performance, future operating risks, the degree of independent directors' participation, and the value of individuals' contribution to the company's operation. In addition to the above remuneration, director remuneration shall be disclosed as follows when received from companies included in the consolidated financial statements in the most recent year to compensate directors for their services: None.

Note 1: Directors' remuneration for 2021 (including directors' salary, subsidy, severance pay and various bonuses)

Note 2: The directors' remuneration for 2021 which was approved by the Board of Directors in 2022.

Note 3: Includes the relevant business execution expenses of directors in 2021 (including transportation allowance, special expenses, various allowances, dormitory, car and other physical supplies, etc.). In the case of housing, car or other means of transportation or expenses incurred by an individual, the nature of the assets provided and the actual or fair-market cost of the rental, fuel and other payments shall be disclosed. In addition, if there is a driver, please note the Company's payment for the driver, but the payment is not counted as remuneration.

Note 4: Relevant remuneration received by directors who are also employees (including the President, Executive Vice President, other managers and employees) in 2021, including salary, subsidy, severance pay and various bonuses, incentive payment, transportation allowance, special expenses, various allowances, dormitory, car and other physical supplies, etc. In the case of housing, car or other means of transportation or expenses incurred by an individual, the nature of the assets provided and the actual or fair-market cost of the rental, fuel and other payments shall be disclosed. In addition, if there is a driver, please note the Company's payment for the driver, but the payment is not counted as remuneration. The salary recognized in accordance with IFRS 2 "Share-based payment", including obtaining employee stock option certificates, restricted stock awards and participating in capital increased by cash shall also be included in the remuneration.

Note 5: The employees' compensation for 2021 which was approved by the Board of Directors in 2022.

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

Note 7: Net income is the profit after tax of the parent-company-only financial statements of 2021.

Note 8: a. This column shows the amount of remuneration received by the directors from the other invested companies which are not subsidiaries; or the parent company.

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

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

(2) Remuneration of the President and Vice Presidents

Unit: TWD thousands

Title	Name	Salary (A) (Note 1)		Severance Pay (B)		Bonuses and Allowances (C) (Note 2)		Employee Compensation (D) (Note 3)				Ratio of total compensation To- total compensation (A+B+C+D) and to net income (%) (Note 6)		Compensation Paid to the President and Vice Presidents from an Invested Company Other than the Com- pany's Subsidiaries and the Company (Note 7)
		EMC	Consolidated Subsidiaries of EMC (Note 4)	EMC	Consolidated Subsidiaries of EMC (Note 4)	EMC	Consolidated Subsidiaries of EMC (Note 4)	EMC		Consolidated Subsidiaries of EMC (Note 4)				
President	Hsieh, Huey-Chuan													
Chief Executive Vice President	Wu, Kuang-Hui													
Division Chief	Tsai, I-Jung													
Division Chief	Wang, Pei-Chun													
Division Chief	Lin, Wen-Kuei													
Division Chief	Fang, Yu-Yen	34,233	34,233	2,562	2,562	106,691	106,691	27,740	0	27,740	0	171,226/ 0.07%	171,226/ 0.07%	148
Division Chief	Huang, Tsung-Yung													
Executive Vice President	Tang, Chia-Sheng													
Department Head	Wei, Wei-Der													
Department Head	Su, Teng-Huan													
Deputy Department Head	Chang, Da-Chih													

Range of Remuneration	Name of President and Executive Vice Presidents	
	EMC (Note 5)	The Invested Company of EMC (E) (Note 7)
Under TWD1,000,000	-	-
TWD1,000,001 ~ TWD2,000,000	-	-
TWD2,000,001 ~ TWD3,500,000	-	-
TWD3,500,001 ~ TWD5,000,000	-	-
TWD5,000,001 ~ TWD10,000,000	-	-
TWD10,000,001 ~ TWD15,000,000	Tsai, I-Jung, Wei, Wei-Der, Tang, Chia-Sheng, Chang, Da-Chih	Tsai, I-Jung, Wei, Wei-Der, Tang, Chia-Sheng, Chang, Da-Chih
TWD15,000,001 ~ TWD30,000,000	Hsieh, Huey-Chuan, Wu, Kuang-Hui, Wang, Pei-Chun, Lin, Wen-Kuei, Fang, Yu-Yen, Huang, Tsung-Yung, Su, Teng-Huan	Hsieh, Huey-Chuan, Wu, Kuang-Hui, Wang, Pei-Chun, Lin, Wen-Kuei, Fang, Yu-Yen, Huang, Tsung-Yung, Su, Teng-Huan
TWD30,000,001 ~ TWD50,000,000	-	-
TWD50,000,001 ~ TWD100,000,000	-	-
Over TWD100,000,000	-	-
Total	11	11

Note 1: Includes President and Executive Vice Presidents' salary, subsidy, severance pay for 2021.

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

Note 3: Presidents' and Executive Vice Presidents' remuneration for 2021 which was approved by the Board of Directors in 2022.

Note 4: The total amount of remuneration paid to the Presidents and Vice Executive Presidents by EMC and its consolidated subsidiaries.

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

Note 6: Net income is the profit after tax of the parent-company-only financial statements of 2021.

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

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

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

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

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

December 31, 2021

Unit: TWD thousands

	Title (Note1)	Name	Employee Compensation in Stock (Fair Market Value) (Note2)	Employee Compensation in Cash (Note2)	Total	Ratio of Total Amount to Net Income (%) (Note 3)
Executive Officers	President	Hsieh, Huey-Chuan	0	79,691	79,691	0.03%
	Chief Executive Vice President	Wu, Kuang-Hui				
	Division Chief	Tsai, I-Jung				
	Division Chief	Wang, Pei-Chun				
	Division Chief	Lin, Wen-Kuei				
	Division Chief	Fang, Yu-Yen				
	Division Chief	Huang, Tsung-Yung				
	Division Chief	Kuo, Feng-Yi				
	Executive Vice President	Tang, Chia-Sheng				
	Department Head	Wei, Wei-Der				
	Department Head	Su, Teng-Huan				

	Title (Note1)	Name	Employee Compensation in Stock (Fair Market Value) (Note2)	Employee Compensation in Cash (Note2)	Total	Ratio of Total Amount to Net Income (%) (Note 3)
Executive Officers	Department Head	Kung, Chir-Chieh	0	79,691	79,691	0.03%
	Department Head	Huang, Ming-Jer				
	Department Head	Su, Ming-Sung				
	Department Head	Wu, Yi-Min				
	Department Head	Mo, Cheng-Ping				
	Department Head	Huang, Sheng-Peng				
	Department Head	Chiang, Shou-Hsing				
	Department Head	Yang, Pi-Sao				
	Department Head	Kuo, Yuan-Ping				
	Department Head	Hsu, Ching-Che				
	Department Head	Chiu, Ping-Chuan				
	Department Head	Wu, Yu-Chi				
	Department Head	Hwang, Ming-Ling				
	Department Head	Lin, Chi-Day				
	Department Head	Chen, Jenn-Hwang				
	Department Head	Yeh, Ching-Rong				
	Department Head	Li, Hua-Lung				
	Department Head	Chen, Jenn-Hwang				
	Department Head	Hwang, Yi-Syou				
	Department Head	Yang, Hong-Ming				
	Deputy Department Head	Chang, Da-Chih				
Deputy Department Head	Hwang, Wen-Yau					
Deputy Department Head (Principal Accounting Officer)	Chang, Chuan-Fu					

	Title (Note1)	Name	Employee Compensation in Stock (Fair Market Value) (Note2)	Employee Compensation in Cash (Note2)	Total	Ratio of Total Amount to Net Income (%) (Note 3)
Executive Officers	Vice President	Tseng, Neng-Fang	0	79,691	79,691	0.03%
	Vice President	Jou, Kuen-Cheng				
	Vice President	Sheu, Dong-Han				
	Vice President	Chen, Chun-Yen				
	Vice President	Cheng, Min-Chou				
	Vice President	Yeh, Cheng-Hung				
	Vice President	Chang, Chih-Chao				
	Vice President	Hsu, Huan-Chang				
	Vice President	Chien, Shen-Tai				
	Vice President	Lin, Sheng-Chia				

Note 1: The title as of April 1, 2022

Note 2: The amount of employees' compensation for managers for 2021, which was approved by the Board of Directors in 2022.

Note 3: Net income is the profit after tax of the parent-company-only financial statements of 2021.

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

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

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

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

Title	EMC		Consolidated Subsidiaries of EMC	
	2020	2021	2020	2021
Directors	0.09%	0.01%	0.09%	0.01%
President and Vice Presidents	0.22%	0.07%	0.22%	0.07%

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

- A. According to the “Articles of Incorporation” and the “Payment Regulation of Directors” of the Company, if the Company makes profit in a fiscal year, the Company shall set aside no more than 2% of the profit for directors’ remuneration; and shall distribute the remuneration based on the individual director’s level of participation and the value of contribution to the Company’s operations. In addition, the Company may pay reasonable compensation to the director based on the level of the individual director’s participation, contribution value to the Company’s operations and take account of normal standard among the same industry.
- B. The remuneration of managers is determined in accordance with the Payment Regulations for Managers Compensation. The remuneration would be considered and distributed based on the operation results of the Company and personal performance. Managers are evaluated every six months on their overall performance, leadership, planning skills, cost management abilities etc.

III. Implementation of Corporate Governance

1. Board of Directors

A total 8 (A) meetings of the Board of Directors were held in the year 2021.

The attendance of directors is as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Chairman	HUI Corp. Representative: Chang, Yen-I	8	0	100%	None
Director	Chang, Kuo-Hua	8	0	100%	None
Director	Evergreen International S.A. Representative: Ko, Lee-Ching	8	0	100%	None
Director	Evergreen International S.A. Representative: Hsieh, Huey-Chuan	8	0	100%	None
Director	HUI Corp. Representative: Tai, Jiin-Chyuan	8	0	100%	None
Director	Evergreen Steel Corp. Representative: Wu, Kuang-Hui	8	0	100%	None
Independent Director	Yu, Fang-Lai	8	0	100%	None
Independent Director	Li, Chang-Chou	8	0	100%	None
Independent Director	Chang, Chia-Chee	8	0	100%	None

Other mentionable items:

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

(1) The items listed in Article 14-3 of Securities and Exchange Act: Not applicable as the

Company has established the Audit Committee. For more information about the items listed in Article 14-5 of Securities and Exchange Act, please refer to page 121 to 129 (Major Resolutions of Board of Directors, Audit Committee and Remuneration Committee).

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

2. If the directors have personal interest conflicts to the proposal and are required for recusal, please specify the names of the directors, proposal, reason and the resolution: Please refer to page 121 to 129 (Major Resolutions of Board of Directors, Audit Committee and Remuneration Committee).

3. The 2021 Self-evaluation of the performance of the Board of Directors:

Evaluation Cycle (Note 1)	Once a year
Evaluation Period (Note 2)	From Jan 1, 2021 to Dec 31, 2021
Evaluation Scope (Note 3)	The Board, the Board members and the functional committees.
Evaluation Method (Note 4)	Internal self-evaluation of the Board, the Board members, and the functional committees were conducted by the way of filling out questionnaire from Directors.
Evaluation Indexes (Note 5)	<ol style="list-style-type: none"> 1. Self-evaluation of performance of the Board: Participation in the operation of the company, the quality of the board of directors' decision making, composition and structure of the board of directors, election and continuing education of the directors, and internal control. 2. Self-evaluation of performance of Board members (for themselves): alignment of the goals and missions of the company, awareness of the duties of a director, participation in the operation of the company, management of internal relationship and communication, the director's professionalism and continuing education, and internal control. 3. Self-evaluation of performance of the functional committees: Participation in the operation of the company, awareness of the duties of the functional committee, the quality of decisions made by the functional committee, makeup of the functional committee and election of its members, and internal control.
Evaluation Result (Full score: 5)	<ol style="list-style-type: none"> 1. Self-evaluation of performance of the Board of Directors: Good, the average score is 4.97. 2. Self-evaluation of performance of Board members (for themselves): Good, the average score is 4.95. 3. Self-evaluation of performance of the functional committees: Good, the average score is 4.90.

4. The goals of strengthening the functions of the Board of Directors in the current year and recent years (e.g. establish an audit committee, enhance information transparency, etc.):
- (1) Te Company has purchased liability insurance for directors, supervisors and key employees in order to disperse the risk of their legal responsibility and improve the corporate governance.
 - (2) Te Company has 3 independent directors and has stipulated the “Rules Governing the duties of independent directors”. To enhance the functionality of the Board of Directors, the Company has established the Audit Committee on Jun. 22, 2017.
 - (3) To enhance the information transparency, the Company voluntarily publishes important resolutions of Board Meetings and establishes Corporate Sustainability zone, Stakeholder zone, Ethical Management zone, and Corporate Governance zone on the Company’s website.
 - (4) To enhance the professional ability of directors as well as implement corporate governance, the Company regularly (twice a year) invites lecturers for directors to attend training courses.
 - (5) Te Company was ranked in the top 20% of all selected listed companies in the 8th Annual Corporate Governance Evaluation, which illustrated that the Company performed well in corporate governance.
 - (6) To enable directors to obtain appropriate and timely assistance in making requests or requesting for information, so as to improve the Board of Directors’ effectiveness, the Company established “The Standard Operating Procedure for Handling Directors’ Requests” on May 13, 2019.

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

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

(2) Annual Tasks of the Audit Committee in 2021:

(1) Review financial reports:

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

(2) Assess the effectiveness of internal control system:

The self-assessment of internal control system and its implementation are completed by the internal units every year; the audit unit reports to the Audit Committee

regularly and submits the amendment of the internal control system and the annual internal control statement to Audit Committee for review. In addition, the audit unit has several closed-door meetings with the Audit Committee every year to enable the Committee to understand the financial status, operational effectiveness, risk management, information security, regulatory compliance, and to assess the Company's internal control effectiveness.

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

The Audit Committee annually assesses the professionalism, independence, and the reasonableness of remuneration of CPAs. The proposal of appointing Ms. Lee, Hsiu-Ling and Ms. Chou, Hsiao-Tzu, the CPAs of PricewaterhouseCoopers Taiwan (PwC Taiwan), as the Company's CPAs for 2021 and their remuneration were reviewed by Audit Committee on the 1st meeting in 2021 and then approved by Board meeting. In addition, CPAs have several closed-door meetings with the Audit Committee every year to communicate matters related to financial reports.

(3) Implementation Status of the Audit Committee:

A total of 7 (A) meetings of the Audit Committee were held in 2021 and the attendance of Independent directors is as follows:

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

Other mentionable items:

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

(1) The items listed in Article 14-5 of Securities and Exchange Act: Please refer to page 121 to 129 (Major Resolutions of Board of Directors, Audit Committee and Remuneration Committee).

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

2. If there are independent directors' avoidance of motions in conflict of interest, the

directors' names, contents of motion, causes for avoidance and voting should be specified: Please refer to page 121 to 129 (Major Resolutions of Board of Directors, Audit Committee and Remuneration Committee).

3. Communications between the Independent Directors, the Company's Chief Internal Auditor and CPAs (shall include the major issues, methods and results of communication concerning the Company's financial and operational status, etc.)

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

A. Communication method

The independent directors and the chief internal auditor have at least four closed-door meetings every year. In 2021, the independent directors and the chief internal auditor had six closed-door meetings to report the results of execution of internal audit and the operation of internal control and the chief internal auditor reported the execution results of internal audit and operation of internal control at such meeting.

B. The summaries of communication in 2021:

NO	Date	Communication Content	The Company's Wresponse
1	03.22.2021	1. Internal audit findings from Nov 2020 to Jan 2021 2. Amendment of internal control systems 3. 2020 Internal Control Statement	1. Submitted to Board meeting. 2. After being approved, the proposal was submitted to Board meeting for a resolution.
2	05.07.2021	1. Internal audit findings from Feb 2021 to Mar 2021 2. Amendment of internal control systems	1. Submitted to Board meeting. 2. After being approved, the proposal was submitted to Board meeting for a resolution.
3	08.06.2021	Internal audit findings from Apr 2021 to Jul 2021	Submitted to Board meeting.
4	09.08.2021	Internal audit findings from Jul 2021 to Aug 2021	Submitted to Board meeting.
5	11.05.2021	Internal audit findings from Aug 2021 to Sep 2021	Submitted to Board meeting.
6	12.27.2021	1. Internal audit findings from Oct 2021 to Nov 2021 2. 2022 Internal Audit Plan	1. Submitted to Board meeting. 2. After being reported, the proposal was submitted to Board meeting for a resolution.

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

A. Communication method

The independent directors and CPAs have at least four closed-door meetings every year. In the case of emergency, the meeting may be convened at any time. The independent directors and CPAs have four closed-door meetings in 2021, The CPAs reported to the independent directors on the financial situation and the audit results of the Company and its subsidiaries, and to explain the materially adjusting journal entries and the influence of legislation amendment on accounts.

B. The summaries of communication in 2021:

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

NO	Date	Communication Content	The Company's Response
1	03.22.2021	1. CPAs Report: 2020 Q4 Financial Statement Report audit scope and results. 2. CPAs discussed and communicated the problems raised by the independent directors.	None
2	05.07.2021	1. CPAs Report: 2021 Q1 Financial Statement Report review scope and results. 2. CPAs discussed and communicated the problems raised by the independent directors. 3. Sharing updated regulations of Securities and Futures Bureau, FSC.	None
3	08.06.2021	1. CPAs Report: 2021 Q2 Financial Statement Report review scope and results. 2. CPAs discussed and communicated the problems raised by the independent directors. 3. Sharing updated regulations of Securities and Futures Bureau, FSC.	None
4	11.05.2021	1. CPAs Report: 2021 Q3 Financial Statement Report review scope and results. 2. CPAs discussed and communicated the problems raised by the independent directors.	None

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

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

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>In November 2021, the company launched the “Prevention of Insider Trading” online (E-learning) course for all employees and affiliated companies responsible for shipping-related business personnel. The related courses of “preventing insider trading” from 2020 to 2021 for directors are shown on MOPS.</p> <p>3. In order to implement the company’s policy of preventing insider trading, the Company launched an online (E-learning) course on “Preventing Insider Trading” in November 2021 (be scheduled for 30 minutes), with a total of 2,083 employees and related companies in charge of shipping-related business participated(including 1,699 colleagues from Evergreen and 384 colleagues from related companies in charge of shipping business).The courses includes information on the reasons for insider trading, example explanations, and criminal responsibility. In addition, the employees passed the online test, and the completion rate is 100%.</p>	
<p>3. Composition and Responsibilities of the Board of Directors</p> <p>(1) Does the Board develop and implement the diversification policy, specific management objectives and implementation of the Board of Directors?</p> <p>(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?</p>	<p>✓</p>	<p>✓</p>	<p>Please refer to page 38 to 39 for the implementation of the diversified policy of the Company’s Board of Directors.</p> <p>At present, the Company has not voluntarily establish other kinds of functional committees.</p>	<p>None</p> <p>Although the Company has only established Remuneration Committee and Audit Committee at present, the Board</p>

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the Company establish a standard to measure the performance of the Board annually, report the results of the performance evaluation to the Board, and use it as a reference for individual directors’ remuneration and nomination?	✓		<ol style="list-style-type: none"> 1. The Company established the “Regulations Governing the Board Performance Evaluation”, and has it disclosed on both the Company’s website and the Market Observation Post System (MOPS). 2. “Regulations Governing the Board Performance Evaluation” stipulates that the Company shall conduct an internal board performance evaluation at least once a year. In addition, the Company’s Board performance evaluation shall be conducted by an external independent professional institution or a panel of external experts and scholars once every three years. 3. The 2021 evaluation results of the performance of the Board of Directors (please refer to Note 1) were submitted to Board meeting on Mar. 15, 2022. 4. The annual evaluation results of the performance of the Board of Directors are also used as a basis for individual director’s remuneration and nomination. 	<p>of Directors exercises its functions and powers in accordance with the laws, Articles of Incorporation, the resolutions of Shareholders’ Meeting and the principles of corporate governance.</p> <p>None</p>

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(4) Does the company regularly evaluate the independence of CPAs?	✓		<p>The Company annually evaluates the specialization and independence of CPAs. Also, the CPAs have completed independent reports for the appointed auditing affair. The assignment and remuneration of CPAs for the 2021 financial and tax certification has been approved by the Board of Directors on Dec. 27, 2021.</p> <p>The assigned accountants are not directors, supervisors, managers, employees or shareholders of the Company or its affiliates and have been confirmed as non-stakeholders, which meets the requirements of the competent authority for independent judgment.</p> <p>Please refer to Note 2 for the independence evaluation of CPAs.</p>	None
4. Does the TWSE/TPEX Listed Companies appoint an adequate number of corporate governance personnel with appropriate qualifications and appoint a chief corporate governance officer to deal with corporate governance business (including but not limited to provide directors and supervisors necessary information; assist directors and supervisors to handle the matters related to the Board of Directors and Shareholders' Meeting in accordance with the laws and regulations; and handle the company registration, change registration of company, and prepare the minutes of Board of Directors meeting and Shareholders' Meeting) ?	✓		<p>1. The top executive of Corporate Governance Department was appointed the chief corporate governance officer of the Company by the resolution of Board meeting on May 13, 2019.</p> <p>A sufficient number of professional corporate governance personnel has been allocated to protect shareholders' rights and enhance the functions of the Board.</p> <p>The chief corporate governance officer of the Company, who has been in charge of the corporate governance affairs management such as stock affairs, Shareholders' meeting and Board meeting affairs for at least 3 years, is eligible in accordance with the regulations.</p>	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>2. The main duties of the chief corporate governance officer of the Company are as follows:</p> <ul style="list-style-type: none"> (1) To handle matters relating to Board meetings and Shareholders’ meetings according to laws. (2) To produce minutes of Board meetings and Shareholders’ meetings. (3) To assist in onboarding and continuing education of directors. (4) To furnish information required for business execution by directors. (5) To assist directors with regulatory compliance. <p>3. The execution of duties in 2021 are as follows:</p> <ul style="list-style-type: none"> (1) To furnish directors with relevant information and regulations to perform their duties and arranged training courses for directors: <ul style="list-style-type: none"> a. To furnish directors with the latest regulations related to corporate governance from time to time. b. To furnish directors with the Company’s information to perform their duties and maintain smooth communication between directors and all department heads. c. To arrange more than four closed-door meetings each for independent directors to communicate face-to-face with the chief internal auditor and CPAs, so as to have an 	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>in-depth understanding of the Company’s audit and financial status.</p> <p>d. To hold two training courses (3 hours each) for directors.</p> <p>(2) To handle matters relating to functional committees, board meetings and shareholders’ meetings according to laws:</p> <p>a. To draw up an agenda for each meeting, notified each director 7 days in advance with meeting materials provided, reminded the director not to participate in discussion or voting on the agenda item if he is an interested party with it, and distributed the minutes to each Director within 20 days after the meeting.</p> <p>b. After Board meeting, assisted in the release of material information concerning important decisions made by the Board to ensure the legality and correctness of the material information, in order to protect information equivalence of investor transaction.</p> <p>c. To register the date of the Shareholders’ meeting in accordance with laws, and prepare meeting notices, handbooks and minutes within the legal period.</p> <p>4. Chief corporate governance officer training records in 2021 (please refer to Note 3).</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		<p>Our website” https://csr.evergreen-marine.com/csr/jsp/CSR_StakeholderEngagement.jsp” set up “Stakeholder Engagement”, it is divided into Investor relations, Customer service, Supplier management and Communication with stakeholders zones. Each department’s email box and contact window can be found and used for stakeholder’s communication channel with us. We communicate, respond stakeholder’s concerned issues and disclose the same in our annual CSR reports.</p> <p>The Company identified 9 important types of stakeholders based on past stakeholder communications and the disclosure of other international shipping companies, then the relevant departments of Evergreen Marine takes part in jointly evaluating the extent of each stakeholder’s relationship with the Company based on the five principles of Responsibility, Influence, Tension, Diverse Perspectives and Dependency from AA1000 SES(Stakeholder Engagement Standard). The concern issues of stakeholders, please refer to Note 4.</p> <p>We always take open and rigorous stance to communicate and respond to stakeholders’ issues with solid solutions, the process includes identifying stakeholders, communication management, materiality analysis of concerned issues, responding and maintaining relationship properly.</p>	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
6. Does the company appoint a professional shareholder service agency to deal with Shareholders’ Meeting affairs?		✓	The Company does not assign any agency to be in charge of its Shareholders’ Meeting affairs.	Whereas stocks affairs is managed by the Company itself, the Shareholders’ Meeting is conducted following government regulation and Articles of Incorporation of the Company to ensure its lawfulness, effectiveness, and safeness.
7. Information Disclosure (1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	✓		<p>1. Financial and Business information: The Company has set up a corporate website (URL: https://www.evergreen-marine.com/), where the financial and business information are disclosed, and designated relevant personnel to monitor and provided investors with accurate company information.</p> <p>2. Corporate governance status: “Corporate Governance Zone” (URL: https://csr.evergreen-marine.com/csr/jsp/CSR_CorporateGovernance.jsp) is set up in the Company’s website, which has disclosed the structure of the corporate governance, the operation of the Board of Directors and the functional committees, “Articles of Incorporation”, Internal audit organization and implementation situation, corporate governance operating situation, situation of fulfilling social responsibilities and labor relations, in order to assist stakeholders to understand the operation of corporate governance.</p>	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated personnel to handle the Company’s information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	✓		The Company has set up an English website (URL: http://www.evergreen-marine.com/) and a designated personnel is responsible for the Company’s information collection and disclosure, and spokesperson system establishment. In addition, the Company’s website has disclosed the information about the investor conference information that the Company held or has been invited to over the years.	None
(3) Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the first, second, and third quarter financial statements as well as the operating status of each month before the prescribed deadline?		✓	The Company follows relevant laws and regulations to announce and report the annual financial statements on time after the end of the fiscal year, and announce and report the first, second, and third quarter financial statements as well as the operating status of each month before the prescribed deadline. Please see https://emops.twse.com.tw/server-java/t58query .	Though the Company didn’t announce and report the annual financial statement within two months after the end of the fiscal year, the quarterly financial statements and the monthly operating situation are announced and reported within the prescribed time limit in accordance with the law.
8. Is there any other important information to facilitate a better understanding of the company’s corporate governance practices? (1) Employee rights and employee wellness	✓		1. Employee rights and benefits (1) In 2002, the company formulated sexual harassment prevention and redress measures, as well as the complaints and disciplinary measures, and set up a mailing box and a dedicated line on the internal website to properly protect the rights and interests of employees.	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>(2) The company formulated Human Rights Policies and regularly conducts Human Right Risks and Impact Assessment to promote the working environment where all workers are treated with respect and dignity in accordance with the UN Universal Declaration of Human Rights (UDHR), the UN Global Compact (UNGC), the ILO Declaration on Fundamental Principles and Rights at Work and the ILO Maritime Labour Convention, 2006 (MLC, 2006).</p> <p>(3) Through comprehensive training system including one-on-one mentorship, the company ensure various business operations run smoothly. Regular appraisals and performance reviews provide references for employees’ future career development. Supervisors can also enhance two-way communication and strengthen employee performance through appraisal interviews.</p> <p>2. Employee care</p> <p>(1) The Company has a staff canteen to provide free lunch to take care of employees’ health and food hygiene.</p> <p>(2) In Taipei, Taoyuan and Kaohsiung, there are 21 clubs in three categories: ball sports, health and wellness, and outdoor recreation, which encourage employees to relieve work</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(2) Investor relations	✓		<p>pressure, connect with others and promote physical and mental health.</p> <p>(3) Regularly organize group activities, such as Evergreen Family Day, basketball games, etc., to enhance employee communication and peer friendship.</p> <p>(4) Obtained the Badge of Accredited Healthy Workplace, the company set up a dispensary staffed by medical personnel providing free regular examination results. Moreover, the company installed AED units in the workplace to improve its first-aid system and ensure that timely assistance can be rendered in an emergency.</p> <p>(5) In terms of shipboard life, Evergreen’s modern container vessels provide a comfortable living environment. Full-time chefs prepare nutritious and varied meals for everyone. Communication is the top issue for young people today. The majority of Evergreen software that make it easy for crews to stay in contact with their families.</p> <p>“Investor Service Zone” is set up in the Company’s website (URL: https://csr.evergreen-marine.com/csr/jsp/CSR_StakeholderEngagement.jsp) to provide investors with information on operations and finances.</p>	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Supplier relations and rights of stakeholders	✓		<p>(1) “Supplier management” is set up in the Company’s website (URL: https://csr.evergreen-marine.com/csr/jsp/CSR_SupplierManagement.jsp) to reveals our value chain, major aspects of the Supplier Code of Conduct and our suppliers’ screening and performance evaluation result.</p> <p>(2) “Supplier Code of conduct” is set up in the Company’s website (URL: https://csr.evergreen-marine.com/csr/jsp/CSR_SupplierCodeConduct.jsp) to establish common values and standards which suppliers need to comply when doing business with us.</p> <p>(3) “Stakeholder Zone” is set up in the Company’s website (URL: https://csr.evergreen-marine.com/csr/jsp/CSR_ContactWindow.jsp) to list communication channels for stakeholders.</p>	None
(4) Directors’ and supervisors’ training records	✓		The directors of the Company have completed training courses according to “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies”. Please refer to the MOPS for complete information of the continuing training of the Company’s directors.	None
(5) The implementation of risk management policies and risk evaluation measures	✓		Please refer to the Assessment of Risk Management in chapter 7.	None
(6) Purchasing insurance for directors and supervisors	✓		The Company has purchased liability insurance for its directors since 2015.	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>9. Please specify the Company's measures for the evaluation results published by Corporate Governance Center of Taiwan Stock Exchange Corporation which should be improved:</p> <p>(1) The Company has been invited to attend Investor Conference held by SinoPac Securities Co., Ltd. on April 01, 2021, August 20, 2021 and March 15, 2022. The relevant information has been disclosed on the Company's website.</p> <p>(2) The directors of the Company have completed the training in accordance with the “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies” in 2021, and the Company will continually encourage directors to attend training courses.</p>				

Note 1: The Evaluation Results of Board of Directors of 2021

	Self-evaluation of performance of the Board	Self-evaluation of performance of Board members (for themselves)	Self-evaluation of performance of the functional committees
Average score (Full score: 5)	4.97	4.95	4.90
Evaluation Results	Good	Good	Good

Note 2: Independence of CPA

Item	Evaluation	Independence of CPA
<p>1. CPAs and their family members did not provide or receive gifts or special offers to the Company or its affiliates, top management, directors and supervisors, and did not affect or threaten the independence of the CPAs.</p>	Conformity	Yes
<p>2. CPAs and their family members or the management of the firm with supervisory duties did not have the following circumstances during the auditing period:</p> <ul style="list-style-type: none"> - Serve as a manager, supervisor, or director of the Company or its affiliates. - Positioned as one who has a direct and significant influence on the company's accounting records or financial statements. 	Conformity	Yes
<p>3. CPAs and their family members have not received any awards for non-audit services from the Company or its affiliates.</p>	Conformity	Yes
<p>4. One who resigned from CPAs or the auditing team did not have the following circumstances:</p> <ul style="list-style-type: none"> - Acting as a director, supervisor(including non-executive director and supervisor) or top management of the Company or affiliates controlled by the Company, or one who may have a direct and significant influence on the company's accounting records or the financial statements audited by the firm. - Being promoted to the above positions. 	Conformity	Yes
<p>5. During the auditing period, the members of the auditing team did not hold any appointments of the Company.</p>	Conformity	Yes
<p>6. CPAs appointed by the company have followed the rotation policy to reduce the threat posed by long-term appointments to independence and impartiality.</p>	Conformity	Yes
<p>7. There are no direct or material indirect financial interests, financial agreements, bank deposits, securities accounts or insurance plans that violate the independence norms between the CPAs and their family members and the Company or its affiliates.</p>	Conformity	Yes
<p>8. There is no commercial cooperation or other commercial relationship between the CPAs and their family members and the Company.</p>	Conformity	Yes

Item	Evaluation	Independence of CPA
9. There is no pending or foreseeable lawsuit involving the audit or non-audit services of the firm between the CPAs and the Company, and no lawsuit which is significant to the firm or the Company.	Conformity	Yes
10. The Company or its affiliates have not owed professional fee to the firm for the provided service.	Conformity	Yes
11. The total amount of the professional fee of the Company and its affiliates would not have an influence on the independence of CPAs.	Conformity	Yes
12. There is no agreement between the CPAs and the Company to receive or pay commission, referral fee or professional fee.	Conformity	Yes

Note 3: Chief Corporate Governance Officer Training Records In 2021

Date	Professional Organization	Training sessions	Training hours
04.28.2021	Taiwan Corporate Governance Association	From the perspective and voting behavior of foreign shareholders to share how public company truly implement ESG	1
08.31.2021	Taiwan Corporate Governance Association	Avoiding climate catastrophe- The opportunities and challenges for the enterprises	1
09.01.2021	Financial Supervisory Commission Republic of China	The 13th Taipei Corporate Governance Platform	3
09.08.2021	Taiwan Corporate Governance Association	Avoiding climate catastrophe- The opportunities and challenges for the enterprises	3
09.15.2021	Digital Governance Association	Directors and Supervisors Responsibility and Risk Management Seminar	3
10.08.2021	Taiwan Corporate Governance Association	Discussion on the use of reward and remuneration strategies and tools for employees	3
Total Training Hours			14

Note 4: Issues concerned by stakeholders

Stakeholder	Importance to the company	Priority Issues	Communication Channels, Response Methods and Communication Frequency
Employee	The members and the most important assets of the Company	<ul style="list-style-type: none"> • Operating performance • Remuneration, benefits & employee care • Corporate governance and ethical corporate management • Information Security and Protection of customer privacy • Work environment safety and labor health care 	<ul style="list-style-type: none"> • Contact person: Human Resources Dept. Mr. Huang E-mail : hrd@everegreen-marine.com • EIP e-Bulletin board (any time) • Corporate / departmental meetings (ever month) • Inter-departmental coordination meeting (ad hoc) • Management Year End Talk (every year)/ Employee interview (every 6 month) • Labor-management meeting (quarterly)/ Employee Welfare Committee meeting/ Labor Safety and Health Committee meeting/ Labor Retirement Reserve Supervision Committee (quarterly) • Appeal dedicated mail box(any time) • Sexual harassment compliant hotline/ mail box (any time)
Competent authority	Communicate with the government in order to help the government agencies understand the operations of the Company and contribute our expertise in shipping to the policy and law-making process	<ul style="list-style-type: none"> • Work environment safety and labor health care • Operating performance • Remuneration, benefits & employee care • Labour relations • Human rights and social inclusion • Compliance 	<ul style="list-style-type: none"> • Contact person: Business Coordination Dept. Mr. Yu E-mail : csr@everegreen-marine.com • E-mail (any time) • Letter (ad hoc) • Personal Visit (ad hoc) • Large Conference Call (ad hoc)
Customer	Through the optimization of services and communications to maximize value for customers	<ul style="list-style-type: none"> • Service quality and customer satisfaction • Shipping management • Information security and protection of customer privacy • Risk control • Ship safety • Operating performance 	<ul style="list-style-type: none"> • Contact person: Auditing Dept. Mr. Chen E-mail : aud@everegreen-marine.com • E-mail (any time) • Personal Visit (ad hoc) • Company's website/mobile device (any time) • Customer satisfaction survey (1-2 times a year) • OCEAN Alliance promotional seminar (ad hoc)

Stakeholder	Importance to the company	Priority Issues	Communication Channels, Response Methods and Communication Frequency
Supplier	Provide products and services that satisfy the Company's quality requirements and works together to create good services	<ul style="list-style-type: none"> • Supply chain management • Service quality and customer satisfaction • Shipping management • Corporate governance and ethical corporate management • Operating performance • Work environment safety and labor health care 	<ul style="list-style-type: none"> • Contact person: Auditing Dept. Mr. Chen E-mail : aud@evergreen-marine.com • E-mail (any time) • Meeting (1-2 times a year) • Supplier questionnaire survey (every year) • Supplier evaluation (every year) • Equipment efficiency statistical table (every month) • Company's website (every year)
Media	Give the general public a better understanding of the Company through good communications and information dissemination	<ul style="list-style-type: none"> • Operating performance • Compliance • Risk control • Climate change and environment management • Research on ship decarbonization technology 	<ul style="list-style-type: none"> • Contact person: Public Relation Dept. Ms. Yang E-mail: prd@evergreen-marine.com • E-mail (any time) • Shareholders' meeting / investor conference (ad hoc)
Shareholder	The people who holds company shares, on behalf of the general meeting of shareholders and ownership	<ul style="list-style-type: none"> • Operating performance • Corporate governance and ethical corporate management • Shipping management • Risk control 	<ul style="list-style-type: none"> • Contact person: Corporate Governance Dept. Ms. Chiu TEL: 886-2-2500-1668 • "Investor Service Zone" in Company's website (any time) • Respond to investor inquiries (ad hoc) • Annual reports of Shareholders' Meeting (every year)
Institutional Investors	Provide the necessary funds for the operation of the Company and require transparency with the operating situation	<ul style="list-style-type: none"> • Operating performance • Corporate governance and ethical corporate management • Shipping management • Risk control 	<ul style="list-style-type: none"> • Contact person: Finance Dept. Ms. Huang TEL: 886-2-2500-1280 • "Investor Service Zone" in Company's website (any time) • Important financial and business information in MOPS (as specified by the competent authority) • Respond to investor inquiries (ad hoc) • Investor conference (ad hoc)

Stakeholder	Importance to the company	Priority Issues	Communication Channels, Response Methods and Communication Frequency
Community and society	Local residents and groups that are closely connected to the Company's location and services	<ul style="list-style-type: none"> • Information security and protection of customer privacy • Remuneration, benefits & employee care • Operating performance • Service quality and customer satisfaction 	<ul style="list-style-type: none"> • Contact person: • General Affairs Dept. Mr. Wu • E-mail: gadgas@everegreen-marine.com • E-mail (ad hoc) • Meeting (ad hoc) • Personal visit (ad hoc) • Survey(ad hoc)
Other shipping companies	Meet customer needs through Alliances joint services which meet the requirements of the Company	<ul style="list-style-type: none"> • Operating performance • Remuneration, benefits & employee care • Information security and protection of customer privacy • Supply chain management • Corporate governance and ethical corporate management • Energy resource management and green shipping 	<ul style="list-style-type: none"> • Contact person: Business Coordination Dept. Mr. Chen • E-mail : bcdjvs@tw.evergreen-line.com • Email (ad hoc) • Meeting (quarterly) • Personal visit (ad hoc)
Social group and non-profit organization	Our partners in the engagement of social care and charitable activities	<ul style="list-style-type: none"> • Work environment safety and labor health care • Corporate governance and ethical corporate management • Ship safety • Compliance • Climate change and environment management 	<ul style="list-style-type: none"> • Contact person: Human Resources Dept. Mr. Lai • E-mail : hrd@everegreen-marine.com • Email (ad hoc) • Meeting (ad hoc) • Personal visit (ad hoc)

4. Composition, Responsibilities and Operations of the Remuneration Committee

A. Professional Qualifications and Independence Analysis of Remuneration Committee Members

Professional Qualifications and Independence Analysis of All members of the Remuneration Committee are independent directors, and their professional qualification, experience, independence criteria and number of other public companies in which the individual is concurrently serving as a remuneration committee member, please refer to page 35 to page 38.

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

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

C. Attendance of Members at Remuneration Committee Meetings

1. The Remuneration Committee is composed of three independent directors.
2. The term of office of current Remuneration Committee is from Jun. 24, 2020 to Jun. 23, 2023.
3. A total of 2 meetings(A) were held in 2021. Please refer to page 121 to 129 for resolutions made by the Remuneration Committee and the attendance of Committee members is as follows:

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Convener	Yu, Fang-Lai	2	0	100%	-
Committee Member	Li, Chang-Chou	2	0	100%	-
Committee Member	Chang, Chia-Chee	2	0	100%	-

Other mentionable items:

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

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

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Does the company establish exclusively (or concurrently) dedicated unit to promote corporate sustainable development, with first-line managers authorized by the Board to be in charge of its management and the Board supervise the management status?	✓		<p>The “Corporate Sustainable Development Best Practice Principles” and “Corporate Sustainability Committee Organizational Charter” were passed by the Board of Directors to embrace sustainable development and fulfill our corporate social responsibility. These reflect Evergreen Marine’s vision and commitments on economic, environmental and social issues. Evergreen Marine has set up the “Corporate Sustainability Committee” to ensure the continued promotion and implementation of sustainable corporate management practices. The President and Chief Executive Vice President of Business Coordination Dept. respectively serve as the Chairman and Director General of the CSR Committee; members of the Committee are made up of 15 department heads, as well as 23 executive secretaries.</p> <p>The Committee is divided into the Employee Care/Community Care Issues Team, Environmental Protection Issues Team, Corporate Governance/Economic Issues Team and Product/Supplier Management Issues Team. The first-line managers authorizes Business Coordination Dept. to be responsible for the planning and promotion of various businesses. The relevant departments in each team are responsible for each businesses. The Corporate Sustainability Committee shall convene at least once a quarter and discuss economic, environmental, and social issues. The Corporate Sustainability Committee review actions and compile the content by Corporate Sustainability</p>	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>Reports. All content is reviewed by members of each group of the committee and reviewed by department heads in the group. The committee reports the implementation progress, work performance and work plan to the board of directors every year according to the impact, risks and opportunities of the issues. The board of directors will review its annual implementation in accordance with the three major aspects of corporate social responsibility, with green fleet, promotion of social welfare activities and supplier management. Please refer to the Table 1 for the structure of Corporate Sustainability Committee.</p>	
<p>2. Does the company conduct a risk assessment of environmental, social and corporate governance issues, which is related to the company's operations, and formulate relevant risk management policies or strategies by Materiality Principle?</p>	✓		<p>For the purpose to reduce the risks of financial, economic impact, terrorism, climate change and pandemic, Evergreen has aggressively identified and formulated the management policies and countermeasures for strategic & operating risks, market risks, legal risks, financial risks (including exchange rates, interest rates, prices, credit and volatility risks) , crew/vessel/cargo safety risks and global epidemics outbreak risks, and disclosed in Evergreen's website. Recently, in view of the increasingly severe climate change, Evergreen has introduced the framework of Task Force on Climate-related Financial Disclosure (TCFD) to identify the opportunities and challenges brought by climate change and extreme climate. Climate change impact that affected operations has been integrated into Evergreen's risk assessment system and corresponding measures has also been adopted as well. Please refer to the Table 2 for the corresponding measures.</p>	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			With aim to have stakeholders better understand our corporate sustainable promotion plan and implementation results, Evergreen regularly publishes relevant information on the website and Corporate Sustainable Report.	
3. Environment Issue				
(1) Does the company establish proper environmental management systems based on the characteristics of their industries?	✓		As a leader in maritime industry, Evergreen is committed to building an environmentally friendly fleet, actively participating many international environmental protection projects, and proceeding from various aspects such as weather navigation analysis, optimization of route speed, in order to synchronize with the world and to protect the marine environment. We have established “Safety and Environmental Management System” for our fleet and onshore personnel, and obtained the ISO 14001 Environmental Management System (The validity period of the certificate is from August 13, 2020 to August 12, 2023). We implement the environmental protection management system with a responsible attitude to prevent the occurrence of environmental protection accidents and minimize the risk. There was no major environmental protection accident in 2021.	None
(2) Does the company endeavor to improve energy efficiency and use renewable materials which have low impact on the environment?	✓		The Company is cautiously abiding by international environmental protection conventions and environmental protection regulations in various regions, and is committed to pollution prevention, energy conservation and greenhouse gas reduction, and planetary protection. Strict standards and operating procedures are set for the environmental protection and pollution prevention for ships sailing at sea. The Company	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company assess the potential risks and opportunities of climate change for the company and take measures to respond to climate-related issues?	✓		<p>uses various operational management measures, emission reduction strategies and ship design optimization to reduce ship energy consumption, and continuously introduces a new generation of eco-friendly ships to reduce pollution and greenhouse gas emissions, in order to contribute to the environmental protection of the earth.</p> <p>The building of Evergreen Marine adheres to an energy-saving policy, in order to achieve energy-saving goals and eliminate energy waste, in addition to large-scale air-conditioning system using energy-efficient motors, the office lighting part has been completely changed to LED energy-saving lamps, so as to control high energy consumption and long-time use of equipment through active management. In addition, if the refrigerator is broken, we will replace it with the energy-efficient refrigerator. When an official vehicle is to be replaced, a vehicle with less fuel consumption will be purchased. As of 2021, all of the chassis at Evergreen Kaohsiung Container Terminal have now been upgraded with all-rubber tires. We expect all dock-side chassis to be fitted with all-rubber tires in the future, a move that will reduce the complexity of recycling and associated environmental pollution.</p> <p>In view of the increasingly severe climate change, Evergreen has introduced the framework of Task Force on Climate-related Financial Disclosure (TCFD) to identify the opportunities and challenges brought by climate change and extreme climate. The climate change impact that affected operations, such as increased frequency of extreme weather, changes in domestic and foreign regulations,</p>	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(4) Does the company summarize greenhouse gas emissions, water consumption and total weight of waste in the past two years and formulate policies for energy conservation, carbon reduction, greenhouse gas reduction, water use reduction or other waste management simultaneously?	✓		<p>increased customers awareness of environmental protection, changes in energy policies and equipment requirements has further been incorporated into risk assessment systems and corresponding measures has also been adopted as well.</p> <p>In the face of the challenges of global extreme climate, for the fleet, the most serious thing is weather climate change, which has a negative impact on the safety of ships sailing. In order to take into account the safety of the fleet, the company asks Japan (Weather News Information(WNI)) company long-term cooperation, providing the world’s three major marine meteorological forecast and advisory services ships in all corners of the globe are informed of the atmosphere in local waters as early as possible information to facilitate the use of distancing measures to ensure the safety of navigation.</p> <p>Evergreen Marine conducts comprehensive management of greenhouse gas emissions, water resource and waste treatment in accordance with the three major aspects of ships at sea, shore operations, office buildings in order to monitor, review and implement relative reduction programs.</p> <p>Evergreen monitors the fuel consumption and host operating status of each ship of the fleet in time every day, to ensure the propulsion performance of the main engine. Each vessel also feeds back the total fuel consumption and total navigation distance of the month to the ship management unit at the end of each month. The information reported is used to calculate the CO₂ emissions, so as to monitor the greenhouse gas emissions of the entire fleet and achieve the fleet’s carbon reduction targets. The</p>	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>Company currently takes the following measures to reduce CO₂ emissions:</p> <ol style="list-style-type: none"> 1. Optimize the route and sail at suitable speed. 2. Continuous monitoring of ship fuel consumption and host operating status to ensure the propulsion performance of the main engine. 3. Use the weather navigation to provide the fleet with real-time weather information, in order to select the best route for maximum fuel efficiency. 4. Improve cargo handling efficiency to shorten port stays. 5. Properly plan the ship’s cargo load and reduce ballast water loading to maximize economic benefits. 6. Application of special anti-fouling paint to ship hulls. 7. Actively participate in the California Voluntary Deceleration Zone Award Incentive program. <p>In response to global trends, green shipping is now being developed by Evergreen Marine and CO₂ reduction targets have been set. The mid-term target of 50% reduction in CO₂ emissions by 2030 is planned with 2008 as the baseline; the long-term target is to reduce the emission rate by 70% in 2050. According to the statistics of CO₂ emissions in 2021, a reduction of 33.9% has been achieved.</p> <p>The annual statistics on greenhouse gas emissions are also verified by a third party, Class NK. The relative statistics in for greenhouse gas emissions, water consumption and waste management in recent years are shown in Table 3.</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
4. Social Issue				
(1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		<p>Implementing the business concept of creating profits, caring for employees and giving back to the society is the consistent guarantee of Evergreen Marine to all stakeholders.</p> <p>Evergreen Marine formulated Human Rights Policies and regularly conducts Human Right Risks and Impact Assessment to promote the working environment where all workers are treated with respect and dignity in accordance with the UN Universal Declaration of Human Rights (UDHR), the UN Global Compact (UNGC), the ILO Declaration on Fundamental Principles and Rights at Work and the ILO Maritime Labour Convention, 2006 (MLC, 2006).</p> <p>In 2021, all Evergreen Marine shore personnel were over the age of 18 while crew members over 16. Evergreen Marine did not have any violations of human rights in 2021. For more information on Evergreen Marine’s human rights policies, please refer to the corporate websites (https://csr.evergreen-marine.com/csr/tw/jsp/CSR_HumanRights.jsp)</p>	None
(2) Does the company set and implement reasonable employee welfare measures (including compensation, leave and fringe benefits) and reflect the operating performance or results on employees compensation?	✓		<p>To attract and retain quality talent as well as strengthen our global business team, the Company provide shore and ship personnel with competitive salary and fringe benefits. Our remuneration policy adheres to labor laws and regulations. The generous remuneration packages do not differ on the basis of gender, religion, race or political bias. In addition, annual bonuses are also paid to employees based on the Company’s profitability and individual performance for that year as a reward for outstanding performance.</p>	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		<p>Remuneration for national and foreign crew members must not only meet the standards set by MOTC (Ministry of Transportation and Communications) but also the collective bargaining agreement with the ITF (International Transport Workers’ Federation).</p> <p>The Company has established the Occupational Safety and Health Management Department according to law and deployed safety and health management personnel to formulate, plan, and promote occupational safety and health business, so as to effectively prevent the occurrence of occupational disasters. The relevant measures are as follows:</p> <ol style="list-style-type: none"> 1. Establish safety and health codes of practice in accordance with the Occupational Safety and Health Act, and follow the instructions and require employees to comply. 2. Conduct safety and health education and training for new and employed employees in accordance with the Occupational Safety and Health Act. 3. Conduct fire safety education and training for employees in accordance with the provisions of the Fire Services Act. 4. Provide regular health checkups and medical consultations for employees. 5. Establish a 24-hour security alert to ensure the company’s property and personnel safety. 	None
(4) Does the company provide its employees with effective career development training programs?	✓		<p>The Company has always embraced the philosophy that “talents are the most important assets of an enterprise”. We offer equal work opportunities to young people and patiently teach them everything from</p>	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>scratch. Current employees are provided with a range of solid, professional training courses and a proactive rotation scheme. Employees’ professional abilities and international horizons are honed through “rotation and expatriate assignment” in order to boost our operating performance. The training expenses for both shore and ship personnel totaled NTD 3.85 million in 2021. An innovative “ship-shore rotation” system at Evergreen also provides ship personnel with the opportunity to work on shore. The professional knowledge of outstanding ship personnel helps to ensure that the ship scheduling, freight space configuration, terminal loading/unloading and ship maintenance operations will also satisfy the needs of operations at sea. The overall efficiency of the service chain can then be improved. Ship personnel can also take advantage of the ship-shore rotations and expatriate assignment system to further their developments at sea and on land, and to look after their families.</p> <p>Ship personnel training: Seamen on shore waiting for their next assignment are sent for professional training at the center in accordance with the 2010 amendment of the STCW Convention (International Convention on Standards of Training, Certification and Watch-keeping for Seafarers). Additional company policy awareness, shipboard system operations and professional development courses are also administered by the ESTC based on mariners’ roles aboard the ship to keep them up to date on the latest navigational knowledge and techniques, boost their navigation and engineering expertise,</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(5) Does the company formulate relevant consumer protection policies and appeal procedures according to relevant regulations and international standards in regards of the customer health, safety and privacy, and marketing and labeling of the products and services?	✓		<p>strengthen their identification with the Company’s management system, as well as enhance mariners’ loyalty to the Company.</p> <p>Shore personnel training: Through on-job-training, departmental professional training and training courses provided by external organizations, staff members learn necessary skills for daily operation. Via “rotation schemes” between different functions, the Company also enhance shore personnel’s inter-departmental knowledge and teamwork spirit. For overseas talents, Evergreen Marine provide “expatriate assignment” to enhance employees’ international horizons and career development. The Company cut back classroom training courses and face-to face workshops due to the COVID-19 pandemic in 2021. Instead, the Company provided membership of a well-known digital learning platforms for employees’ self-learning. These online courses covered subjects of digital transformation, career and learning, communication and marketing, political and economic trends etc.</p> <p>The Company has established the “Evergreen Line Corporate Sustainable Policy” and related operating procedures. The global subsidiaries and agencies should abide by the commitments of anti-bribery, anti-corruption and anti-discrimination in their business activities, strive to avoid pollution and improve marine environment. The Company has a competition law compliance manual that complies with the competition law, and is committed to complying with global competition laws and will never engage in any acts which violates violation the competition law.</p>	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(6) Does the company formulate a supplier management policy that requires suppliers to follow relevant norms and the implementation status in issues such as environmental protection, occupational safety and health, or labor rights, etc.?	✓		<p>The company has established the “Supplier Code of Conduct”, which establishes the regulations that suppliers should comply when conducting business with us, and the same is published on the company’s website. Suppliers’ compliance with this Code will be taken into consideration for company’s procurement decisions. “Supplier Code of Conduct” consists of five parts: labor standards, health and safety standards, environmental standards, ethics and management system standards.</p> <p>The company had also created the “Supplier Evaluation Procedures” to evaluate at least once a year for qualified suppliers who provide with goods and services and will affect our service quality.</p> <p>For enhancing Supply Chain Sustainability management, Environmental protection, Social care and Governance are included into current criteria for choosing suppliers. Suppliers are required to sign “EMC Supplier Social Responsibility Compliance Commitment”, “Evergreen Supply Chain Sustainability Assessment Questionnaire” will also be issued to suppliers. ESG related clauses are encouraged to be included into contracts.</p> <p>We set up several supplier management KPI in 2021, they are “recovery rate of EMC Supplier Social Responsibility Compliance Commitment”, “ESG clauses contract inclusion rate” and “First tier supplier’s Supply Chain Sustainability Assessment Questionnaire return rate”, in order to understand how suppliers perform and fulfill sustainability development responsibilities with suppliers together.</p>	None

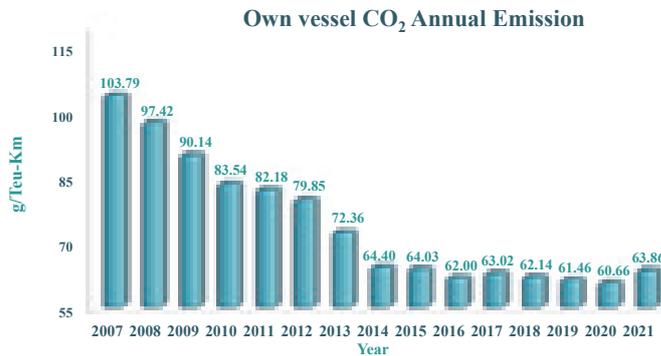
Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
5. Does the company refer to international reporting rules or guidelines to prepare Corporate Sustainable report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

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

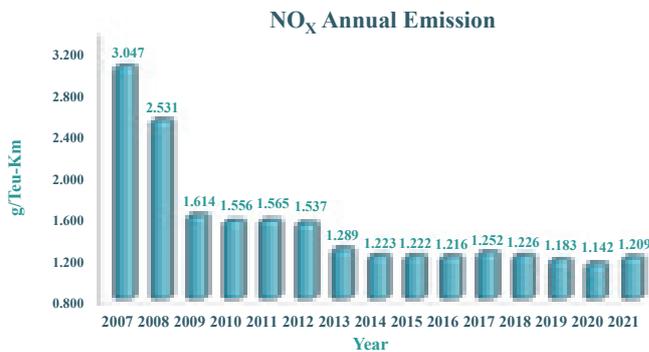
Both the newly built Type A and Type F ships can improve energy efficiency, reduce greenhouse gas emissions, NOx, SOx emissions etc. In the new ship construction plan, the ship structure of the fleet will be further optimized. This series of ships adopts long-stroke main engine, optimized The ship type and bow are equipped with Hybrid type SOx scrubber. This type of ship will significantly reduce carbon emissions. We has also obtained ISO 14001:2015 environmental protection certification. We implements the environmental protection management system in a responsible manner, and eliminates environmental risks. We has set up an “Environmental Protection Zone” on its official website. In addition to introducing the company’s various environmental protection measures, it also publishes annual environmental protection-related data.

* Historical environmental data

■ CO₂

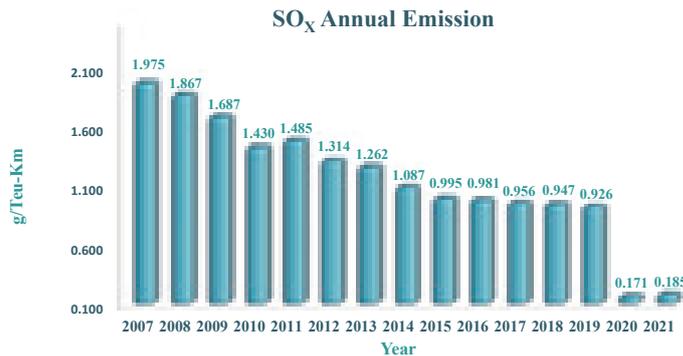


■ NOx



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

■ SOx



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

(2) Evergreen Marine contributed to Society in 2021:

1. Earth Day 2021, Evergreen loves the Earth

Caring for the earth and protecting the environment has always been Evergreen’s commitment. In response to the 422 World Earth Day and to express our care for the earth with practical actions, Evergreen invited colleagues to promote a ‘green life’ and take part in energy saving, carbon reduction and low-carb diets activities together for Earth Day.

2. Evergreen sponsored the 9th Legend of Ships Painting Competition

This is the fifth time that Evergreen sponsored the Legend of Ships Painting Competition organized by Chang Yung-fa Foundation’s Evergreen Maritime Museum, and it’s the first time to promote the issue of environmental sustainability with the theme of “Marine Environmental Protection”. Judging from the nearly 700 paintings this time, we could see children are familiar to environmental sustainability issues, which is gratifying!

3. Evergreen sponsors the Evergreen Symphony Orchestra

Evergreen sponsored the Evergreen Symphony Orchestra on five “Classical Music Banquet” concerts in 2021, with a total of 2,288 concert tickets provided not only for the Company’s employees and their families for free, but also for social welfare groups and volunteer friends. Hoping that through the music, everyone can relieve their stress.

4. Evergreen organizes beach cleaning activities

Evergreen Marine Kaohsiung Terminal Division’s beach cleaning activity at Shanwei Harbor in Linyuan District on October 16 was organized in association with The Society of Wilderness. Evergreen’s employees and their families responded to the beach cleaning activity, and collected around 167 kgs of various types of garbage. With the assistance of the Wilderness Conservation Association, the cleaning results were classified and recorded. Through this activity, all colleagues can deeply understand that protecting the environment is an urgent matter, and we should start from reducing plastics in daily life, so that environmental protection can be more implemented.

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
5. Planting activities of Evergreen				
<p>To illustrate Evergreen’s determination to address issues of environmental protection, Chairman Chang and the Deputy Senior Vice President, Mr. Huang led 132 employees and their families who participated in Planting Activities at “Jiabao Beach” in northern Taiwan and “Dapingding” in Kaohsiung on September 30 and also on December 4 this year. Both the passion and enthusiasm of all participants were on display as 400 tree saplings with a total area of 11,000 square meters were planted, achieving some marvelous results for “Green Earth”. Evergreen is committed to all kinds of environmental protection activities through social engagement, and to making more efforts to protect our earth.</p>				
6. Evergreen donates computers				
<p>Evergreen has worked with the Chang Yung-Fa Foundation to various public welfare activities, and are committed to helping to bridge the gap between urban and rural areas, hoping to open different learning windows for children in remote areas. Evergreen donated 120 sets of used computers to rural elementary schools in Daxi District and Luzhu District, Taoyuan City on November 30, in order to assist primary schools in rural areas to improve teaching effectiveness through digital online learning platforms.</p>				
7. Evergreen donates furniture				
<p>Evergreen Marine worked with the Chang Yung-Fa Foundation to make a donation of two new storage cabinets as well as 30 used chairs to the charity group, Grown-up With Hands Family and arranged for an employee to become Santa Claus for the day to deliver gifts to children.</p>				
8. Evergreen sponsors Christmas dinner				
<p>On December 18, 2011, Evergreen also worked with the Chang Yung-Fa Foundation to send love to St. Teresa Children Center, and served Christmas dinner which had been provided by Evergreen Sky Catering Corporation to enjoy Christmas Day with the kids. The Evergreen Symphony Orchestra’s String Quartet also went along to perform Christmas songs at the Christmas party. Audiences enjoyed the evening very much and really appreciated Evergreen’s special efforts.</p>				

Table1 The structure of corporate sustainability committee

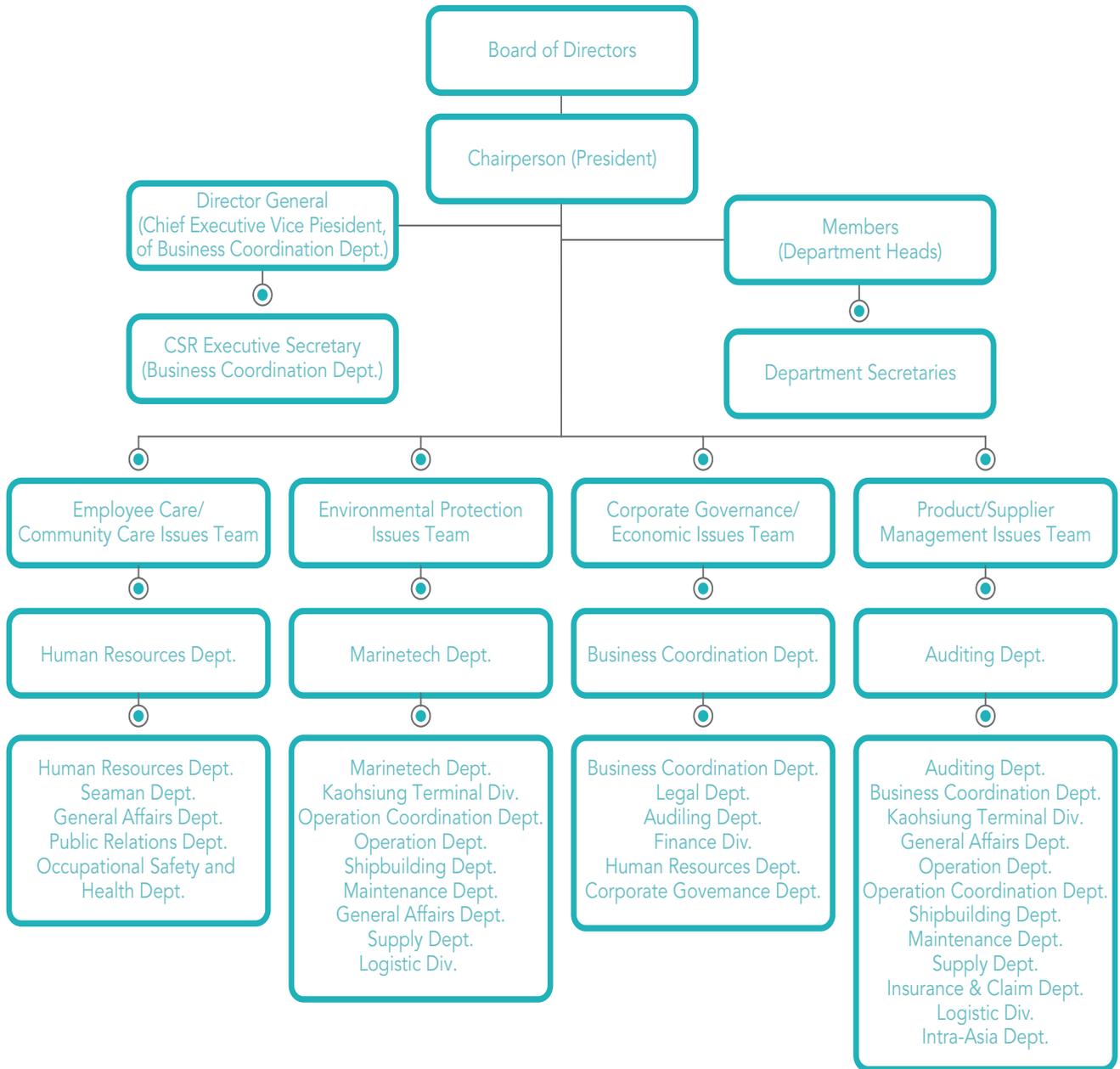


Table2 Risk assessment and management policy

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

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

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

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

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

	2019	2020	2021
Fleet CO ₂ emissions (ton CO ₂ e)	5,903,899	5,798,134	6,661,895
Fleet CO ₂ emission rate (g/TEU-KM)	61.46	60.66	63.86

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

Note 2: GHG inventory is based on GHG emissions = Energy consumption and GHG emission factor; The GHG emission factor is based on the values given in IMO MEPC.308(73) and the GHG emission factor management table 6.0.4 edition issued by the MOEA Industrial Development Bureau (IPCC 5th Evaluation Report); GHG emission total was calculated using the operational control method.

Note 3: In 2021, due to the impact of the epidemic, the global port congestion problem was serious, and the ship punctuality rate dropped sharply. In order to stabilize the smooth global supply chain and protect the rights and interests of customers, the company continued to invest in transportation capacity and increase the speed of ships to respond, resulting in an increase in the fleet's carbon dioxide emissions. The annual carbon emission increase of about 14.9% ,which is lower than the 16% of the total investment in new capacity.

- Statistics of greenhouse gas emissions from shore operations (Kaohsiung container terminal) in the past 3 years

	2019	2020	2021
Direct GHG emissions (ton CO ₂ e)	2,917.12	3,501.13	4,249.48
Indirect GHG emissions (ton CO ₂ e)	21,368.94	24,203.89	20,629.52
GHG emission intensity (ton CO ₂ e/load)	3.24	3.82	3.62

Note 1: Scope 1(direct) GHG emissions are calculated using the CO₂ equivalent generated by company vehicles. Scope 2(indirect) GHG emissions are calculated using the CO₂ equivalent generated by electricity used for yard equipment and reefer container. in the office building. GHG emissions are summarized using the operational control method.

Note 2: Estimation method and source of factor: Energy emission = Energy consumption * GHG emission factor; the GHG emission factor is based on the GHG emission factor management table 6.0.4 edition issued by the MOEA Industrial Development Bureau (IPCC 5th Evaluation Report, June 2019) .

Note 3: Work load refers to the number of containers handled by cranes (diesel or electric-powered).

Note 4: In 2021, the operation of the company's Kaohsiung container terminal was also affected by the global port congestion problem. The situation of container retention intensified, resulting in a decrease in the turnover rate of equipment in the factory area. Therefore, it was necessary to set up another storage area for operations, the company strengthened operations. Management, energy conservation and carbon reduction were implemented, and the total carbon dioxide emissions throughout the year were still lower than the previous year.

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

	2019	2020	2021
Direct GHG emissions (ton CO ₂ e)	16.32	14.58	12.42
Indirect GHG emissions (ton CO ₂ e)	3,264.94	3,057.36	3,004.36
GHG emission intensity (ton CO ₂ e/M ²)	0.12	0.11	0.11

Note 1: Scope 1(direct) GHG emissions are calculated using the CO₂ equivalent generated by company vehicles. Scope 2 (indirect) GHG emissions are calculated using the CO₂ equivalent generated by electricity used in the office building. Indirect GHG emissions are calculated using the site-based method. GHG emissions are summarized using the

operational control method.

Note 2: Estimation method and source of factor: Energy emission = Energy consumption * GHG emission factor. Source of Direct GHG emissions: The GHG emission factor is based on the GHG emission factor management table 6.0.4 edition (IPCC 5th Evaluation Report, June 2019).

Note 3: GHG emission intensity = Carbon emission of externally purchased electricity/Total building floor area, 28,036.4 M².

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

Operation		Item	Unit	2019	2020	2021
Ships at sea		Fresh water supply to the ship	ton	88,643	81,679	92,252
Shore operations	Kaohsiung Terminal	Annual tap water consumption	liter	25,377	25,824	22,845
		Sewage treatment volume	CMD	7,968	7,328	6,823
	Evergreen Marine office	Annual tap water consumption	liter	25,006	25,528	23,354

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

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

Note 3: In 2021, the global freight market was seriously affected by the problem of port congestion. Fresh water supply increased due to longer ship demurrage.

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

Operation		Item	Disposal method	Unit	2020	2021
Ships at sea		Incinerator ashes	Recycling	m ³	47.94	58.20
		Waste oil	Recycling	m ³	38,603	40,345
Shore operations	Kaohsiung Terminal	Domestic waste	Incineration	Ton	200.11	186.65
		Waste hardware & waste paper	Recycling	Ton	204.64	218.64
	Evergreen Marine office building	Domestic waste	Incineration	Ton	70.66	44.52
		Recycling	Recycling	Kilogram	5,600	2,520

Note 1: In 2021, due to the increase in the overall operation scale, the amount of waste disposed of on board also increased compared with previous years.

Note 2: In 2021, the operation of the company's Kaohsiung Container Terminal was affected by the port congestion and container detention, which increased the use of operating equipments, and in order to achieve the efficiency of resource recycling and renewable energy use, the disposal of related waste hardware increased.

6. Ethical Corporate Management

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

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

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(2) Does the company establish an exclusively dedicated unit supervised by the Board to be in charge of ethical corporate management promotion and regularly (at least once a year) report to the Board regarding the ethical management policies, preventive measures against unethical behavior and implementation status?	✓		<p>or against the Company’s CSR policies. When entering into a contract, the content of the contract shall include terms requiring compliance with CSR policies and ethical principles of both parties; the Company may terminate or revoke the term of the contract at any time if the supplier violates the policy and principles, and has a significant impact on the environment and society of the supply source community.</p> <p>The Company designated the Human Resources Department (HRD) to be in charge of establishing ethical corporate management policies and the preventive measures against unethical behavior, and supervising their implementation. In addition, HRD assists the Board of Directors and management in verifying and assessing the effectiveness of the preventive measures taken for the purpose of implementing ethical management, and regularly reports to the Board in December each year. The contents of the report made on the Board of Directors’ meeting held on December 27, 2021 are summarized as follows:</p> <p>1. Policies on Ethical Management</p> <p>In order to prevent any unethical behavior of employees, the Company’s top management emphasized in the monthly managerial meetings and announced to all employees that all business activities must be in accordance with the competition laws, prevention of insider trading, information security</p>	None

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>policy, and confidential information protection, etc.</p> <p>2. Ethical Management risk assessment According to Ethical Corporate Management Best Practice Principles and Guidelines for Conduct, the Company establishes effective risk assessment mechanism and conducts a review each year. The results appraised by all departments in 2021 revealed that all business activities were at “low” risk level and current control systems could remain unchanged.</p> <p>3. Training on Ethical Management related issue: (1)The Company organized orientation courses on ethical management and morality, anti-bribery and anti-corruption policies, competition compliance and general data protection regulation (GDPR) in 2021 and 101 new employees in charge of shipping-related business completed the courses. (2)The Company organized an e-learning course on management of the prevention of insider trading in 2021. There were 2,083 employees in charge of shipping-related business completed the courses and test. The completion rate was 100%.</p> <p>4. Complaint mailbox No case against code of conduct was received via the complaint mailbox in 2021.</p>	

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	✓		To prevent conflicts of interests and provide appropriate communication channels, the Company established the “Ethical Corporate Management Best-Practice Principles”, “Procedures for Ethical Management and Conduct Guidelines” in 2014 and 2015 respectively. The Company uses the corporate internal control system, audit system and all kinds of internal management regulations to implement the above policies.	None
(4) Has the company established effective systems for both accounting and internal control to facilitate ethical corporate management, and are internal auditors or CPAs check the risk assessment results on high-risk unethical behavior and conduct an audit plan for prevention programs?	✓		The Company has established effective accounting system, internal control system and internal audit implementation rules. The internal audit unit conducts an internal audit annually, examines the implementation status of the internal control system, continuously reviews the Company’s operating procedures, and develop an audit plan based on the assessment results on risk against unethical behavior in order to examine the implementation status of the preventive measures against unethical behavior.	None
(5) Does the company regularly hold internal and external education and trainings on ethical management?	✓		The Company delivers integrity policies through various channels, such as monthly departmental meetings, e-Bulletin Board, and management’s remarks. For new employees, training on ethical management and morality, anti-bribery and anti-corruption policies, competition compliance and general data protection regulation (GDPR) were carried out during the orientation for 101 shipping-related newcomers in 2021. In addition, the on-line course	None

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			on management of the prevention of insider trading was carried out in 2021. A total of 2,083 employees completed the courses and test.	
3. Operation of the company’s integrity system				
(1) Does the company establish both reward/punishment system and integrity hotline, as well as a convenient integrity channel? Can the accused be reached by an appropriate person for follow-up?	✓		The Company encourages both internal and external personnel to report acts of unethical and misconduct. In addition to the integrity system stipulated in the “Ethical Corporate Management Best-Practice Principles”, the Company has established the “Employee Complaint Regulations”. After the whistleblower reports or appeals to the supervisors at all levels and Human Resources Department, the case will then be filed and investigated or reported to the independent director, a relevant reward/punishment system is also stipulated in the management rules of the Company. In addition, an independent whistle-blowing mailbox (comment@evergreen-marine.com) is made available and has been disclosed on the “Stakeholder Zone” in the Company’s website and on the internal e-bulletin board, in a way to establish a convenient integrity channel. This mailbox is under the responsibility of the supervisor of Human Resources Department.	None
(2) Does the company establish standard operating procedures for confidential reporting on investigating accusation cases?	✓		It is specified in the “Ethical Corporate Management Best-Practice Principles” and “Employee Complaint Regulations” that the whistleblower may raise the case verbally, in writing or report anonymously. The Company	None

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

7. Corporate Governance Guidelines and Regulations

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

8. Other Important Information Regarding Corporate Governance

(1) The Company was ranked in the top 20% of publicly listed companies at 2021 Corporate Governance Evaluation conducted by TWSE.

(2) The status of management level attending corporate governance related continuing education/training in 2021

Name and Title	Date	Professional Organization	Training Sessions and Hours
Hsieh, Huey-Chuan President	Sep. 08, 2021	Taiwan Corporate Governance Association	Avoiding Climate Disaster, Opportunities and Challenges for Business / 3 hours
	Oct. 08, 2021	Taiwan Corporate Governance Association	Discussion on the Reward Strategies and Tools for Enterprise Employees / 3 hours
Wu, Kuang-Hui Chief Executive Vice President	Sep. 01, 2021	Financial Supervisory Commission Republic of China	The 13 th Taipei Corporate Governance Forum / 3 hours
	Sep. 08, 2021	Taiwan Corporate Governance Association	Avoiding Climate Disaster, Opportunities and Challenges for Business / 3 hours
	Oct. 08, 2021	Taiwan Corporate Governance Association	Discussion on the Reward Strategies and Tools for Enterprise Employees / 3 hours
	Dec. 03, 2021	Taiwan Insurance Institute	Impact of IFRS 17 on Insurance Operations / 3 hours
	Dec. 07, 2021	Taiwan Stock Exchange	2021 Cathay Sustainable Finance and Climate Summit / 6 hours

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

A. Auditing personnel

Name	Date	Professional Organization	Training Sessions and Hours
WU, YU-CHI	1. Sep. 02, 2021 2. Nov. 16, 2021	1. Accounting Reach & Development Foundation 2. Accounting Reach & Development Foundation	1. The essentials of internal audit in compliance with laws and regulations / 6 hours 2. Competent authority's policy analysis and internal control management practices of "Assisting companies in improving their own financial reporting capabilities" / 6 hours

B. Accounting Supervisor

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

Name	Date	Professional Organization	Training Sessions and Hours
Chang, Chuan-Fu	Aug. 26, 2021~ Aug. 27, 2021	Accounting Research and Development Foundation	Accounting Supervisor Continuing Education Course (Financial Accounting Standards, Finance, Corporate Governance, Ethics and Legal Responsibility) / 12 hours
	Sep. 08, 2021	Taiwan Corporate Governance Association	Avoiding Climate Disaster, Opportunities and Challenges for Business / 3 hours
	Oct. 08, 2021	Taiwan Corporate Governance Association	Discussion on the Reward Strategies and Tools for Enterprise Employees / 3 hours

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

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

9. Internal Control Systems

(1) Internal Control System Execution Status

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

Date: March 15, 2022

The Company states the following with regard to its internal control system during the period from Jan. 01, 2021 to Dec. 31, 2021, based on the findings of a self-evaluation:

1. The Company is fully aware that establishing, operating, and maintaining an internal control system are the responsibility of its Board of Directors and management. The Company has established such a system aimed at providing reasonable assurance of the achievement of objectives in the effectiveness and efficiency of operations (including profits, performance, and safeguard of asset security), reliability, timeliness, transparency of reporting, and compliance with applicable laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the three goals mentioned above. Furthermore, the effectiveness of an internal control system may change along with changes in environment or circumstances. The internal control system of the Company contains self-monitoring mechanisms, however, and the Company takes corrective actions as soon as a deficiency is identified.
3. The Company judges the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies promulgated by the Securities and Futures Commission, Ministry of Finance (herein below, the “Regulations”). The internal control system judgment criteria adopted by the Regulations divide internal control into five elements based on the process of management control: 1. control environment 2. risk assessment 3. control activities 4. information and communications 5. monitoring. Each element further contains several items. Please refer to the Regulations for details.
4. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.
5. Based on the findings of the evaluation mentioned in the preceding paragraph, the Company believes that during the stated time period its internal control system (including its supervision of subsidiaries), encompassing internal controls for

knowledge of the degree of achievement of operational effectiveness and efficiency objectives, reliability, timeliness, transparency of reporting, and compliance with applicable laws and regulations, was effectively designed and operating, and reasonably assured the achievement of the above-stated objectives.

6. This Statement will become a major part of the content of the Company's Annual Report and Prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.
7. This statement has been passed by the Board of Directors Meeting of the Company held on March 15, 2022, where zero of the 9 attending directors (include commissioned to attend) expressed dissenting opinions, and all affirmed the content of this Statement.

Evergreen Marine Corp. (Taiwan) LTD.

Chairman: 

President: 

(2) If the Company designated CPA to audit internal control system, CPA audit report should be disclosed: None

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

11. Major Resolutions of Shareholders' Meeting and Board Meetings

(1) Major Resolutions of Shareholders' Meetings

Date of Meeting	Summary of Important Proposals	Execution
Jul. 21, 2021	1. To approve 2020 earnings distribution.	Cash dividends to common shareholders is NT\$2.5 per share, with total NT\$13,156,233,848, the cash dividend was distributed on Sep. 10, 2021.
	2. To amend "Rules and Procedures of Shareholders' Meeting".	The related business has been conducted in accordance with the revised "Rules and Procedures of Shareholders' Meeting"
	3. To approve the release of restrictions of competitive activities of Director.	The proposal has been fully implemented in accordance with the resolution.

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

The Board of Directors Meeting Date & Session	Major Proposals	The resolution of Audit Committee or Remuneration Committee	The Company's response to the opinions of Audit Committee or Remuneration Committee
Jan. 27, 2021 (1 st Board Meeting of 2021)	<ol style="list-style-type: none"> To approve the acquisition of new build container of Evergreen Marine (Hong Kong) Ltd., a subsidiary of EMC. To approve the acquisition of new build container in 2021 of the Company and its subsidiaries, Greencompass Marine S.A. and Evergreen Marine (Hong Kong) Ltd. To approve 2021 Operation Plan. To approve the Company's certified public accountants and determine their remuneration. 	Jan. 27, 2021 Audit Committee members on the 1 st meeting of 2021 <ol style="list-style-type: none"> Approved unanimously by Audit Committee members Objection, expression of reservation or qualified opinion by independent directors: None 	None
	<ol style="list-style-type: none"> To set the capital increase record date of common stocks transferred from the 1st Overseas Unsecured Euro Convertible Bonds. To convene 2021 Annual General Shareholders' Meeting. 	-	-

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

The Board of Directors Meeting Date & Session	Major Proposals	The resolution of Audit Committee or Remuneration Committee	The Company's response to the opinions of Audit Committee or Remuneration Committee
May 7, 2021 (3 rd Board Meeting of 2021)	<ol style="list-style-type: none"> 1. To ratify the long term charter of container vessels of Evergreen Marine (Asia) Pte. Ltd., the subsidiary of EMC from Evergreen Marine (UK) Ltd. 2. To ratify the acquisition of new build container and reducer purchase quantity in 2021 of the Company and its subsidiaries, Evergreen Marine (Hong Kong) Ltd. and Greencompass Marine S.A. 3. To approve the acquisition of new build container and reducer purchase quantity in 2021 of the Company and its subsidiaries, Evergreen Marine (Hong Kong) Ltd. and Greencompass Marine S.A. 4. To approve making endorsements and guarantees for subsidiaries and associate company. 5. To amend "Internal Control System". 	<p>May 7, 2021 Audit Committee members on the 3rd meeting of 2021</p> <ol style="list-style-type: none"> 1. Approved unanimously by Audit Committee members 2. Objection, expression of reservation or qualified opinion by independent directors: None 	None
Jun. 30, 2021 (4 th Board Meeting of 2021)	<ol style="list-style-type: none"> 1. To approve the postponement of 2021 Annual General Shareholders' Meeting. 2. To set the capital increase record date of common stocks transferred from the 1st Overseas Unsecured Euro Convertible Bonds. 	-	-
Aug. 6, 2021 (5 th Board Meeting of 2021)	<ol style="list-style-type: none"> 1. To ratify the acquisition of new build container of EMC. 2. To approve the acquisition of new build container of EMC. 3. To approve the contract novation of building container vessels between Evergreen Marine (Asia) Pte. Ltd. and Greencompass Marine S.A. 4. To approve the acquisition of container vessel of Evergreen Marine (Asia) Pte. Ltd., the subsidiary of EMC from Evergreen International S.A. <u>Recusal of Directors and voting situation of Board of Directors</u> <ul style="list-style-type: none"> • Director Chang, Kuo-Hua and Ko, Lee-Ching are also directors of Evergreen International S.A. • Except for directors who recused themselves from the discussion and resolution, all 7 attendance agreed and approved the proposal. 5. To approve the purchase of container vessels from Gaining Enterprise S.A. by Evergreen Marine (Hong Kong) Ltd. 	<p>Aug. 6, 2021 Audit Committee members on the 4th meeting of 2021</p> <ol style="list-style-type: none"> 1. Approved unanimously by Audit Committee members 2. Objection, expression of reservation or qualified opinion by independent directors: None 	None

The Board of Directors Meeting Date & Session	Major Proposals	The resolution of Audit Committee or Remuneration Committee	The Company's response to the opinions of Audit Committee or Remuneration Committee
Aug. 6, 2021 (5 th Board Meeting of 2021)	<p><u>Recusal of Directors and voting situation of Board of Directors</u></p> <ul style="list-style-type: none"> • Director Chang, Yen-I, Hsieh, Huey-Chuan and Ko, Lee-Ching are also directors of Gaining Enterprise S.A.; Director Chang, Yen-I, Chang, Kuo-Hua, Ko, Lee-Ching and Tai, Jiin-Chyuan are also directors of Evergreen International Storage & Transport. • Except for directors who recused themselves from the discussion and resolution, all 4 attendance agreed and approved the proposal. <p>6. To approve making endorsements and guarantees for subsidiaries.</p>		
Sep. 8, 2021 (6 th Board Meeting of 2021)	<ol style="list-style-type: none"> 1. To approve building container vessels of Evergreen Marine (Asia) Pte. Ltd., the subsidiary of EMC. 2. To approve the establishment a joint venture company between the subsidiary of EMC of Evergreen Marine (Asia) Pte. Ltd. and Tongsheng Logistics Park Investment and Development Co., LTD. 	<p>Sep. 8, 2021 Audit Committee members on the 5th meeting of 2021</p> <ol style="list-style-type: none"> 1. Approved unanimously by Audit Committee members 2. Objection, expression of reservation or qualified opinion by independent directors: None 	None
Nov. 5, 2021 (7 th Board Meeting of 2021)	<ol style="list-style-type: none"> 1. To ratify the acquisition of right-of-use asset of real estate of Evergreen Shipping Agency (Vietnam) Company Limited, the subsidiary of EMC. 2. To approve the acquisition of container vessel of Evergreen Marine (Asia) Pte. Ltd., the subsidiary of EMC from Evergreen Marine (UK) Ltd. 3. To approve the proposal that Greencompass Marine S.A., a subsidiary of EMC, sales transaction of containers to Italia Marittima S.p.A. 4. To approve the contract novation of building container vessels between Evergreen Marine (Asia) Pte. Ltd. and Evergreen Marine (Hong Kong) Ltd. 5. To approve the acquisition of new build container of EMC. 6. To approve the material information of Evergreen Marine (Asia) Pte. Ltd., a subsidiary of EMC, acquires 100% shares of 	<p>Nov. 5, 2021 Audit Committee members on the 6th meeting of 2021</p> <ol style="list-style-type: none"> 1. Approved unanimously by Audit Committee members 2. Objection, expression of reservation or qualified opinion by independent directors: None 	None

The Board of Directors Meeting Date & Session	Major Proposals	The resolution of Audit Committee or Remuneration Committee	The Company's response to the opinions of Audit Committee or Remuneration Committee
Nov. 5, 2021 (7 th Board Meeting of 2021)	<p>Evergreen Shipping Agency (Japan) Corporation. from Evergreen International S.A.</p> <p><u>Recusal of Directors and voting situation of Board of Directors</u></p> <ul style="list-style-type: none"> • Director Chang, Kuo-Hua and Lee-Ching are also directors of Evergreen International S.A. • Except for directors who recused themselves from the discussion and resolution, all 7 attendance agreed and approved the proposal. <p>7. To approve the donation to Chang Yung-Fa Charity Foundation.</p> <p>8. To approve making endorsements and guarantees for subsidiaries.</p>		
	<p>9. To set the capital increase record date of common stocks transferred from the 4th Domestic Unsecured Convertible Bond.</p>	-	-
Dec. 27, 2021 (8 th Board Meeting of 2021)	<p>1. To amend the “Regulations Governing the Board Performance Evaluation”</p> <p>2. To amend the “Payment Regulations for Directors Compensation”.</p> <p>3. To approve 2021 bonus for Independent director Yu, Fang-Lai.</p> <p><u>Recusal of Director and voting situation of Board of Directors</u></p> <ul style="list-style-type: none"> • Independent director Yu, Fang-Lai has direct personal interest conflicts to the proposal. • Except for the director who recused himself from the discussion and resolution, all 8 attendances agreed and approved the proposal. <p>4. To approve 2021 bonus for Independent director Li, Chang-Chou.</p> <p><u>Recusal of Director and voting situation of Board of Directors</u></p> <ul style="list-style-type: none"> • Independent director Li, Chang-Chou has direct personal interest conflicts to the proposal. • Except for the director who recused himself from the discussion and resolution, all 8 attendances agreed and approved the proposal. <p>5. To approve 2021 bonus for Independent director Chang, Chia- Chee.</p>	<p>Dec. 27, 2021 Remuneration Committee members on the 2nd meeting of 2021</p> <p>1. Approved unanimously by Remuneration Committee members</p> <p>2. Objection, expression of reservation or qualified opinion by independent directors: None</p>	None

The Board of Directors Meeting Date & Session	Major Proposals	The resolution of Audit Committee or Remuneration Committee	The Company's response to the opinions of Audit Committee or Remuneration Committee
Dec. 27, 2021 (8 th Board Meeting of 2021)	<p><u>Recusal of Director and voting situation of Board of Directors</u></p> <ul style="list-style-type: none"> Independent director Chang, Chia- Chee has direct personal interest conflicts to the proposal. Except for the director who recused himself from the discussion and resolution, all 8 attendances agreed and approved the proposal. <p>6. To amend the "Payment Regulations for Managers Compensation".</p> <p>7. To approve the 2021 bonus for management.</p> <p><u>Recusal of Directors and voting situation of Board of Directors</u></p> <ul style="list-style-type: none"> Director Hsieh, Huey-Chuan and Wu, Kuang-Hui have direct personal interest conflicts to the proposal. Except for the director who recused themselves from the discussion and resolution, all 7 attendance agreed and approved the proposal. <p>8. To approve the 2021 Chairman's bonus.</p> <p><u>Recusal of Director and voting situation of Board of Directors</u></p> <ul style="list-style-type: none"> Chairman Chang, Yen-I has direct personal interest conflicts to the proposal. Except for the director who recused himself from the discussion and resolution, all 8 attendance agreed and approved the proposal. 		
	<p>9. To approve 2022 Operation Plan.</p> <p>10. To approve the acquisition of new build container of EMC.</p> <p>11. To approve the acquisition of new build reefer container.</p> <p>12. To approve the acquisition of right-of-use asset of ship to shore container gantry cranes of Everport Terminal Services Inc., a subsidiary of EMC, from Evergreen Shipping Agency (America) Corporation.</p> <p><u>Recusal of Director and voting situation of Board of Directors</u></p> <ul style="list-style-type: none"> Director Chang, Kuo-Hua has direct personal interest conflicts to the proposal. Except for the director who recused himself from the discussion and resolution, all 8 attendance agreed and approved the proposal. <p>13. To approve the Company's certified public accountants and determine their remuneration.</p> <p>14. To approve making endorsements and guarantees for subsidiaries.</p>	<p>Dec. 27, 2021 Audit Committee members on the 7th meeting of 2021</p> <p>1. Approved unanimously by Audit Committee members</p> <p>2. Objection, expression of reservation or qualified opinion by independent directors: None</p>	None

The Board of Directors Meeting Date & Session	Major Proposals	The resolution of Audit Committee or Remuneration Committee	The Company's response to the opinions of Audit Committee or Remuneration Committee
	15. To amend the "CSR Principles" and "CSR Implementation Measures" and "CSR Responsibility Policy". 16. To formulate 2002 Internal Audit Plan.	-	-
Jan. 25, 2022 (1 st Board Meeting of 2022)	1. To revise the attachment "Salary and Compensation Structure for Managers' Ranks" in the "Payment Regulations of Managers Compensation". 2. To approve 2022 compensation for management. <u>Recusal of Directors and voting situation of Board of Directors</u> <ul style="list-style-type: none"> • Director Hsieh, Huey-Chuan and Wu, Kuang-Hui have direct personal interest conflicts to the proposal. • Except for the director who recused themselves from the discussion and resolution, all 7 attendance agreed and approved the proposal. 3. To approve 2022 remuneration for the chairman. <u>Recusal of Directors and voting situation of Board of Directors</u> <ul style="list-style-type: none"> • Chairman Chang, Yen-I has direct personal interest conflicts to the proposal. • Except for the director who recused himself from the discussion and resolution, all 8 attendances agreed and approved the proposal. 	Jan. 25, 2022 Remuneration Committee members on the 1 st meeting of 2022 1. Approved unanimously by Remuneration Committee members 2. Objection, expression of reservation or qualified opinion by independent directors: None	None
	4. To approve the acquisition of new build container of EMC. 5. To approve the acquisition and right-of-use asset of container of Evergreen Marine (Asia) Pte. Ltd., the subsidiary of EMC from Greencompass Marine S.A. <u>Recusal of Directors and voting situation of Board of Directors</u> <ul style="list-style-type: none"> • Director Chang, Yen-I, Hsieh, Huey-Chuan, and Ko, Lee-Ching are also directors of Greencompass Marine S.A. • Except for directors who recused themselves from the discussion and resolution, all 6 attendance agreed and approved the proposal. 6. To approve making endorsements and guarantees for subsidiaries.	Jan. 25, 2022 Audit Committee members on the 1 st meeting of 2022 1. Approved unanimously by Audit Committee members 2. Objection, expression of reservation or qualified opinion by independent directors: None	None
	7. To convene 2022 Annual General Shareholders' Meeting.	-	-

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

The Board of Directors Meeting Date & Session	Major Proposals	The resolution of Audit Committee or Remuneration Committee	The Company's response to the opinions of Audit Committee or Remuneration Committee
Mar. 15, 2022 (2 nd Board Meeting of 2022)	<p>and resolution, all 8 attendance agreed and approved the proposal.</p> <p>7. To approve the acquisition shares of Evergreen Security Corporation from EVA Airways Corp.</p> <p><u>Recusal of Directors and voting situation of Board of Directors</u></p> <ul style="list-style-type: none"> • Director Ko, Lee-Ching and Tai, Jiin-Chyuan are also director of EVA Airways. • Except for directors who recused themselves from the discussion and resolution, all 7 attendance <p>8. To approve 2021 Business Report.</p> <p>9. To approve 2021 Parent-company-only Financial Statement and Consolidated Financial Statement.</p> <p>10. To approve the earnings distribution of 2021.</p> <p>11. To approve conduct capital reduction.</p> <p>12. To approve building container vessels of Evergreen Marine (Asia) Pte. Ltd., the subsidiary of EMC.</p> <p>13. To approve making endorsements and guarantees for subsidiaries.</p> <p>14. To amend the "Procedures for Acquiring and Disposing of Assets" and "Table of Authority Limit of Acquiring and Disposing of Assets & other Financial Matters".</p> <p>15. To approve the 2021 Internal Control Statement.</p> <p>16. To amend "Internal Control System".</p>	<p>Mar. 15, 2022 Audit Committee members on the 2nd meeting of 2022</p> <p>1. Approved unani- mously by Audit Committee mem- bers</p> <p>2. Objection, expres- sion of reservation or qualified opinion by independent directors: None</p>	None
	<p>17. To set the capital increase record date of common stocks transferred from the 4th Domestic Unsecured Convertible Bond.</p> <p>18. To designate a specified person in charge of keeping the exclusive seal endorsement guarantee.</p> <p>19. To amend "Articles of Incorporation".</p> <p>20. To amend the agenda of 2022 Annual General Shareholders' Meeting.</p>	-	-

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

13. Resignation or Dismissal of the Company's Key Individuals, Including the Chairman, CEO, and Heads of Accounting, Finance, Internal Audit, Chief Corporate Governance Officer and R&D: None

IV. Information Regarding the Company's Audit Fee and Independence

1. Audit Fee

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

Unit: TWD thousands

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-audit Fee	Total	Remarks
PwC	Lee, Hsiu-Ling Chou, Hsiao-Tzu, etc	2021/01/01- 2021/12/31	16,805	9,133	25,938	The "Other" items of non-audit fees include the following services: 1. Transfer pricing report 2. Audit of business tax 3. Master File project 4. CFC project 5. Repatriated Offshore Funds 6. ECB project 7. 4th Domestic Unsecured Convertible Bonds 8. Audit of income tax and tax on undistributed profit.

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

3. Audit Fees Decreases 10% of that of Previous Year, the Decreased Audit Fees, Decreased Percentage and Reason Should be Disclosed: To adjust and classify the items of audit services in accordance with the principles for compiling an annual report, and there is no difference in the total amount of audit fee for the past two years.

V. Replacement of CPA :

(1) Regarding the former CPA

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

(2) Regarding the successor CPA

Name of accounting firm	PricewaterhouseCoopers Taiwan
Name of CPA	Lai, Chung-Hsi Chou, Hsiao-Tzu
Date of appointment	December 27, 2021
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement	None
Succeeding CPA's written opinion of disagreement toward the former CPA	None

VI. Audit Independence

The Company's Chairman, Chief Executive Officer, Chief Finance Officer, and managers in charge of its finance and accounting operations did not hold any positions in the Company's independent auditing firm or its affiliates during 2021.

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

Unit: Shares

Title	Name	2021		As of April 1, 2022	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	HUI Corporation	0	0	0	0
	Representative : Chang, Yen-I	0	0	0	0
Director	Chang, Kuo-Hua (Note1)	0	0	0 (159,800,000)	0
Director	Evergreen International S.A.	0	0	0	0
	Representative: Ko, Lee-Ching	0	0	0	0
	Representative: Hsieh, Huey-Chuan	0 (126,000)	0	0	0
Director	HUI Corporation	0	0	0	0
	Representative: Tai, Jiin-Chyuan	0 (18,000)	0	0	0
Director	Evergreen Steel Corp.	0	0	0	0
	Representative: Wu, Kuang-Hui	0	0	0	0
Independent Director	Yu, Fang-Lai	0	0	0	0
Independent Director	Li, Chang-Chou	0	0	0	0
Independent Director	Chang, Chia-Chee	0	0	0	0

Title	Name	2021		As of April 1, 2022	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
President	Hsieh, Huey-Chuan	0 (126,000)	0	0	0
Chief Executive Vice President (Finance Supervisor)	Wu, Kuang-Hui	0	0	0	0
Finance Div. Div. Chief	Tsai, I-Jung	0	0	0	0
Project Div. Div. Chief	Wang, Pei-Chun	0 (7,956)	0	0	0
Project Div. Business Coordination Dept. Dept. Head	Wei, Wei-Der	0 (20,000)	0	0	0
Project Div. Business Coordination Dept. Deputy Dept. Head	Chang, Da-Chih	0	0	0	0
Project Div. Business Coordination Dept. Executive Vice President	Tang, Chia-Sheng	0	0	0	0
Logistics Div. Div. Chief	Lin, Wen-Kuei	0	0	0	0
Customer Relationship Management Div. Div. Chief	Fang, Yu-Yen	0 (8,000)	0	0	0
Computer Div. Div. Chief	Huang, Chao-Kuo	0	0	0	0
Ship Div. Div. Chief	Huang, Tsung-Yung	0 (18,000)	0	0	0
Operation Coordination Dept. Dept. Head	Su, Teng-Huan	0	0	0	0
Business Div. Div. Chief	Lian, Chung-Te	0	0	0	0

Title	Name	2021		As of April 1, 2022	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Public Relations Dept. Dept. Head	Li, Ying-Ti	0	0	0	0
Supervisory Dept. Dept. Head	Chao, Hui-Ling	0	0	0	0
Human Resources Dept. Dept. Head	Yang, Pi-Sao	0	0	2,000 0	0
Corporate Governance Dept. Dept. Head	Hsieh, Shu-Hui	0	0	0	0
Finance Div. Finance Dept. Dept. Head	Mo, Cheng-Ping	0	0	0	0
Project Div. Business Coordination Dept. Vice President	Tseng, Neng-Fang	0 (35,000)	0	0	0
Project Div. North America Dept. Dept. Head	Hsu, Ching-Che	0	0	0	0
Project Div. Latin America Dept. Dept. Head	Su, Ming-Sung	0	0	0	0
Project Div. Europe Dept. Dept. Head	Huang, Sheng-Peng	0	0	0	0
Project Div. Intra Asia Dept. Dept. Head	Wu, Yi-Min	0	0	0	0
Project Div. Near East Dept. Dept. Head	Huang, Ming-Jer	0	0	0	0
Logistics Div. Equipment Control Dept. Dept. Head	Kuo, Yuan-Ping	0	0	0	0

Title	Name	2021		As of April 1, 2022	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Computer Div. Software Designing Dept.iii Dept. Head	Chen, Sheng-Pao	0	0	0	0
Ship Div. Ksg Maintenance Dept. Dept. Head	Kung, Chir-Chieh	0 (82,823)	0	0	0
Ship Div. Shipbuilding Dept. Dept. Head	Chiang, Shou-Hsing	0	0	0	0
Ksg Terminal Div. Div. Chief	Kuo, Feng-Yi	0	0	0	0
Customer Service Div. Traffic Dept. Dept. Head	Lee, Kuei-Chu	0	0	0	0
Customer Service Div. Documentation Dept. Dept. Head	Chou, So-Hui	0	0	0	0
Auditing Dept. Dept. Head	Wu, Yu-Chi	0 (7,000)	0	0	0
Human Resources Dept. Deputy Dept. Head	Lin, An-Yi	0	0	0	0
Project Div. Business Coordination Dept. Vice President	Chen, Chun-Yen	0	0	0	0
Project Div. Business Coordination Dept. Vice President	Cheng, Min-Chou	0	0	0	0
Project Div. Business Coordination Dept. Vice President	Sheu, Dong-Han	0	0	0	0

Title	Name	2021		As of April 1, 2022	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Project Div. Business Coordination Dept. Vice President	Jou, Kuen-Cheng	0	0	0	0
Customer Relationship Management Div. Customer Relationship Management Dept. Dept. Head	Chiu, Ping-Chuan	0	0	0	0
Customer Relationship Management Div. Customer Data Processing Dept.I Dept. Head	Lin, Chi-Day	0	0	0	0
Customer Relationship Management Div. Customer Data Processing Dept.II Dept. Head	Chien, Chin-Fang	0	0	0	0
Ship Div. Seaman Dept. Dept. Head	Yang, Hong-Ming	5,000 0	0	0	0
Ship Div. Maritech Dept. Dept. Head	Li, Hua-Lung	0 (40,000)	0	0	0
Ship Div. Maintenance Dept.II Dept. Head	Chen, Jenn-Hwang	0 (38,000)	0	0	0
Ship Div. Supply Dept. Dept. Head	Yeh, Ching-Rong	0 (32,291)	0	0	0
Operation Dept. Dept. Head	Hwang, Yi-Syou	0	0	0	0
Operation Coordination Dept. Deputy Dept. Head	Huang, Yi-En	0	0	0	0

Title	Name	2021		As of April 1, 2022	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Operation Coordination Dept. Vice President	Chang, Chih-Chao	0 (10,000)	0	0	0
Operation Coordination Dept. Vice President	Yeh, Cheng-Hung	0 (9,000)	0	0	0
Operation Coordination Dept. Vice President	Fan, Cheng-Fu	0	0	0	0
Ksg Terminal Div. Terminal Operation Dept.I Dept. Head	Hwang, Ming-Ling	0 (1,466)	0	0	0
Business Div. America Dept. Dept. Head	Jen, Yi-Kang	0	0	0	0
Business Div. Europe Dept. Dept. Head	Cheng, Chi-Yi	0	0	0	0
Business Div. Import Dept. Dept. Head	Lu, Pao-Lung	0	0	0	0
Taipei Port Office Office Head	Chang, Shing-Hua	0	0	0	0
Kaohsiung Office Office Head	Wang, Chien-Kuo	0	0	0	0
Finance Div. Finance Dept. Deputy Dept. Head (Accounting Supervisor)	Chang, Chuan-Fu	0 (3,000)	0	0	0

Note 1: The number of shares held by the director, Chang, Kuo-Hua, was reduced by 159,800,000 shares to "Entrusted Shares of Insiders with Discretion Reserved".

Information of Stock Transfer: None

Information of Stock Pledged: None

VIII. Relationship Among the Top Ten Shareholders

Name	Present Shareholdings		Shares Held by Spouses & Dependents		Shares Held by Third Parties		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees	
	Shares	%	Shares	%	Shares	%	Name	Relationship
Evergreen International S.A.	391,786,816	7.40	-		0	0	Chang, Kuo-Hua	Director and major shareholder
							Chang, Kuo-Ming	
							Chang, Yung-Fa	Major shareholder
							Evergreen International Corp.	Major shareholder of Evergreen International S.A. reinvest the company
							Ko, Lee-Ching	Director
Representative: Chang, Kuo-Hua	159,846,157	3.02	0	0	0	0	Evergreen International S.A.	Director and major shareholder
							Chang, Yung-Fa	Within two degrees kinship
							Chang, Kuo-Ming Chen, Hui-Chu	
							Evergreen International Corp.	Director and major shareholder
Evergreen International Corp.	262,411,866	4.96	-		0	0	Chang, Kuo-Hua	Director and major shareholder
							Chang, Kuo-Ming	Major shareholder
							Evergreen International S.A.	Major shareholder of Evergreen International Corp. reinvest the company
Representative: vacancy	-	-	-	-	-	-	-	-
Chang, Yung-Fa	173,363,656	3.28	2,602,655	0.05	0	0	Evergreen International S.A.	Major shareholder
							Chang, Kuo-Hua Chang, Kuo-Ming Chen, Hui-Chu	Within two degrees kinship

Name	Present Shareholdings		Shares Held by Spouses & Dependents		Shares Held by Third Parties		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees	
	Shares	%	Shares	%	Shares	%	Name	Relationship
Chang, Kuo-Hua	159,846,157	3.02	0	0	0	0	Evergreen International S.A.	Director and major shareholder
							Chang, Yung-Fa Chang, Kuo-Ming Chen, Hui-Chu	Within two degrees kinship
							Evergreen International Corp.	Director and major shareholder
Cathay United Bank. Trust Account – Chang, Kuo-Hua	159,800,000	3.02	-	-	0	0	-	-
Chang, Kuo-Ming	77,349,371	1.46	39,367,531	0.74	0	0	Evergreen International S.A.	Director and major shareholder
							Evergreen International Corp.	Major shareholder
							Chang, Yung-Fa Chang, Kuo-Hua Chen, Hui-Chu	Within two degrees kinship
Yuanta/P-shares Taiwan Dividend Plus ETF Account	58,916,031	1.11	-	-	0	0	-	-
Bank SinoPac as Custodian ALLY HOLDING LTD. Investment Account	51,229,105	0.97	-	-	0	0	-	-
Cathay United Bank. Trust Account – Yang, Mei-Chen	47,176,327	0.89	-	-	0	0	-	-
Chen, Hui-Chu	39,367,531	0.74	77,349,371	1.46	0	0	Chang, Yung-Fa Chang, Kuo-Hua Chang, Kuo-Ming	Within two degrees kinship
							Evergreen International Corp.	Major shareholder

IX. Ownership of Shares in Affiliated Enterprises

As of December 31, 2021

Unit: thousand Shares/ %

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors, Supervisors, Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
Evergreen International Storage & Transport Corp.	430,692	40.36	19,691 (Note 2)	1.85	450,383	42.21
EVA Airways Corp.	776,541	14.97	211,157 (Note 3)	4.07	987,698	19.04
Ever Ecove Corp.	30,500	19.06	80,100	50.06	110,600	69.12
Taiwan Terminal Services Corp.	5,500	55.00	100	1.00	5,600	56.00
Evergreen Security Corp.	6,336	31.25	10	0.05	6,346	31.30
Charng Yang Development Corp.	58,542	40.00	0	0	58,542	40.00
Taipei Port Container Terminal Corp.	144,799	27.85	0	0	144,799	27.85
Peony Investment S.A	4,765	100.00	0	0	4,765	100.00
Evergreen Marine (Hong Kong) Ltd.	6,320	79.00	80	1.00	6,400	80.00
Everport Terminal Service Inc.	1	94.43	0	5.57	1	100.00
Evergreen Shipping Agency (Israel) Ltd.	1,062	59.00	18	1.00	1,080	60.00
VIP Greenport Joint Stock Company	13,750	21.74	0	0	13,750	21.74
Evergreen Marine (Asia) Pte. Ltd.	50,000	100.00	0	0	50,000	100.00

Note1: Investment accounted for using equity method

Note2: Information for Evergreen International Storage & Transport Corp. in August, 2021.

Note3: Information for EVA Airways Corp. in September, 2021.



TWD

I. Capital and Shares

1. Source of Capital

Month/ Year	Par Value (TWD)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Sources of Capital (shares)	Capital Increased by Assets Other than Cash	Other
05/2012	10	3,600,000,000	36,000,000,000	3,474,940,656	34,749,406,560	Corporate Bond Conversion 1,482,546	-	Jing-Shou-Shang Zi No. 10101094850
05/2013	10	3,600,000,000	36,000,000,000	3,474,946,469	34,749,464,690	Corporate Bond Conversion 5,813	-	Jing-Shou-Shang Zi No. 10201100610
08/2013	10	3,600,000,000	36,000,000,000	3,474,952,282	34,749,522,820	Corporate Bond Conversion 5,813	-	Jing-Shou-Shang Zi No. 10201178690
09/2014	10	3,600,000,000	36,000,000,000	3,477,580,184	34,775,801,840	Corporate Bond Conversion 2,627,902	-	Jing-Shou-Shang Zi No. 10301181780
08/2015	10	3,600,000,000	36,000,000,000	3,512,355,986	35,123,559,860	Capitalization of Retained Earnings 34,775,802	-	No. Financial-Supervisory-Securi- ties-Corporate-1040025135; Jing- Shou-Shang Zi No. 10401170530
12/2017	10	5,000,000,000	50,000,000,000	4,012,355,986	40,123,559,860	Cash Subscription 500,000,000	-	No. Financial-Supervisory-Securi- ties-Corporate-1060037504; Jing- Shou-Shang Zi No. 10601173790
09/2018	10	5,000,000,000	50,000,000,000	4,212,973,786	42,129,737,860	Capitalization of Retained Earnings 200,617,800	-	The approval from the FSC on Jul. 31, 2018; Jing-Shou-Shang Zi No. 10701115880

Month/ Year	Par Value (TWD)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Sources of Capital (shares)	Capital Increased by Assets Other than Cash	Other
12/2018	10	5,000,000,000	50,000,000,000	4,512,973,786	45,129,737,860	Cash Subscription 300,000,000	-	No. Financial-Supervisory-Securi- ties-Corporate-1070336402; Jing- Shou-Shang Zi No.10701157290
12/2019	10	5,000,000,000	50,000,000,000	4,812,973,786	48,129,737,860	Cash Subscription 300,000,000	-	No. Financial-Supervisory-Securi- ties-Corporate-1080332862; Jing- Shou-Shang Zi No.10801196050
02/2021	10	7,000,000,000	70,000,000,000	5,221,555,704	52,215,557,040	Oversea Corporate Bond Conversion 408,581,918	-	Jing-Shou-Shang Zi No.11001027820
05/2021	10	7,000,000,000	70,000,000,000	5,270,935,971	52,709,359,710	Oversea Corporate Bond Conversion 49,380,267	-	Jing-Shou-Shang Zi No.11001091550
07/2021	10	7,000,000,000	70,000,000,000	5,290,847,369	52,908,473,690	Oversea Corporate Bond Conversion 19,911,398	-	Jing-Shou-Shang Zi No.11001124150
12/2021	10	7,000,000,000	70,000,000,000	5,290,848,436	52,908,484,360	Corporate Bond Conversion 1,067	-	Jing-Shou-Shang Zi No.11001216480
04/2022	10	7,000,000,000	70,000,000,000	5,291,049,137	52,910,491,370	Corporate Bond Conversion 200,701	-	Jing-Shou-Shang Zi No.11101054610

Note: As of April 1, 2022, there were 1,067 Shares of common stock converted from the 4th Domestic Unsecured Convertible Bond that had not registered with the Ministry of Economic Affairs.

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Common Stock	5,291,050,204	1,708,949,796	7,000,000,000	Shares outstanding as of April 1, 2022

Information for Shelf Registration: None.

2. Status of Shareholders

As of April 1, 2022

Item	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Natural Persons	Foreign Institutions & Natural Persons	Total
Number of Shareholders	9	46	1,430	469,504	1,517	472,506
Shareholding (shares)	76,892,926	101,303,145	673,932,981	3,066,508,391	1,372,412,761	5,291,050,204
Percentage	1.45%	1.91%	12.74%	57.96%	25.94%	100.00%

3. Shareholding Distribution Status

As of April 1, 2022

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding (Shares)	Percentage
1 ~ 999	122,524	25,200,846	0.48%
1,000 ~ 5,000	280,268	555,112,945	10.48%
5,001 ~ 10,000	35,151	273,745,938	5.17%
10,001 ~ 15,000	11,006	141,126,146	2.67%
15,001 ~ 20,000	6,807	125,304,963	2.37%
20,001 ~ 30,000	5,995	153,212,088	2.90%
30,001 ~ 40,000	2,789	99,752,059	1.89%
40,001 ~ 50,000	1,749	81,149,807	1.53%
50,001 ~ 100,000	3,258	232,866,874	4.40%

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding (Shares)	Percentage
100,001 ~ 200,000	1,433	202,435,820	3.83%
200,001 ~ 400,000	709	199,425,798	3.77%
400,001 ~ 600,000	274	135,317,451	2.56%
600,001 ~ 800,000	117	82,051,358	1.55%
800,001 ~ 1,000,000	76	68,559,865	1.30%
1,000,001 or over	350	2,915,788,246	55.10%
Total	472,506	5,291,050,204	100.00%

Preferred Shares: None

4. List of Major Shareholders

As of April 1, 2022

Shareholder's Name	Shareholding	
	Shares	Percentage
Evergreen International S.A.	391,786,816	7.40%
Evergreen International Corp.	262,411,866	4.96%
Chang, Yung-Fa	173,363,656	3.28%
Chang, Kuo-Hua	159,846,157	3.02%
Cathay United Bank. Trust Account – Chang, Kuo-Hua	159,800,000	3.02%
Chang, Kuo-Ming	77,349,371	1.46%
Yuanta/P-shares Taiwan Dividend Plus ETF Account	58,916,031	1.11%
Bank SinoPac as Custodian ALLY HOLDING LTD. Investment Account	51,229,105	0.97%
Cathay United Bank. Trust Account – Yang, Mei-Chen	47,176,327	0.89%
Chen, Hui-Chu	39,367,531	0.74%

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

Unit: TWD

Year	2020	2021	As of April 1, 2022 (Note 2)
Items			
Market Price per Share (Note 1)			
Highest Market Price	40.70	233.00	171.00
Adjusted Highest Market Price	-	-	-
Lowest Market Price	8.90	30.00	110.00
Adjusted Lowest Market Price	-	-	-
Average Market Price	22.18	94.99	142.54
Net Worth per Share			
Before Distribution	19.25	61.76	-
After Distribution	16.56	Have not been Distributed	-
Earnings per Share			
Weighted Average Shares (thousand shares)	4,813,206	5,244,562	-
Earnings Per Share	5.06	45.57	-
Adjusted Earnings Per Share	-	-	-
Dividends per Share			
Cash Dividends	2.48660241	18.00 (Note 6)	-
Stock Dividends			
• Dividends from Retained Earnings	-	-	-
• Dividends from Capital Surplus	-	-	-
Accumulated Undistributed Dividends	-	-	-

Items	Year			
		2020	2021	As of April 1, 2022 (Note 2)
Return on Investment				
Price / Earnings Ratio (Note 3)		2.96	2.23	-
Price / Dividend Ratio (Note 4)		6.04	5.65	-
Cash Dividend Yield Rate (Note 5)		16.67%	17.69%	-

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

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

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

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

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

Note 6: The dividend per share for the year 2021 was disclosed based on the distribution proposed by the board of directors on March 15, 2022, and has not yet been approved by the shareholders meeting.

6. Dividend Policy and Implementation Status

(1) Dividend Policy

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

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

(2) Proposed Distribution of Dividends

The proposal for the distribution of 2021 profits was passed at the meeting of the Board of Directors on March 15, 2022. The proposal to distribute cash dividends TWD

18 per share and will be discussed at the annual shareholders' meeting.

7. Impact of Stock Dividends issuance on the Company's Business Performance and Earnings per Share: N/A (The Company does not disclose 2022 financial forecast.)

8. Employees' Compensation and Remuneration of Directors and Supervisors

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

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

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

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

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

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

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

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

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

- a. The proposal to distribute employees' compensation TWD 1,303,465,685 and remuneration of Directors TWD 9,500,000 of 2021 was passed at the meeting of the Board of Directors on March 15, 2022.
- b. The amount of employees' compensation distributed in the form of stock and its proportion of the Company's after-tax net profit (as reported in the financial statement of the current period) and total employees' compensation:
Not applicable since no compensation has been made to employees in the form of stock in the current period, by the resolution of the Board of Directors.

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

The Company distributed remuneration of employees' compensation and directors and supervisors of year 2020. The amounts distributed did not vary from the amount recognized.

9. Buyback of Treasury Stock: None

II. Bonds

1. Corporate Bonds

Corporate Bond Type		13th Secured Corporate Bonds
Issue date		April 25, 2017
Denomination		TWD 1,000,000
Issuing and transaction location		Republic of China
Issue price		Issue by denomination
Total price		TWD 8,000,000,000
Coupon rate		1.05%
Tenor		5 years Maturity: April 25, 2022
Guarantee agency		Hua Nan Commercial Bank, Ltd., First Commercial Bank, Mega International Commercial Bank Co., Ltd., Land Bank of Taiwan, Chang Hwa Commercial Bank, Ltd., Taiwan Cooperative Bank, Bank SinoPac Co., Ltd.
Consignee		Bank of Taiwan
Underwriting institution		SinoPac Securities Corporation acts as the lead manager
Certified lawyer		Kuo, Hui-Chi
CPA		Lai, Chung-Hsi
Repayment method		Repayment of 50% of the principal in the fourth year and the remaining 50% in the fifth year
Outstanding principal		TWD 4,000,000,000
Terms of redemption or advance repayment		None
Restrictive clause		None
Name of credit rating agency, rating date, rating of corporate bonds		None
Other rights attached	As of the printing date of this an- nual report, converted amount of (exchanged or subscribed) ordinary shares, GDRs or other securities	None
	Issuance and conversion (exchange or subscription) method	None
Issuance and conversion, exchange or sub- scription method, issuing condition dilution, and impact on existing shareholders' equity		None
Transfer agent		N/A

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

Corporate Bond Type		1 st Overseas Unsecured Euro Convertible Bonds
Issue date		September 29, 2020
Denomination		USD 200,000
Issuing and transaction location		Singapore Exchange Limited
Issue price		Issue by denomination
Total price		USD 300,000,000
Coupon rate		0.00%
Tenor		5 years Maturity: September 29, 2025
Guarantee agency		None
Consignee		Citicorp International Limited
Underwriting institution		J.P. Morgan Securities plc, Credit Suisse (HONG KONG) LIMITED
Certified lawyer		Hu, Hao-Ray
CPA		Li, Yi-Huah
Repayment method		Unless previously redeemed, repurchased and cancelled or converted, the Bonds will be redeemed on the Maturity Date in US dollars at their principal amount with a yield of 0% per annum, calculated on a semi-annual basis.
Outstanding principal		USD 0 (As of April 1, 2022)
Terms of redemption or advance repayment		None
Restrictive clause		None
Name of credit rating agency, rating date, rating of corporate bonds		None
Other rights attached	As of the printing date of this annual report, converted amount of (exchanged or subscribed) ordinary shares, GDRs or other securities	USD300,000,000, equal to 477,873,583 shares
	Issuance and conversion (exchange or subscription) method	Please refer to Offering Memorandum
Issuance and conversion, exchange or subscription method, issuing condition dilution, and impact on existing shareholders' equity		All the overseas convertible bonds were converted into common shares, the share dilution will be around 9.03%, which would not cause a material adverse effect on the shareholders' equity.
Transfer agent		N/A

Corporate Bond Type		4 th Domestic Unsecured Convertible Bonds
Issue date		May 18, 2021
Denomination		TWD 100,000
Issuing and transaction location		Taiwan Stock Exchange
Issue price		Issued at 101% of the Face Value
Par value		TWD 5,000,000,000
Coupon rate		0.00%
Tenor		5 years Maturity: May 18, 2026
Guarantee agency		None
Consignee		Bank SinoPac Co., Ltd.
Underwriting institution		SinoPac Securities Corporation acts as the lead manager
Certified lawyer		Peng, Yi-Cheng
CPA		Lee, Hsiu-Ling
Repayment method		Unless previously redeemed, repurchased and cancelled or converted, the Bonds will be redeemed on the Maturity Date at their principal amount with a yield of 0% per annum.
Outstanding principal		TWD 4,981,000,000
Terms of redemption or advance repayment		Refer to Rules for Issuance of Conversion of EMC's 4th Domestic Unsecured Convertible Bonds
Restrictive clause		None
Name of credit rating agency, rating date, rating of corporate bonds		None
Other rights attached	As of the printing date of this annual report, converted amount of (exchanged or subscribed) ordinary shares, GDRs or other securities	TWD 19,000,000, equal to 202,835 shares
	Issuance and conversion (exchange or subscription) method	Please refer to Offering Memorandum
Issuance and conversion, exchange or subscription method, issuing condition dilution, and impact on existing shareholders' equity		If all the convertible bonds are converted into common shares, the share dilution will be around 0.99%, which would not cause a material adverse effect on the shareholders' equity.
Transfer agent		N/A

2. Convertible Bonds

Convertible bond type		1 st Overseas Unsecured Euro Convertible Bonds	
Year		2021	As of April 1, 2022
Item			
Market price of the convertible bond	Highest	USD 839.79	All the overseas convertible bonds were converted into common shares on June 24, 2021.
	Lowest	USD 165.45	
	Average	USD 334.65	
Convertible Price		TWD 18.20	-
Issue date and convertible price at issuance		Issue Date: September 29, 2020 Convertible price: TWD 18.20	
Convertible methods		Issuing of new stocks	

Convertible bond type		4 th Domestic Unsecured Convertible Bonds	
Year		2021	As of April 1, 2022
Item			
Market price of the convertible bond	Highest	TWD 226.00	TWD 177.00
	Lowest	TWD 111.10	TWD 135.90
	Average	TWD 149.09	TWD 154.28
Convertible Price		TWD 93.67	
Issue date and convertible price at issuance		Issue Date: May 18, 2021 Convertible price: TWD 95	
Convertible methods		Issuing of new stocks	

3. Corporate Bond Under Processing: None

4. Corporate Bonds with Warrants: None

III. Preferred Stock

1. Preferred Stock: None

2. Preferred Stock with Warrants: None

IV. Global Depository Receipts: None

V. Employee Stock Options: None

VI. Status of New Shares Issuance in Connection with Mergers and Acquisitions: None

VII. Financing Plans and Implementation

The Implementation of financing plans are as follows:

1. 14th Secured Corporate Bonds

Unit: TWD thousand

Issuance	14th Secured Corporate Bonds								
Issue amount	TWD 2 billions; Denomination: TWD 1 million								
Tenor	5 years; Maturity: June 27, 2023								
Purpose	Buying shipping fuel environmental protection equipment								
Funds using schedule & Execution progress	Execution status		2018 Q3	2018 Q4	2019 Q1	2019 Q2	2019 Q3	2019 Q4	2020 Q1
	Funds using schedule	Planning	163,025	97,517	152,030	116,900	260,755	249,636	75,008
		Actual	165,088	113,738	196,292	122,464	226,313	287,061	21,672
	Execution progress	Planning	7.46%	4.47%	6.96%	5.35%	11.94%	11.43%	3.44%
		Actual	7.56%	5.21%	8.99%	5.61%	10.37%	13.15%	0.99%
	Execution status		2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021Q2	2021Q3	2021Q4
	Funds using schedule	Planning	375,040	362,148	187,520	0	143,570	0	0
		Actual	99,309	42,155	159,302	110,906	4,860	46,761	90,143
	Execution progress	Planning	17.18%	16.59%	8.59%	0.00%	6.58%	0.00%	0.00%
		Actual	4.55%	1.93%	7.30%	5.08%	0.21%	2.14%	4.13%
	Execution status		2022 Q1	Total					
	Funds using schedule	Planning	0	2,183,149					
		Actual	4,763	1,690,827					
	Execution progress	Planning	0.01%	100.00%					
Actual		0.22%	77.44%						

Note: Funds using schedule was scheduled to be completed in 2021 Q2. The lagged execution progress was due to COVID-19.

2. 1st Overseas Unsecured Euro Convertible Bonds

Unit: USD thousand

Issuance	1st Overseas Unsecured Euro Convertible Bonds										
Issue amount	USD 300 millions; Principal Amount: USD 200,000										
Tenor	5 years; Maturity: September 29, 2025										
Purpose	Purchase Raw Materials Overseas (Bunker Fuel), Vessels and Lease Vessels										
Funds using schedule & Execution progress	Purchase Raw Materials Overseas (Bunker Fuel)										
	Execution status		2020Q3	2020Q4	2021Q1	2021Q2	2021Q3	2021Q4	2022Q1	Total	
	Funds using schedule	Planning	0	43,438	37,757	28,204				109,399	
		Actual	0	36,916	48,688	23,795				109,399	
	Execution progress	Planning	0.00%	39.71%	34.51%	25.78%				100.00%	
		Actual	0.00%	33.74%	44.51%	21.75%				100.00%	
	Purchase Vessels										
	Execution status		2020Q3	2020Q4	2021Q1	2021Q2	2021Q3	2021Q4	2022Q1	Total	
	Funds using schedule	Planning	61,320	23,010	23,010	53,850	33,290	30,720	0	225,200	
		Actual	61,320	20,440	41,000	35,860	35,860	30,720	91,800	317,000	
	Execution progress	Planning	15.00%	5.63%	5.63%	13.17%	8.14%	7.51%	0.00%	55.09%	
		Actual	15.00%	5.00%	10.03%	8.77%	8.77%	7.51%	22.46%	77.54%	
	Lease Vessels										
	Execution status		2020Q3	2020Q4	2021Q1	2021Q2	2021Q3	2021Q4	2022Q1	Total	
	Funds using schedule	Planning	0	29,506	28,374	29,186	29,670	0	0	116,736	
		Actual	0	16,654	15,644	13,489	8,138	7,847	11,606	73,378	
Execution progress	Planning	0.00%	25.28%	24.31%	25.00%	25.41%	0.00%	0.00%	100.00%		
	Actual	0.00%	14.27%	13.40%	11.56%	6.97%	6.72%	9.94%	62.86%		

Note: Funds using schedule of Lease Vessels was scheduled to be completed in 2021 Q3. The lagged execution progress was due to the decrease in the actual rental fees paid and the growth of rental fees was lower than expected.

3. 4th Domestic Unsecured Convertible Bonds

Unit: TWD thousand

Issuance	4 th Domestic Unsecured Convertible Bonds					
Issue amount	TWD 5.05 billions; Principal Amount: TWD 100,000					
Tenor	5 years; Maturity: May 18, 2026					
Purpose	Repayment of the Bank Loans					
Funds using schedule & Execution progress	Repayment of the Bank Loans					
	Execution status		2021Q2	2021Q3	2021Q4	Total
	Funds using schedule	Planning	383,000	1,950,930	2,716,070	5,050,000
		Actual	4,405,000	645,000	0	5,050,000
	Execution progress	Planning	7.58%	38.63%	53.79%	100.00%
		Actual	87.23%	12.77%	0.00%	100.00%

I. Business Highlights

1. Business Scope

(1) The company's main business areas

Evergreen's core business is International Container Sea-Freight Liners. Our fleet capacity was ranked as seventh in the world at the end of 2021. All our service routes are running under a regular liner basis, also involving port stevedoring, inland transports, and comprehensive logistics services. Our clients cover various areas such as manufacturing, trading companies, and retailers located all over the world. Our business is fully related to global economic Ups and Downs, as well as fleet capacity supply and demand for all trades.

(2) Adjustments to our service routes in 2021

Transpacific routes

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

Far East-Europe/Mediterranean routes

1. Far East-Europe services: Effective from 2021, Evergreen offers 7 European services under OCEAN Alliance every week.
2. Far East-Mediterranean services: In 2021, OCEAN Alliance offers 4 Asia-Mediterranean services every week via slot swap arrangement.

Europe-North America routes

Effective from 2021, Evergreen offers 2 weekly services.

Far East-Latin American routes

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

Far East - Middle East/Red Sea/ India Subcontinent /Australia /Africa routes

1. Far East-Middle East services: Maintain 5 services, of which 4 services are under Ocean Alliance.
2. Far East-Red Sea services: Maintain 2 joint services covering Red Sea major ports.
3. Far East-India Subcontinent services: Maintain 4 joint services to North-West India subcontinent with 5 vessels deployed. East India services maintain slot purchase pattern with 3 services.
4. Far East-Australia services: Maintain 2 joint services. Effective from January 2022, total Australia trade weekly capacity increased by 7%.
5. Far East-Africa services: Maintain 2 joint services for East Africa and South Africa trade respectively, which covers the major ports.

Intra-Asia routes

1. Launching TBS2 Taiwan Blueway service effective November, 2021.
2. Resuming TMS service to provide direct linking for Taiwan and Philippines effective December, 2021.
3. To resume LKX service to provide directly linking for Taiwan, Philippines, and Thailand effective December, 2021.

2. Container Shipping Industry Profile

(1) Macroeconomic Environment

According to Alphaliner statistics, the growth rate of global cargo volume was 6.7% in 2021 higher than the global capacity growth rate of 4.5%. The shipping industry encountered the shortage of labor force and container equipment, the port congestion, the delay in the shipping schedule due to the pandemic, thus the effective fleet capacity of the market is reduced. On the other hand, due to the uncertainty caused by the epidemic, the market consumption momentum has generally shifted from travel expenditure to online commodity consumption, in the case of shippers eager to replenish inventory, the market cargo volume has generally risen, and the market freight rate level has continued to rise steadily under the imbalance between supply and demand of the fleet space.

Looking forward to the year of 2022, Alphaliner estimates that the market fleet capacity will grow by 4.1% and the volume growth rate will be 5.9%; It is expected that the global economy will gradually recover as wider vaccination coverage and the reviving economic measures continue to be in progress; revitalize the global economy, and the growth rate of market volume will therefore be maintained at a certain level.

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

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

A. Upstream industries

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

B. Mid-stream industries

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

C. Downstream industries

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

(3) Product Development Trends

A. Increase in market concentration

At the end of 2021, the world's top 10 major carriers represented 84.2% of global capacity (84.7% in 2020), and with only 7 carriers with a market capacity over 5%.

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

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

C. Shipping digitalization and e-commerce

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

D. Environmental protection and new regulations

The International Maritime Organization (IMO) affected a new regulation for a 0.50% global Sulphur cap for marine fuels since January 1st, 2020, vessels should use low-sulfur fuel, install SOx scrubber or use other compliant fuels for

regulations compliance. IMO set a GHG strategy envisages at least 40% by 2030, pursuing efforts towards 70% by 2050, and that total annual GHG emissions from international shipping should be reduced by at least 50% by 2050 compared to 2008.

(4) Status of Market Competition

A. Top 10 Carriers capacity share

Carrier	Capacity	Capacity Share
1.MSC	4,308,612	16.9%
2.APM - Maersk	4,293,689	16.9%
3.CMA CGM Group	3,264,643	12.8%
4.COSCO Group	2,930,693	11.5%
5.Hapag-Lloyd	1,753,758	6.9%
6.ONE	1,527,607	6.0%
7.Evergreen	1,473,972	5.8%
8.HMM	816,138	3.2%
9.Yang Ming	663,862	2.6%
10.Zim	437,039	1.7%

Data Source:Alphaliner (202203)

B. Major marine alliance

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

C. Major marine alliances' market share

The market shares are 36%, 38% and 25% for Asia-Europe trade and 29%, 36% and 23% for Asia-North America trade between major marine alliances of 2M, OCEAN Alliance and THE Alliance.

3. Status of Technology and R&D

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

Green Fleet

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

Providing quality services to deliver goods safely and timely and achieving environmental protection, energy conservation, as well as greenhouse gas emissions and air pollution reduction have always been Evergreen goal. The Shipbuilding Dept. is responsible for the design of the new ships that stay ahead of international laws and conventions. Evergreen adopts advanced marine technology to optimize each ship type in order to maximize operational efficiency and energy conservation results. The Evergreen newly-built vessel can meet company's demand for efficiency and sustainability. All environmental protection designs comply with relevant international regulations, such as using double-bottom oil tank to effectively reduce the risk of oil spills, and counteract air pollution and climate change (for example, Montreal, Kyoto and Paris agreements to reduce Global Warming Potential, GWP, Ozone Depletion Potential, ODP, SO_x, NO_x emissions, etc.) and mitigate biodiversity issue with ballast water treatment.

The new ships built and delivered by Evergreen in 2021, such as A, C, F, and O series vessels, have improved energy efficiency and reduced emissions of greenhouse gases, carbon, nitrogen sulfide, sulfur oxides, etc., and will help Improve shipping schedule accuracy and competitiveness in the marketplace. The latest design improves propulsion efficiency, reduces fuel consumption, optimizes ship type and bow, and is equipped with a hybrid type SO_x scrubber. The introduction of the new ship will reduce the unit carbon emissions significantly.

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

Maritime Training

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

(a) In order to ensure the continuation of training throughout the COVID-19 preventative lockdown of 2021, some training courses moved to a Webex remote

video format, and used the Evergreen E-learning platform for post-course evaluations. The Evergreen Seafarer Training Center organized 133 training courses in 23 categories throughout the year, including 13 STCW international convention trainings and 120 company-organized trainings, with 1,087 total trainees.

- (b) In June 2021, the MOTC (Ministry of Transportation and Communications) bestowed several awards on Evergreen for the Excellence in Shipping, including the categories of "number of interns and internship days for cadets and students from domestic maritime college" and "number of teaching hours to support professional training for seafarers". Evergreen ranked first in both categories, as well as winning recognition for our project to "support the expansion of maritime training program".
- (c) In November 2021, the Evergreen Training Center successfully completed an ISO 9001:2015 Quality Management System annual audit by Class NK, and was designated an "Evaluation of Seafarer Training Organization" carried out by the MOTC's MPB (Maritime and Port Bureau), in recognition of our high-quality seafarer training.
- (d) To expand the development of maritime professionals, Evergreen has been extending our partnership with National Kaohsiung University of Science and Technology. This starts with a post-bachelor program of engineering. In addition, we encourage non-maritime undergraduates to engage in maritime work. Evergreen also subsidizes full tuition and part of the accommodation cost for qualified students who are offered the opportunity to intern onboard the Evergreen fleet. Employment offers are extended to cadets with excellent performance.
- (e) Alongside the construction of new ship types, new types of main engine training equipment have been added. At the end of 2021, a new Win GD-X92B simulator equipment was added to the lineup, in addition to the original X92 and X62 main engine training courses. Now, training for all types of main engines in the WinGD fleet are covered.

E-commerce

1. Evergreen Shipping Zero Contact Service - Electronic Delivery Order (e-DO)
In an era of digital shipping, Evergreen has launched the zero-contact e-DO project. This includes the complete cargo release procedure from payment to depart. Release can easily be completed online as long as the electronic voucher collection process has been completed.
2. Taishin Bank has joined SHIPLINK as its seventh strategic partner, adding to the ranks of the six existing bank partners (CTBC Bank, Taipei Fubon Bank, DBS Bank, Cathay United Bank, Mega Bank, Bank SinoPac).
3. To simplify trade processes and improve the efficiency of transportation operations, in addition to providing digital integration services such as "i-B/L", "Cloud Express"

(i-Dispatch) and GreenX e-commerce platform to help cargo owners, Evergreen Shipping also actively participates in the Digital Container Shipping Association (DCSA), and cooperates with international carriers to promote the digitization and standardization of container transportation information, making the information interaction and hand-off between the shipping industry and related industries more efficient.

(2) Future R&D Plans

(1) The company is expected to invest about NT\$ 42.09 million in related services expenditure on the following projects:

Projects	Summary	Schedules	Description of Progress up to 2022/4/1
Vessel Voyage Space Allocation Control System Web Enable Project	In response to the demand for global shipping container transportation, we will revamp the Vessel Voyage Space Allocation Control System. Optimizing the loading and unloading cargo volume by all branches and agencies around the world, so that we will create the best benefit.	2022/06	In progress
Evergreen Line Bill of lading Review & Error Auditing Web Enable Project	<ol style="list-style-type: none"> 1. The system automatically judges the correctness of various information and point out the wrong content. 2. The operation can be completed in a single screen. 3. The layout of screen is easy to operate for users, and the job processing function is strengthened. 4. Intuitive function design, easy to operate, effectively promote newcomers to learn and get started quickly. 	2022/04	In progress

Projects	Summary	Schedules	Description of Progress up to 2022/4/1
Improvement of Vessel Sailing Schedule Operation System	In response to the impact of the global COVID-19 epidemic, we keep Evergreen Line sailing schedule and accuracy of various service routes. Providing cargo owners with accurate and estimated sailing schedules.	2022/09	In progress
Development of A New Smart Terminal Operating System	It will use various automated equipment to exchange information with AiOT, develop automated interface systems such as storage area system, ship-side system, control system, maintenance system, warehouse system, etc., to improve the efficiency of cargo flow for cargo owners and increase the competitiveness of container yard.	2022/04	In progress
Information Security Incident Identification Service	When information security incidents occur, the information security incident identification service can quickly and clearly identify the causes and meet the verification of ISO 27001.	2022/11	In progress

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

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

4. Short & Long Term Business Plans

Short-Term:

- (1) Adjust the fleet capacity under OCEAN Alliance to meet the market demand timely.
- (2) Review operation performance via updated digital technology.
- (3) Establish key performance indicators to respond to the market change quickly.

Long-Term:

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

II. Market and Industry Analysis

1. Market Analysis

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

Unit: TWD thousands

Service routes	Year	Freight revenue of the Group for 2020	Freight revenue of the Group for 2021
America		82,027,655	171,154,835
Europe		44,742,357	175,780,641
Asia		39,149,563	60,135,482
Others		20,506,914	55,509,676

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

Taiwan-based Shipping lines	Year/Item	March, 2021		March, 2022	
		Capacity (TEU)	Market Share (%)	Capacity (TEU)	Market Share (%)
Evergreen (Group)		1,308,557	5.4	1,473,972	5.8
Yang Ming Lines		627,267	2.6	663,862	2.6
Wan Hai Lines		328,037	1.3	414,693	1.6
TS Lines		98,091	0.4	113,496	0.4

Data Source: Alphaliner(202103) and Alphaliner(202203)

(3) Market Outlook for Supply-Demand and Growth

Far East to North America routes

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

North America to Far East routes

Main commodities (cotton, grain, timber, waste paper/pulp) continue to increase to Vietnam, Malaysia, Thailand and other Southeast Asian countries, and it is estimated that the market volume will continue to rise in 2022.

Far East to Europe and the Mediterranean routes

With a better situation of the epidemic and the restart of the economy, the market demand is expected to grow steadily in 2022; However, it is expected the market capacity will also to increase.

The impact of the epidemic on market demand will be closely monitored.

Europe to North America routes

In response to congestion at the terminals, the TAE route will be increased from 5 vessels to 6 vessels to maintain weekly service. Both freight rates and cargo volumes are expected to be maintained.

Far East to Central and South America routes

The economies of Mexico, most Caribbean countries and South American countries are expected to grow steadily with the epidemic eases in 2022.

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

The International Monetary Fund (IMF) estimates that the economic growth of the Middle East, India, Australia, South Africa and East Africa is expected to develop positively, and the market volume growth can be expected.

Intra - Asia routes

The world's largest economic and trade agreement, RCEP (Regional Comprehensive Economic Partnership) has officially entered into force in 2022, which will promote trade growth in the Asia-Pacific region. And we will increase capacity timely in response to the regional market, cargo volume increase is expected.

Reefer business

With our reefer capacity continues to increase and the "Regional Comprehensive Economic Partnership (RCEP)" is officially launched, we expect rapid growth of the frozen cargo export market in South America and West in 2022. The 4,000 new 40-foot reefer containers and 300 new 20-foot reefer containers will join our service in 2022.

Special Equipment Business

It is expected Out-of-Gauge cargo volume will maintain the same in 2022 due to tight space.

(4) A competitive niche

Innovative Thinking

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

Recognized Quality

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

- (1) Target - 2020 Outstanding Partnership
- (2) Port of Vancouver - 2020 Blue Circle Award
- (3) Expeditors - Local Ocean Partner of the Year 2020
- (4) The Protecting Blue Whales and Blue Skies program 2020 Gold Award
- (5) MSCI ESG - 2021 Leaders Index rating 「A」
- (6) AFLAS - 2021 Best Shipping Line - Asia Africa
- (7) Inbound Logistics - 2021 G75 Green Supply Chain Partners
- (8) 2021 CDP - Rating 「B」
- (9) 14th TCSA Corporate Sustainability Report Award- 2021 Bronze Award

E-Commerce

- (1) Evergreen Shipping Zero Contact Service - Electronic Delivery Order (e-DO)

During the era of digital shipping, Evergreen launched zero-contact e-DO project, the cargo release procedure from payment to the deport release can be easily done via the network as long as the electronic voucher collection process is completed.

- (2) Taishin Bank has joined SHIPLINK as the 7th strategic partner. (Currently six bank partners - CTBC Bank, Taipei Fubon Bank, DBS Bank, Cathay United Bank, Mega Bank, Bank SinoPac)
- (3) To simplify trade processes and improve the efficiency of transportation operations, in addition to providing digital integration services such as "i-B/L", "Cloud Express" (i-Dispatch) and GreenX e-commerce platform to help cargo owners, Evergreen Shipping also actively participates in the Digital Container Shipping Association (DCSA), and cooperates with international carriers to promote the digitization and standardization of container transportation information, making the information interaction between the shipping industry and related industries more efficient.

Eco-Friendliness

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

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

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

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

Advantages

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

Disadvantages

- (1) The uncertainty of COVID-19 and unevenness of the economic recovery.
- (2) Surging geopolitical conflicts and volatile fuel prices affect the cost deeply.
- (3) Newly-built vessels enter an intensive delivery period.
- (4) The pervasiveness of trade protectionism.
- (5) Persisting cyber-attacks.

Countermeasures strategies

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

2. Major usage and manufacturing process of main products

(1) Function of main products

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

(2) Manufacturing Process of Main Products

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

3. Status of Supply of Main Materials

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

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

5. Production in the Last Two Years: None.

6. Shipments and Sales in the Last Two Years

Unit: TWD thousand

Revenue	Year	2020	2021
	Revenue from contracts with customers- Ship-owners		195,485,323
Revenue from contracts with customers- Terminal		6,629,742	6,074,884
Revenue from contracts with customers- Agent		3,556,407	5,574,161
Revenue from contracts with customers- Other		1,314,358	1,657,590
Other - ship rental and slottage income		92,082	386,509
Total		207,077,912	489,406,832

III. Human Resources

Year		2020	2021	The year ended April 1, 2022
Number of Employees	Staff	5,728	6,070	6,899
	Seaman	1,451	2,033	2,065
	Total	7,179	8,103	8,964
Average Age		38.44	38.39	39.30
Average Years of Service		10.89	10.59	11.10
Education	Ph.D.	0.03%	0.02%	0.02%
	Masters	5.66%	5.41%	5.89%
	Bachelor's Degree	72.56%	74.24%	75.83%
	Senior High School	18.75%	17.73%	16.01%
	Below Senior High School	3.01%	2.60%	2.25%

IV. Expenses for environmental protection

1. Company's total expenses for environmental protection in 2021

In 2021, no major environmental pollution incidents occurred in our fleets, and there were no losses or penalties incurred. Expenses were simply for routine maintenance of equipment, and additional costs for use of low pollutant fuels. Expense details are listed below:

- (1) The cost of maintenance and parts for environmental protection equipment and SOx Scrubbers amounted to USD 15,879,058.
- (2) The cost for vessels using low-sulfur fuel for M/E, Generator Engines and Aux. boiler while sailing in emission control areas to comply with IMO regulations & California Air Resources Board (CARB) requirements of the US west coast amounted to USD 100,360,667.
- (3) The cost for vessel M/E, Generators and Aux. Boilers using Marine Gas oil when berthing at EU ports and using low-sulfur fuel oil while sailing in emission control areas amounted to USD 30,438,779.

2. Environmental protection policies and measures

The Company has established an environmental protection policy based to care for the ocean and we continuously upgrade shipboard equipment to reduce air pollution emissions and manages our fleets with requirements exceeding international regulations.

The Company is currently undertaking the following measures for environmental protection:

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

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

Remarks:

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

3. New international environmental protection regulations

With the impact of the greenhouse effect and global warming becoming more significant. The increasingly serious impact of climate change is undoubtedly an inevitable subject of consideration for the sustainable operation of each company. The International Maritime Organization (IMO) has followed in the footsteps of the Paris Agreement by developing a medium-term and long-term greenhouse gas reduction strategy for the entire shipping industry. In 2020, the Marine Environmental Protection

Committee (MEPC 75) have passed the Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator (CII) and other drafts, which are expected to take effect in 2023 aiming to reduce greenhouse gas emissions.

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

V. Labor Relations

1. Benefits for employees

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

Operating Performance Bonus	Annual bonus, employee compensation (Listed company)
Other subsidies	Birthday cash gift, wedding subsidy/cash gift from supervisor, bereavement subsidy/condolence payment from supervisor, injury or illness condolence payment, emergency assistance, relocation subsidy and family visiting subsidy for overseas assignments, Festival Grants (or gifts) (for Chinese New Year, Dragon Boat Festival and Mid-autumn festival), and subsidies for cultural and recreational activities.
Clubs	21 clubs: basketball, softball, badminton, swimming, Taiji, yoga, golf, Latin aerobic exercises, road running, etc.
Transportation	Keelung/Taipei - Nankan commuting service to/from work

2. Training for staff

Training for Shore Personnel

(1) Internal Training:

The annual internal training plan is proposed by each department and is implemented after approval. The subjects include work instruction, professional knowledge, quality improvement, AEO certification, information security, occupational safety & health, corporate social responsibility, prevention of insider trading, etc.

Total hours of training courses in year 2021: 653 hours

(2) Professional Training:

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

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

(3) Management-level Learning Programs:

In order to enhance the skills of communication and coaching, managers from various departments participated in the Employee Caring and Assistance Courses with management consulting company.

(4) E-Learning Platform:

In order to encourage self-learning, employees could join various e-learning programs provided by external training institutions. Meanwhile, the company

invited professional instructors to record e-learning courses and publish these on the internal platform for interdisciplinary learning by executives and managers with different professional fields.

(5) Expatriate’s Orientation:

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

(6) Newcomer’s Orientation:

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

(7) Gender Equality and Sexual Harassment Prevention Lectures

(8) Subsidies for learning foreign languages and TOEIC test fee

(9) The statistics of the above 2-8 trainings are as follow

Total number of participants	Total training hours	Total amount of cost
2,908	339,335	TWD 1,741,014

Training for Sea Personnel

In order to enhance the core competencies, seafarers participated in the training courses of international convention and navigation/marine engineer organized by the Seafarer Training Center. The subjects include medical care, marine environment awareness, ECDIS, engine control system, the ship handling and safety management proficiency identification and various pre-boarding training courses for sea officers and crews.

Sum of Total Training for Shore Personnel

Total number of participants	Total training hours	Total amount of cost
1,087	14,808	TWD 2,108,357

3. Pension plan

The Evergreen Marine Labor Pension Preparatory Fund Supervisory Committee was formed in 1986. “Employee Pension Regulations” were drawn up by the Company and pension contributions continuing to be made each month based on the following criteria: 15% of salary for employees on the old system, and 9% of salary for employees on the new system that chose to retain their years of service under the old system. The regulation covers all full-time permanent employee. According to the pension regulations, the criteria for payment is that two base compensations are given for each full year of service rendered. But for the rest of the years over 15 years, one base is

given for each full year of service rendered. The total number of compensation shall be no more than 45. The retirement pension base is six month's average wage of the worker at the time when his or her retirement is approved.

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

4. Labor Agreements: None.

5. Labor Disputes (as to the printing date)

There was no labor dispute case occurred in year 2021.

6. Code of Conduct/Courtesy

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

The Company established the "Guidelines for the Adoption of Codes of Ethical Conduct". The Guidelines are adopted for the purpose of encouraging directors and managerial officers to act in line with ethical standards, and to help interested parties better understand the ethical standards of the company. To ensure implementation of the company's philosophy and core values, all employees are required to:

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

7. Protection Measures for Safe Work Environment and Worker Safety

The company's Occupational Safety & Health Management System (the fourth and fifth container centers in Kaohsiung) has obtained ISO 45001:2018 and CNS 45001:2018 (TOSHMS) certification. The management and supervision of employee

safety and health are under the responsibility of the Occupational Safety and Health Management Department. In order to prevent occupational hazards and ensure the safety of employees' working environment, the following protective measures are implemented:

- (1) Strictly abide by occupational safety and health management policies, and attach importance to safety discipline and healthy environment by providing safe and healthy working conditions and working environment to employees and those who may be affected; and prevent injuries and health impacts caused by work, including the promotion and protection of their physical and mental health; and make recommendations on the company's safety and health policies, and review, coordinate and recommend on safety and health related matters through the meetings of the Occupational Safety and Health Committee.
- (2) Comply with statutory and other compliance requirements, and establish and publicize the company's applicable safety and health codes of practice in accordance with the relevant regulations on occupational safety and health, and regulate the implementation and compliance of all employees; and establish, enforce, maintain and continuously improve occupational safety and health management system through identification of regulations that meets the requirements of the existing Occupational Safety and Health Act and other statutes.
- (3) In accordance with the regulations on occupational safety and health, conduct safety and health education and on job training for newcomers and in-service employees.
- (4) In accordance with the regulations of the occupational safety law, formulate and implement the "prevention of abnormal workload in workplace to incur disease", "workplace maternal health protection", "prevention of sexual hazards in workplace", and "prevention of unlawful infringements while in the execution of duties" and other labor protection operations.
- (5) Eliminate hazards and reduce occupational safety and health risks, and conduct safety, health and environmental risk assessments in accordance with the requirements of occupational safety and health management system, so as to provide employees with a safe and healthy working environment, and handle employee health management and health promotion.
- (6) The office building has an established 24 hours security system which includes entrance control card access to ensure the company's property and personnel safety.
- (7) Provide free physical examinations to employees and set up infirmaries. Doctors and nursing staff assist employees in health promotion and health management.
- (8) Carry out regular firefighting and evacuation education and training for employees in accordance with the provisions of the Fire Protection Law.

VI. Information and Communication Security Management

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

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

1. Maintaining the uninterrupted operation of the information system
2. Ensuring the confidentiality, integrity and availability of information
3. Preventing illegal and improper using
4. Avoiding human error and accident
5. Preventing hackers, viruses, or other malicious elements from invading and destroying systems
6. Maintaining physical security

1. The Risk Management Framework of Information and Communication Security

(1) Information Security Management Committee

In order to coordinate and discuss the company's information security policies, plans, resource scheduling, etc., as well as information security management matters, the company established the "Information Security Management Committee" in December 2014, which consists of an executive team and personal data protection team. The Information Security Management Committee has one general convenor, who is the session leader of the Project Division-Business Coordination Department-Information Technology Section.

The Information Security Management Committee consists of several members, who are appointed by the Human Resources Department, Audit Department and Computer Department. The Information Security Management Committee reviews the information and security policies every year, and reports its progress and work plans to the Board of Directors every year.

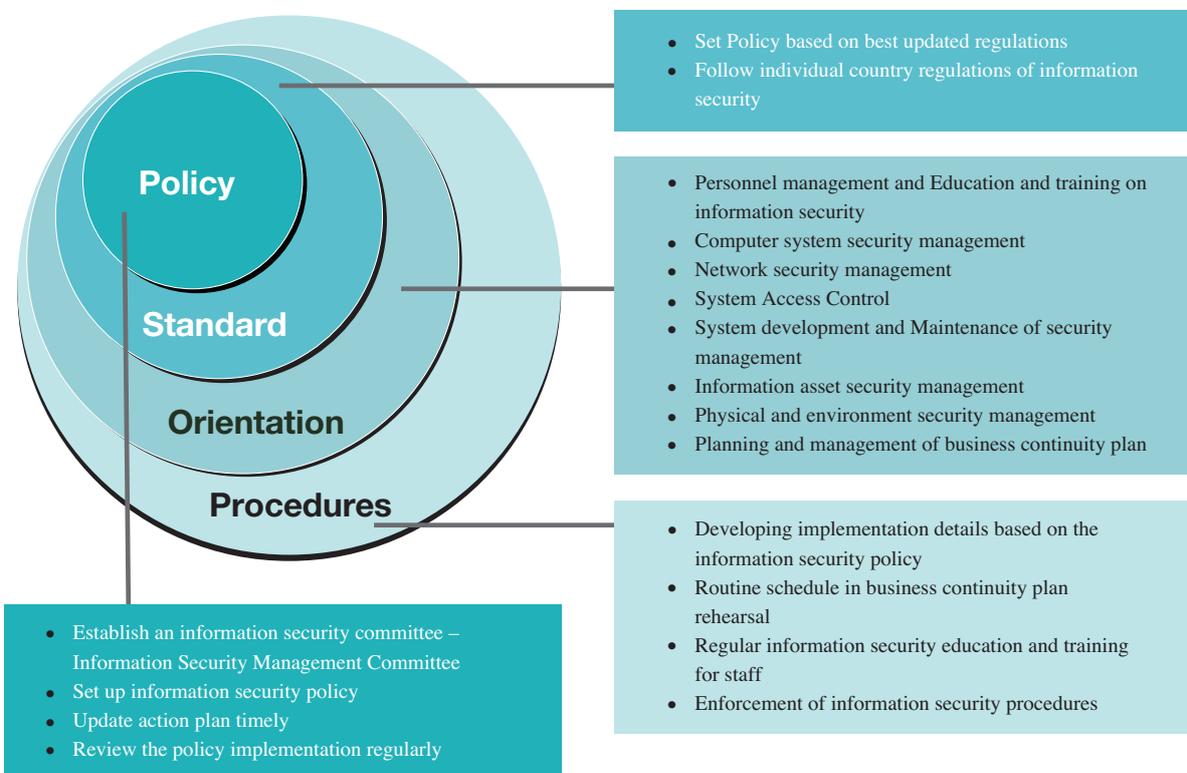
(2) Organizational Structure of Information Security Management Committee

- A. General convenor: Responsible for the overall coordination, command and promotion of information security management matters.
- B. Members:
 - Human Resources Department: Responsible for inter-departmental communication and related resource coordination.
 - Audit Department: Responsible for information security audits and workshop arrangement.
 - Computer Department: Responsible for information security education and

training, information security policies, plans and technical specifications for research, construction and evaluation.

- C. Execution Team: Responsible for planning and implementing various projects assigned by the Information Security Management Committee.
- D. Personal Data Protection Team: Responsible for planning and implementing various projects to advance the protection of customer personal data.
- E. Security Officer: Performing tasks assigned by Execution Team and being responsible for the security-related research, data/file use, management, protection and inspection, etc. of the data and application systems within the department.

2. The Policy of Information and Communication Security



3. Information Security Risks and Specific Management Plans

The Company has established comprehensive network and computer-related information security protection measures. Enterprise computer systems such as operations and financial systems are never completely immune to cyber attacks from third-parties. These attacks illegally infiltrate a company's network, disrupt the company's operations and undermine the company's activities and reputation. We review and evaluate information security procedures continuously to ensure the effectiveness of its information security and reduce the risk of attack that the company

bears in the ever-changing cybersecurity space.

In order to continuously strengthen information security protection, the Company strengthens network firewall and network endpoint control to prevent the spread of malicious viruses. The company has also established endpoint anti-virus and anti-hack measures and a network malicious behavior detection mechanism, and strengthened the detection of phishing and other malicious emails through testing and isolation. These measures help to expose potential weaknesses through regular employee information security education and training, and commissioning external experts to conduct penetration testing drills. The Company will also continue to strengthen information security protection measures to reduce the chances of the Company being attacked by malicious software and hackers, and cause significant adverse effects on the Company's operations, financial results, and reputation.

4. Devoted Resources of Information and Communication Security Management

(1) Software and hardware equipment

The company has invested in high-quality software and hardware, and evaluates and updates regularly. In order to adapt to the rapid changes of the Internet generation, we have the software and hardware of automatic information security monitoring and notification to evaluate internal/external network traffic, and immediately intervene to prevent IT security incidents. The following describes the scope of this information security monitoring and notification system:

- A. Internal/external network monitoring
- B. Portable Storage Device Management
- C. E-mail anti-blocking mechanism
- D. Personnel login system monitoring
- E. Unauthorized software installation detection

(2) Education and Training

The company holds online (E-learning) "Information Security Protection Education and Training" courses for all employees and companies responsible for shipping-related business, which include precautions to take when using information equipments, e-mails and public materials, along with examples. It provides explanations and requires employees to pass an online information security test, so that employees can develop a robust understanding of information security protocols.

In addition, a special course on "Global Information System Integration Planning" was launched for expatriates, covering topics such as information security and computer room management, system authority authorization, and an introduction to the local computer network connection structure, so as to enhance employees' understanding of proper IT equipment using.

(3) Information Security Announcement & Promotion

The Information Technology Section (ITS) sends announcements in a timely manner to alert all employees and contractors responsible for marine shipping of the importance of information security awareness and protective measures, based on security news and recent events in the marine industry. In addition, special personnel will be assigned to publicize relevant matters at various departmental meetings.

5. Major information security incidents

The Company had no information security incidents that resulted in losses in 2021.

VII. Important Agreement

AGREEMENT	THE PARTY	DURATION	CONTENT	RESTRICTIONS
Slot Exchange Agreement	YANG MING MARINE TRANSPORT CORPORATION	From: Sep.04,2009 Till: Unlimited extensions; It is subject to 60 days pre-notice prior to termination.	EMC slot exchanges with YML. (Pan Asia Services)	—
Slot Charter Agreement	FUJIAN FOREIGN TRADE CENTRE SHIPPING CO.	From: Mar.01,2008 Till: Feb.28,2009 Can be extended. It is subject to 90 days pre-notice prior to termination.	EMC slot charter from Fujian Foreign Trade Centre Shipping Co. (Fuzhou- Kaohsiung Service)	—
Slot Charter Agreement	SMART POINT SHIPPING LTD.	From: Jun.12,2011 Till: Jun.11,2012 Can be extended. It is subject to 60 days pre-notice prior to termination.	EMC slot charter from Smart Point Shipping Ltd. (Fuzhou- Taipei - Kaohsiung Service)	—
Slot Exchange Agreement	SMART POINT SHIPPING LTD.	From: Nov.29,2010 Till: May.30, 2011 Can be extended. It is subject to 30 days pre-notice prior to termination.	EMC slot exchanges with Smart Point Shipping Ltd. (Taiwan-Xiamen(EMC) ; Taiwan-Fuzhou-Xiamen Services (SMART POINT))	—

AGREEMENT	THE PARTY	DURATION	CONTENT	RESTRICTIONS
Slot Charter Agreement	CHINA UNITED LINES LTD.	From: Sep.27,2010 Till: Sep.26,2011 Can be extended. It is subject to 90 days pre-notice prior to termination.	EMC slot charterer from CUL (Central China -Taiwan Service)	—
Vessel Sharing Agreement	WAN HAI LINES LTD.	From: Sep.01,2002 Till: Aug.31,2003 Can be extended. It is subject to 90 days pre-notice prior to termination.	Operated by EMC and WHL jointly. (Japan-Taiwan-Hong Kong Service)	—
Vessel Sharing Agreement	WAN HAI LINES LTD.	From: Sep.12,2008 Till: Sep.11,2009 Can be extended. It is subject to 90 days pre-notice prior to termination.	Operated by EMC and WHL jointly. (Japan-Taiwan-Haiphong Service)	—
Vessel Sharing Agreement	1. ORIENT OVERSEAS CONTAINERS LINE LIMITED. 2. YANG MING MARINE TRANSPORT CORPORATION	From: Apr.30,2006 Till: Apr.29,2007 Can be extended. It is subject to 90 days pre-notice prior to termination.	Operated by EMC, OOCL, and YM (UK) Ltd. jointly. (Taiwan-Hong Kong-Vietnam Service)	—
Vessel Sharing Agreement	1. WAN HAI LINES LTD. 2. HAPAG-LLOYD AG	From: Apr.30,2006 Till: Apr.29,2020 Can be extended. It is subject to 90 days pre-notice prior to termination.	Operated by EMC, WHL and HPL jointly. (Taiwan-China-Singapore-Malaysia-India Service)	—
Slot Exchange Agreement	WAN HAI LINES LTD.	From: Apr.10,2019 Till: Oct.10,2019 Can be extended. It is subject to 45 days pre-notice prior to termination.	EMC slot exchanges with WHL. (Japan-Taiwan (EMC); China-Vietnam Services (WHL))	—
Vessel Sharing Agreement	1. NEW GOLDEN SEA SHIPPING PTE LTD. 2. FEEDERTECH PTE LTD.	From: Feb.21,2020 Till: Feb.20,2021 Can be extended. It is subject to 90 days pre-notice prior to termination.	Operated by EMC, NEW GOLDEN SEA SHIPPING and FEEDERTECH jointly. (ASEAN-Persian Gulf-ISC Service)	—

AGREEMENT	THE PARTY	DURATION	CONTENT	RESTRICTIONS
Slot Exchange Agreement	CNC LINE	From: Apr.04,2017 Till: Oct.04,2017 Can be extended. It is subject to 30 days pre-notice prior to termination.	EMC slot exchanges with CNC. (South China-Taiwan (EMC); Central China-Taiwan (CNC))	—
Slot Exchange Agreement	CNC LINE	From: Jul.22,2019 Till: Jan.22,2020 Can be extended. It is subject to 30 days pre-notice prior to termination.	EMC slot exchanges with CNC. (Thailand-Vietnam (EMC); Taiwan-Hong Kong-Thailand Services (CNC))	—
Vessel Sharing Agreement	1. FEEDERTECH PTE LTD. 2. OCEAN NETWORK EXPRESS PTE. LTD. 3. T.S. LINE CO., LTD.	From: Aug.9,2019 Till: Mar.31,2021 Can be extended. It is subject to 90 days pre-notice prior to termination.	Operated by EMC, Feedertech, ONE, TSL (North China-India Service)	—
Vessel Sharing Agreement	1. YANG MING MARINE TRANSPORT CORPORATION 2. SINOTRANS CONTAINER LINES CO., LTD. 3. T.S. LINE CO., LTD. 4. HAPAG LLOYD AG	From: Jun.07,2013 Till: Jun.07,2020 Can be extended. It is subject to 90 days pre-notice prior to termination.	Operated by EMC, YML, SINOTRANS, TSL and HAPAG LLOYD jointly (China, Taiwan-Australia Service) (HAPAG LLOYD joined on 16th/ Oct/2020)	—
Slot Exchange Agreement	X-PRESS FEEDERS	From: Jul.13,2018 Till: Jan.13,2019 Can be extended. It is subject to 30 days pre-notice prior to termination.	EMC slot exchanges with X-Press (Jakarta-Port Klang, Kaohsiung-Manila (EMC) v.s. Port Klang-Sekou (X-Press), Kaohsiung -Cebu Service (X-Press), Dalian-Pusan Service (X-Press))	—

AGREEMENT	THE PARTY	DURATION	CONTENT	RESTRICTIONS
Slot Exchange Agreement	SINOKOR MERCHANT MARINE CO., LTD.	From: Sep.18,2019 Till: Mar.18,2020 Can be extended. It is subject to 60 days pre-notice prior to termination.	EMC slot exchanges with SKR. (Korea-Taiwan-Malaysia-Singapore-Philippines-Taiwan-Korea Services (EMC); Korea-Central China-Indonesia-Vietnam-Central China-Korea Services (SINOKOR))	—
Slot Exchange Agreement	T.S. LINE CO., LTD.	From: Feb.28,2020 Till: Aug.27,2020 Can be extended. It is subject to 60 days pre-notice prior to termination.	EMC slot exchanges with TSL. (Taiwan-Xiamen (EMC); Taiwan-Shanghai Services (TSL))	—
Slot Exchange Agreement	SEALAND MAERSK ASIA	From: Dec.20,2017 Till: Sep.30,2021	EMC slot exchanges with SEALAND (Indonesia-Japan (EMC); Japan-Thailand Service (SAS))	—
Slot Charter Agreement	ADVANCE CONTAINER LINES (PTE) LTD.	From: Apr.05,2021 Till: Jul.04,2021 Can be extended. It is subject to 30 days pre-notice prior to termination.	EMC charter slots to ACL (Singapore-Malaysia Service)	—
Vessel Sharing Agreement	1. NEW GOLDEN SEA SHIPPING PTE. LTD. 2. WAN HAI LINES LTD. 3. OCEAN NETWORK EXPRESS PTE. LTD. 4. INTERASIA LINES SINGAPORE PTE. LTD.	From: Jan.7,2020 Till: Jan.6,2021 Can be extended. It is subject to 90 days pre-notice prior to termination.	Operated by EMC, NGS, WHL, ONE, IAL jointly (Central, South China-Pakistan Service)	—
Slot Exchange Agreement	OCEAN NETWORK EXPRESS PTE. LTD.	From: Nov.20. 2019 Till: Feb.19. 2020 Can be extended. It is subject to 30 days pre-notice prior to termination.	EMC slot exchanges with ONE (Taiwan-Philippines Service (EMC); China-Korea (ONE))	—

AGREEMENT	THE PARTY	DURATION	CONTENT	RESTRICTIONS
Slot Exchange Agreement	COSCO CONTAINER LINES SHANGHAI PANASIA SHIPPING CO.,LTD.	From: Sep.19.2014 Till: Mar.19. 2015 Can be extended. It is subject to 30 days pre-notice prior to termination.	EMC slot exchanges with COSCO (China-Japan ; China-Japan Service)	—
Slot Exchange Agreement	NEW GOLDEN SEA SHIPPING PTE. LTD.	From: Nov.25.2017 Till: May.25. 2018 Can be extended. It is subject to 30 days pre-notice prior to termination.	EMC slot exchanges with NGS (Taiwan-Indonesia (EMC); China-Hong Kong-Thailand Express service (NGS))	—
Slot Exchange Agreement	NEW GOLDEN SEA SHIPPING PTE. LTD.	From: Apr.18.2018 Till: Oct.18.2019 Can be extended. It is subject to 30 days pre-notice prior to termination.	EMC slot exchanges with NGS (Indonesia-China (EMC); China-Vietnam service (NGS))	—
Slot Charter Agreement	INTERASIA LINES LTD.	From: Aug.23.2019 Till: Feb.22.2020 Can be extended. It is subject to 30 days pre-notice prior to termination.	EMC charter slots to IAL (Hong Kong - China - Philippines Service)	—
Vessel Sharing Agreement	1. HYUNDAI MERCHANT MARINE CO., LTD. 2. HAPAG LLOYD AG 3. OCEAN NETWORK EXPRESS PTE. LTD.	From: Apr.01,2020 Till: Mar.31,2021 Can be extended. It is subject to 30 days pre-notice prior to termination.	Operated by EMC,HMM, HPL&ONE (North East Asia -Australia Service)	—
Slot Charter Agreement	FEEDERTECH PTE LTD	From: Nov.23,2017 Till: Feb.23,2018 Can be extended. It is subject to 30 days pre-notice prior to termination.	Slot Charter from FPL (F.E.-East India Service)	—

AGREEMENT	THE PARTY	DURATION	CONTENT	RESTRICTIONS
Vessel Sharing Agreement	1. BENGAL TIGER LINE PTE LTD. 2. WAN HAI LINES LTD.	From: Mar.06,2019 Till: Mar.05,2020 Can be extended. It is subject to 90 days pre-notice prior to termination.	Operated by EMC, WHL, BTL (South East Asia - East India Service)	—
Slot Exchange Agreement	BENGAL TIGER LINE PTE LTD.	From: Mar.06,2019 Till: Mar.05,2020 Can be extended. It is subject to 90 days pre-notice prior to termination.	EMC slot Exchanges with BTL (South East Asia-East India Service)	—
Vessel Sharing Agreement	1. GOLD STAR LINE LTD. 2. X-PRESS FEEDERS 3. KMTC LINE CO LTD. 4. EMIRATES SHIPPING LINES	From: Jun 22,2021 Till: Jun 21,2022	Operated by EMC, GSL, Xpress, KMTC&ESL (North China- Northwest India)	—
Vessel Sharing and Slot Exchange Agreement	1. CMA CGM 2. COSCO SHIPPING LINES CO., LTD. 3. ORIENT OVERSEAS CONTAINERS LINE LIMITED.	From: Apr.01,2017 Till: Mar.31,2027 If no Line withdraws from this Agreement, the Agreement will be automatically extended to have an indefinite term with effect from April 1st, 2027. If some Line(s) withdraw from the Agreement, other Lines will discuss whether the Agreement will be amended to have an indefinite term with effect from April 1st, 2027.	Operated by OCEAN Alliance. (F.E.-EUR ; F.E.-MED ; F.E.-USWC ; F.E.-USEC ; EUR-USEC ; F.E.-GULF ; F.E.-RSEA Services)	—
Slot Charter Agreement	OCEAN NETWORK EXPRESS PTE. LTD.	From: Apr.01,2017 Till: Subsequently extended 90 days pre-notice prior to termination	Slot Charter from ONE (Japan -USWC Service)	—

AGREEMENT	THE PARTY	DURATION	CONTENT	RESTRICTIONS
Vessel Sharing Agreement	1. CMA CGM 2. COSCO SHIPPING LINES CO., LTD. 3. YANG MING MARINE TRANSPORT CORPORATION	From: Jan.20,2017 Till: Subsequently extended 90 days pre-notice prior to termination	Jointly operated by EMC, CMA, COS, YML (F.E. - East Coast of South America Service)	—
Vessel Sharing and Slot Exchange Agreement	1. PACIFIC INTERNATIONAL LINES 2. COSCO SHIPPING LINES CO., LTD. 3. CMA CGM	From: Mar.28,2019 Till: Subsequently extended 90 days pre-notice prior to termination	Jointly operated by EMC, PIL, COS, CMA (F.E. - East Coast of South America Service)	—
Vessel Sharing Agreement	1. COSCO SHIPPING LINES CO., LTD. 2. ORIENT OVERSEAS CONTAINERS LINE LIMITED. 3. OCEAN NETWORK EXPRESS PTE. LTD. 4. PACIFIC INTERNATIONAL LINES 5. GOLD STAR LINE LTD.	From: Sep.29,2014 Till: Subsequently extended 90 days pre-notice prior to termination	Jointly operated by EMC, COS, OOCL, ONE, PIL, GSL (F.E. - South Africa Services)	—
Vessel Sharing Agreement	1. CMA CGM 2. ORIENT OVERSEAS CONTAINERS LINE LIMITED. 3. X-PRESS FEEDERS	From: Jul.05,2018 Subsequently extended 90 days pre-notice prior to termination	Jointly operated by EMC, CMA, OOCL, X-press (F.E. -East Africa Services)	—
Vessel Sharing Agreement	1. COSCO SHIPPING LINES CO., LTD. 2. YANG MING MARINE TRANSPORT CORPORATION	From: Dec.26,2015 Until: Subsequently extended 90 days pre-notice prior to termination	Jointly operated by EMC, COS, YML (F.E. -West Coast of South America Service)	—
Vessel Sharing Agreement	1. COSCO SHIPPING LINES CO., LTD. 2. PACIFIC INTERNATIONAL LINES 3. WAN HAI LINES LTD.	From: Dec.25,2015 Until: Subsequently extended 90 days pre-notice prior to termination	Jointly operated by EMC, COS, PIL, WHL, YML (F.E. -West Coast of Souther Amercia Service)	—

AGREEMENT	THE PARTY	DURATION	CONTENT	RESTRICTIONS
Slot Exchange Agreement	1. COSCO SHIPPING LINES CO., LTD. 2. CMA CGM	From: Apr.15,2018 Until: Subsequently extended 90 days pre-notice prior to termination	Slot Exchange between EMC, COS, CMA (F.E. -West Coast of Souther America Service)	—
Vessel Sharing Agreement	1. OCEAN NETWORK EXPRESS PTE. LTD. 2. HAPAG - LLOYD AG 3. HYUNDAI MERCHANT MARINE CO., LTD. 4. YANG MING MARINE TRANSPORT CORPORATION	From: Apr.05,2021 Until: Apr.04.2022, continuation shall be discussed 4 months before the expiry. Subsequently extended 90 days pre-notice prior to termination	Jointly operated by EMC, ONE, HPL, YML (Asia-U.S. GULF Service (AUG))	—
Slot Charter Agreement	X-PRESS FEEDERS	From: Jan.06,2022 Till: Oct.05.2022, 9 months duration, continuation shall be discussed. Subsequently extended 30 days pre-notice prior to termination	EMC charter slots from X-Press (China/ Singapore/ Malaysia (CWX) Service)	—

I. Five-Year Financial Summary

1. Consolidated Condensed Balance Sheet

Unit: TWD thousand

Item	Year	Financial Summary for The Last Five Years					As of March 31, 2022 (Note)
		2017	2018	2019	2020	2021	
Current assets		60,951,228	67,898,508	66,050,355	85,837,891	283,114,993	403,463,194
Property, plant and equipment		97,687,454	117,219,185	108,393,511	118,642,644	153,902,875	174,740,032
Intangible assets		159,667	2,266,526	1,929,667	1,552,438	1,271,120	1,272,322
Other assets		41,281,548	41,627,736	130,222,105	128,187,867	172,737,132	178,415,395
Total assets		200,079,897	229,011,955	306,595,638	334,220,840	611,026,120	757,890,943
Current liabilities	Before distribution	44,760,401	50,061,985	63,449,644	72,490,805	109,092,860	136,603,521
	After distribution	45,562,872	-	-	85,647,039	-	-
Non-current liabilities		88,630,706	107,982,134	169,551,148	160,235,742	144,611,670	153,855,936
Total liabilities	Before distribution	133,391,107	158,044,119	233,000,792	232,726,547	253,704,530	290,459,457
	After distribution	134,193,578	-	-	245,882,781	-	-
Equity attributable to owners of the parent		63,398,554	66,844,230	70,045,779	94,281,711	326,784,536	436,725,541
Common stock		40,123,560	45,129,738	48,129,738	48,980,353	52,908,484	52,910,502
Capital Surplus		10,838,075	11,059,145	11,407,437	12,433,364	15,762,185	15,899,336
Retained earnings	Before distribution	11,754,606	9,462,191	9,373,982	33,449,400	259,259,637	360,619,133
	After distribution	8,945,957	-	-	20,293,166	-	-
Other equity interest		682,313	1,193,156	1,134,622	(581,406)	(1,145,770)	7,296,570
Treasury shares		-	-	-	-	-	-
Non-controlling interest		3,290,236	4,123,606	3,549,067	7,212,582	30,537,054	30,705,945
Total equity	Before distribution	66,688,790	70,967,836	73,594,846	101,494,293	357,321,590	467,431,486
	After distribution	65,886,319	-	-	88,338,059	-	-

Note: The consolidated financial statements as of March 31, 2022 have not been reviewed by independent auditors.

2. Consolidated Condensed Statement of Comprehensive Income

Unit: TWD thousand

Item	Year	Financial Summary for The Last Five Years					As of March 31, 2022 (Note)
		2017	2018	2019	2020	2021	
Operating revenue		150,582,692	169,236,653	190,589,281	207,077,912	489,406,832	170,824,671
Gross Profit		10,874,287	7,470,868	14,555,021	45,489,093	301,934,437	118,018,764
Operating income (loss)		4,817,470	926,217	4,658,270	34,667,864	284,862,197	114,802,439
Non-operating income and expenses		2,630,079	269,187	(3,879,370)	(2,828,035)	3,372,379	2,573,563
Profit (loss) before income tax		7,447,549	1,195,404	778,900	31,839,829	288,234,576	117,376,002
Profit (loss) from continuing operations		6,661,621	78,501	(223,013)	28,767,310	263,110,059	106,151,277
Profit (loss) from discontinued operation		-	-	-	-	-	-
Profit (loss) for the period		6,661,621	78,501	(223,013)	28,767,310	263,110,059	106,151,277
Other comprehensive income (loss), net of income tax		(2,971,907)	575,603	(427,792)	(2,359,806)	(991,351)	9,386,314
Total comprehensive income (loss)		3,689,714	654,104	(650,805)	26,407,504	262,118,708	115,537,591
Profit (loss), attributable to owners of the parent		7,005,171	293,919	112,519	24,364,926	239,014,860	101,359,559
Profit (loss), attributable to non-controlling interest		(343,550)	(215,418)	(335,532)	4,402,384	24,095,199	4,791,718
Comprehensive income (loss), attributable to owners of the parent		4,562,000	1,031,164	(143,740)	22,359,390	238,402,107	109,801,836
Comprehensive income (loss), attributable to non-controlling interests		(872,286)	(377,060)	(507,065)	4,048,114	23,716,601	5,735,755
Earnings per share (in dollar)		1.88	0.07	0.02	5.06	45.57	19.16

Note: The consolidated financial statements as of March 31, 2022 have not been reviewed by independent auditors.

3. Condensed Balance Sheet

Unit: TWD thousand

Item		Year	Financial Summary for The Last Five Years				
			2017	2018	2019	2020	2021
Current assets			29,795,801	30,035,812	27,259,252	32,779,259	73,651,528
Property, plant and equipment			27,118,687	35,045,526	36,934,484	37,425,681	43,790,376
Intangible assets			39,071	28,730	19,599	16,247	8,810
Other assets			63,841,016	62,818,147	85,665,128	102,954,658	292,469,032
Total assets			120,794,575	127,928,215	149,878,463	173,175,845	409,919,746
Current liabilities	Before distribution		15,220,244	15,248,630	18,261,998	21,681,686	34,230,119
	After distribution		16,022,715	-	-	34,837,920	-
Non-current liabilities			42,175,777	45,835,355	61,570,686	57,212,448	48,905,091
Total liabilities	Before distribution		57,396,021	61,083,985	79,832,684	78,894,134	83,135,210
	After distribution		58,198,492	-	-	92,050,368	-
Common stock			40,123,560	45,129,738	48,129,738	48,980,353	52,908,484
Capital surplus			10,838,075	11,059,145	11,407,437	12,433,364	15,762,185
Retained earnings	Before distribution		11,754,606	9,462,191	9,373,982	33,449,400	259,259,637
	After distribution		8,945,957	-	-	20,293,166	-
Other equity interest			682,313	1,193,156	1,134,622	(581,406)	(1,145,770)
Treasury shares			-	-	-	-	-
Total equity	Before distribution		63,398,554	66,844,230	70,045,779	94,281,711	326,784,536
	After distribution		62,596,083	-	-	81,125,477	-

4. Condensed Statement of Comprehensive Income

Unit: TWD thousand

Item	Year	Financial Summary for The Last Five Years				
		2017	2018	2019	2020	2021
Operating revenue		28,897,616	33,994,571	44,687,138	51,623,123	93,885,535
Gross Profit		2,011,325	1,481,708	2,606,665	8,652,211	50,748,412
Operating income (loss)		232,667	(418,690)	176,562	5,162,573	41,531,654
Non-operating income and expenses		6,985,241	928,194	(225,762)	20,947,405	217,848,517
Profit (loss) before income tax		7,217,908	509,504	(49,200)	26,109,978	259,380,171
Profit (loss) from continuing operations		7,005,171	293,919	112,519	24,364,926	239,014,860
Profit (loss) from discontinued operation		-	-	-	-	-
Profit (loss) for the year		7,005,171	293,919	112,519	24,364,926	239,014,860
Other comprehensive income, net of income tax		(2,443,171)	732,511	(256,259)	(2,005,536)	(612,753)
Total comprehensive income		4,562,000	1,026,430	(143,740)	22,359,390	238,402,107
Earnings per share (in dollar)		1.88	0.07	0.02	5.06	45.57

5. Auditors' Opinions from 2017 to 2021

Year	Accounting Firm	CPA	Audit Opinion
2021	PricewaterhouseCoopers, Taiwan	Lee, Hsiu-Ling Chou, Hsiao-Tzu	An unqualified opinion
2020	PricewaterhouseCoopers, Taiwan	Lee, Hsiu-Ling Chih, Ping-Chiun	An unqualified opinion
2019	PricewaterhouseCoopers, Taiwan	Lee, Hsiu-Ling Chih, Ping-Chiun	An unqualified opinion
2018	PricewaterhouseCoopers, Taiwan	Lee, Hsiu-Ling Chih, Ping-Chiun	An unqualified opinion
2017	PricewaterhouseCoopers, Taiwan	Lai, Chung-Hsi Chih, Ping-Chiun	An unqualified opinion

II. Five- Year Financial Analysis

1. Consolidated Financial Analysis

Item \ Year	2017	2018	2019	2020	2021	As of March 31, 2022 (Note)
Financial structure (%)						
Debt ratio	66.67	69.01	76.00	69.63	41.52	38.32
Long-term funds to property, plant and equipment	159.00	152.66	224.32	220.60	326.14	355.55
Solvency (%)						
Current ratio	136.17	135.63	104.10	118.41	259.52	295.35
Quick ratio	124.33	121.80	94.57	112.21	252.79	288.36
Times interest earned (times)	6.39	1.64	1.14	8.02	90.04	156.85
Operating performance						
Receivable turnover (times)	11.42	10.66	11.05	9.97	13.78	3.39
Average collection days	32	34	33	37	26.48	26.54
Inventory turnover (times)	-	-	-	-	-	-
Accounts payable turnover (times)	9.81	9.08	9.61	8.70	7.36	1.49
Average Inventory turnover days	-	-	-	-	-	-
Property, plant and equipment turnover (times)	1.53	1.57	1.69	1.82	3.59	1.04
Total assets turnover (times)	0.77	0.79	0.71	0.65	1.04	0.25
Profitability						
Return on total assets (%)	4.01	0.74	1.61	10.11	56.22	15.60
Return on total equity (%)	11.07	0.11	(0.31)	32.86	114.69	25.74
Pre-tax income to paid-in capital (%)	18.56	2.65	1.62	65.01	544.78	221.84
Profit ratio (%)	4.42	0.05	(0.12)	13.89	53.76	62.14
Earnings per share (TWD)	1.88	0.07	0.02	5.06	45.57	19.16

Item \ Year	2017	2018	2019	2020	2021	As of March 31, 2022 (Note)
Cash flow (%)						
Cash flow ratio	25.00	6.08	31.20	71.54	275.97	90.63
Cash flow adequacy ratio	136.20	127.32	147.34	296.31	670.99	745.21
Cash flow reinvestment ratio	5.05	0.88	6.08	15.80	47.26	16.80
Leverage						
Operating leverage	3.93	17.19	7.34	2.11	1.14	1.15
Financial leverage	1.40	(0.97)	(4.58)	1.15	1.01	1.01

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

1. Since repayment loans decrease and total assets are higher than last year, the debt ratio simultaneously increases.
2. Since unappropriated retained earnings is higher than last year, the long-term funds to property, plant and equipment simultaneously increases.
3. Compared with last year, current ratio and quick ratio rise since working capital increases compared with last year.
4. Since profit before income tax is higher than last year, the time interest earned simultaneously increases.
5. Since operating revenue is higher than last year, the related operating performance is all higher than last year.
6. Arise from the profit for the period and the increase of profit before income tax of 2021, the profitability related ratios are all higher than last year.
7. Compared with last year, the cash flow related ratios rise since the net cash flows from operating activities of 2021 increase.
8. The fluctuation of the leverage ratios stem from the increase of operating profit.

Note: The consolidated financial statements as of March 31, 2022 have not been reviewed by independent auditors.

2. Non-Consolidated Financial Analysis

Item	Year	2017	2018	2019	2020	2021
	Financial structure (%)					
Debt ratio		47.51	47.74	53.26	45.55	20.28
Long-term funds to property, plant and equipment		389.30	321.52	356.35	404.78	857.92
Solvency (%)						
Current ratio		195.76	196.97	150.29	151.18	215.16
Quick ratio		189.75	189.35	143.61	147.61	211.72
Times interest earned (times)		1,237.22	174.31	96.22	2,300.83	32959.80
Operating performance						
Receivable turnover (times)		10.87	9.55	12.07	13.74	16.58
Average collection days		34	38	30	27	22.01
Inventory turnover (times)		-	-	-	-	-
Accounts payable turnover (times)		8.63	7.96	10.22	9.66	7.82
Average Inventory turnover days		-	-	-	-	-
Property, plant and equipment turnover (times)		1.08	1.09	1.24	1.38	2.31
Total assets turnover (times)		0.25	0.27	0.32	0.31	0.32
Profitability						
Return on total assets (%)		6.64	0.67	0.83	15.67	82.19
Return on total equity (%)		12.24	0.45	0.16	29.65	113.52
Pre-tax income to paid-in capital (%)		17.98	1.12	(0.10)	53.30	490.24
Profit ratio (%)		24.24	0.86	0.25	47.19	254.58
Earnings per share (TWD)		1.88	0.07	0.02	5.06	45.57

Item	Year				
	2017	2018	2019	2020	2021
Cash flow (%)					
Cash flow ratio	16.85	5.58	18.81	50.70	128.88
Cash flow adequacy ratio	183.38	100.05	113.20	247.20	263.16
Cash flow reinvestment ratio	2.24	0.03	2.81	7.44	8.25
Leverage					
Operating leverage	15.85	(12.88)	38.80	2.61	1.34
Financial leverage	(0.57)	0.37	(0.15)	1.29	1.01

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

1. The ratio of liabilities to assets decrease compared with the same period of last year, which is due to the increase in total assets compared with last year.
2. Since unappropriated retained earnings is higher than last year, the long-term funds to property, plant and equipment simultaneously increases.
3. The current ratio increases compared with the same period of last year, since the increase in capital assets compared with last year.
4. The quick ratio increases compared with the same period of last year, since the increase in accounts receivable compared with last year.
5. The interest coverage ratio increases compared with the same period of last year, since the increase in net profit before tax compared with last year.
6. Arise from the profit for the period and the increase of profit before income tax of 2021, the profitability related ratios are all higher than last year.
7. Cash flow-related ratios rise as a result of increased net cash flow from operating activities.
8. The fluctuation of the leverage ratios stem from the increase in operating profit.

1. Financial structure

(1) Debt ratio = Total liabilities / Total assets

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

2. Solvency

(1) Current ratio = Current assets / Current liabilities

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

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

3. Operating performance

- (1) Receivable turnover = Net sales / Average account receivables
- (2) Average collection days = 365 / Receivable turnover
- (3) Inventory turnover = Cost of sales / Average inventory
- (4) Accounts payable turnover = Cost of sales / Average accounts payable
- (5) Average inventory turnover days = 365 / Average inventory turnover
- (6) Property, plant and equipment turnover = Net Sales / Average property, plant and equipment
- (7) Total assets turnover = Net sales / Average total assets

4. Profitability

- (1) Return on total assets = (Net income + Interest expenses * (1 - Effective tax rate)) / Average total assets
- (2) Return on total equity = Net income / Average shareholders' equity
- (3) Profit ratio = Net income / Net sales
- (4) Earnings per share = (Net income - Preferred stock dividend) / Weighted average number of shares outstanding

5. Cash flow

- (1) Cash flow ratio = Net cash provided by operating activities / Current liabilities
- (2) Cash flow adequacy ratio = Five-year sum of cash from operations / Five-year sum of capital expenditures, inventory additions, and cash dividend
- (3) Cash flow reinvestment ratio = (Cash provided by operating activities - Cash dividends) / (Gross property, plant and equipment + Long-term investments + Other assets + Working capital)

6. Leverage

- (1) Operating leverage = (Net sales - Variable cost) / Income from operations
- (2) Financial leverage = Income from operations / (Income from operations - Interest expenses)

III. The Company should disclose the financial impact to the Company if the Company and its affiliated companies have incurred any financial or cash flow difficulties in 2021 and as of the date of this Annual Report: None.

IV. Audit Committee's Review Report

Audit Committee's Review Report

To: 2022 Annual General Shareholders' Meeting
EVERGREEN MARINE CORPORATION (TAIWAN) LTD.

The Board of Directors has prepared the Company's 2021 business report, financial report, and proposal for distribution of earnings. The CPA firm of PricewaterhouseCoopers, Taiwan has audited the financial report and issued the audit report. The above business report, financial report, and proposal for distribution of earnings have been reviewed and determined to be correct and accurate by the Audit Committee members of EVERGREEN MARINE CORPORATION (TAIWAN) LTD. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.

Convener of the Audit Committee: Li, Chang-Chou

March 15, 2022

V. Consolidated Financial Statements and Report of Independent Accountants

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

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

Introduction

We have audited the accompanying consolidated balance sheets of Evergreen Marine Corporation (Taiwan) Ltd. (the “Company”) and its subsidiaries (collectively referred herein as the “Group”) as of December 31, 2021 and 2020, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other independent auditors (please refer to Other Matter section of our report), the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2021 and 2020, and its financial performance and cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2021 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2021 consolidated financial statements are stated as follows:

Accuracy and cut-off of freight revenue

Description

Please refer to Note 4(32) for accounting policies on revenue recognition, Note 5(2) for uncertainty of accounting estimates and assumptions applied on revenue recognition, and Note 6(23) for details of sales revenue.

Evergreen Marine Corporation (Taiwan) Ltd. primarily engages in global container shipping service covering ocean-going and near-sea shipping line, shipping agency business as well as container freight station business. In 2021, freight revenue from contracts with customers was NT\$ 462,580,634 thousand, representing 94.52% of operating revenue. Since ocean-going shipping often lasts for several days, voyages are sometimes completed after the balance sheet date. Also, demand for freight services is consistently sent by forwarders during voyage. Due to the factors mentioned above, freight revenue is recognized under the percentage-of-completion method for each vessel of which the service has been provided during the reporting period.

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

How our audit addressed the matter

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

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

Other matter – Reference to the reports of other independent auditors

We did not audit the financial statements of all the consolidated subsidiaries. Those statements and the information disclosed in Note 13 were audited by other independent auditors whose reports thereon have been furnished to us, and our audit expressed herein is based solely on the reports of the other independent auditors. The statements reflect that total assets in these subsidiaries amounted to NT\$ 53,617,263 thousand and NT\$ 62,069,621 thousand, constituting 8.77% and 18.57% of the total consolidated assets as of December 31, 2021, and 2020, respectively. Net operating revenues in the subsidiaries amounted to NT\$ 37,865,608 thousand and NT\$ 40,599,878 thousand, constituting 7.74% and 19.61% of the total consolidated net operating revenues of 2021 and 2020 for the years then ended. In addition, we did not audit the financial statements of all the investee companies accounted for using equity method. Those statements and the information disclosed in Note 13 were audited by other independent auditors whose reports thereon have been furnished to us, and our audit expressed herein, insofar as it relates to the amounts included for those investee companies accounted for using equity method and information disclosed in Note 13 related to these long-term equity investments, is based solely on the reports of the other independent auditors. Long-term equity investments in these investee companies amounted to NT\$ 22,983,239 thousand and NT\$ 18,591,003 thousand, constituting 3.76% and 5.56% of the total consolidated assets as of December 31, 2021 and 2020, respectively, and comprehensive income (including share of profit or loss and share of other comprehensive income of associates and joint ventures accounted for using equity method) was NT\$ 4,955,989 thousand and NT\$ 958,072 thousand, constituting 1.89% and 3.63% of the consolidated total comprehensive income and loss for the years then ended, respectively.

Other matter – Parent company only financial reports

We have audited the parent company only financial statement of Evergreen Marine Corporation (Taiwan) Ltd. as of and for the years ended December 31, 2021 and 2020 on which we have issued an unqualified opinion with explanatory paragraph thereon.

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

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

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

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

Auditors’ responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

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

Lee, Hsiu-Ling

Chou, Hsiao-Tzu

For and on behalf of PricewaterhouseCoopers, Taiwan

March 15, 2022

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

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

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

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

(Continued)

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

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

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

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

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

(Continued)

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

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

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

EVERGREEN MARINE CORPORATION (TAIWAN) LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Notes	Equity attributable to owners of the parent										Total equity	
	Retained Earnings					Other equity interest						
	Common stock	Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Gains (losses) on effective portion of cash flow hedges	Total	Non-controlling interest		
Year 2020												
6(2)	\$ 48,129,738	\$ 11,407,437	\$ 5,714,940	\$ -	\$ 3,659,042	(\$ 856,773)	\$ 1,411,638	\$ 579,757	\$ 70,045,779	\$ 3,549,067	\$ 73,594,846	
6(21)	-	-	-	-	24,364,926	-	-	-	24,364,926	4,402,384	28,767,310	
6(2)(22)	-	-	-	-	(291,317)	(3,471,571)	474,945	1,282,407	(2,005,536)	(354,270)	(2,359,806)	
	-	-	-	-	24,073,609	(3,471,571)	474,945	1,282,407	22,359,390	4,048,114	26,407,504	
6(20)(21)	-	22,463	-	-	1,809	-	(1,809)	-	22,463	-	22,463	
6(20)	-	623	-	-	-	-	-	-	623	-	623	
6(20)	-	379,915	-	-	-	-	-	-	379,915	-	379,915	
6(19)(20)	850,615	622,926	-	-	-	-	-	-	1,473,541	-	1,473,541	
6(35)	-	-	-	-	-	-	-	-	(384,599)	(384,599)	(384,599)	
	\$ 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	
Year 2021												
6(2)	\$ 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	
6(21)	-	-	-	-	239,014,860	(2,404,662)	2,143,778	(260,957)	239,014,860	24,095,199	263,110,059	
6(21)(22)	-	-	-	-	(90,912)	(2,404,662)	2,143,778	(260,957)	(612,753)	(378,598)	(991,351)	
	-	-	-	-	238,923,948	(2,404,662)	2,143,778	(260,957)	238,402,107	23,716,601	262,118,708	
6(20)(21)	-	153,764	-	-	42,523	-	(42,523)	-	153,764	-	153,764	
6(21)	-	-	2,407,542	-	(2,407,542)	-	-	-	-	-	-	
	-	-	-	581,406	(581,406)	-	-	-	-	-	-	
	-	-	-	(13,156,234)	(13,156,234)	-	-	-	(13,156,234)	-	(13,156,234)	
	-	(62)	-	-	-	-	-	-	62	-	62	
6(20)	-	289,166	-	-	-	-	-	-	289,166	-	289,166	
6(1)(20)	3,928,131	2,885,953	-	-	-	-	-	-	6,814,084	-	6,814,084	
6(35)	-	-	-	-	-	-	-	-	(392,129)	(392,129)	(392,129)	
	\$ 52,908,484	\$ 15,762,185	\$ 8,122,482	\$ 581,406	\$ 250,555,749	(\$ 6,733,006)	\$ 3,986,029	\$ 1,601,207	\$ 326,784,536	\$ 30,537,054	\$ 357,321,590	

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

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

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

(Continued)

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

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

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

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

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

1. HISTORY AND ORGANISATION

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

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

These consolidated financial statements were authorised for issuance by the Board of Directors on March 15, 2022.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

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

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

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

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

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

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

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

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

New standards, interpretations and amendments endorsed by the FSC effective from 2022 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, ‘Reference to the conceptual framework’	January 1, 2022
Amendments to IAS 16, ‘Property, plant and equipment: proceeds before intended use’	January 1, 2022
Amendments to IAS 37, ‘Onerous contracts—cost of fulfilling a contract’	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

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

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

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

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

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

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 IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

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

A. Amendments to IAS 1, 'Disclosure of accounting policies'

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

B. Amendments to IAS 8, 'Definition of accounting estimates'

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

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

(2) Basis of preparation

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

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

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

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

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

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

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2021	December 31, 2020	
The Company	TTSC	Cargo loading and discharging	55.00	55.00	
The Company	Peony	Investments in transport-related business	100.00	100.00	
The Company	ETS	Terminal Services	94.43	94.43	
The Company	EGH	Container shipping and agency services dealing with port formalities	79.00	79.00	
The Company	EIL	Agency services dealing with port formalities	59.00	59.00	
The Company	EMA	Container shipping	100.00	-	(a)
Peony	GMS	Container shipping	100.00	100.00	
Peony	Clove	Investments in container yards and port terminals	100.00	100.00	
Peony	EMU	Container shipping	51.00	51.00	

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

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

Name of Investor	Name of Subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2021	December 31, 2020	
EGH	EIL	Agency services dealing with port formalities	1.00	1.00	(i)
EGH	ELA	Management consultancy	100.00	100.00	(f)
EGH	EBR	Agency services dealing with port formalities	60.00	60.00	(g)
EGH	EGP	Agency services dealing with port formalities	100.00	100.00	(h)
EGH	EAR	Agency services dealing with port formalities	60.00	-	(b)
EGH	ESAU	Agency services dealing with port formalities	60.00	-	(c)
EGH	UMS	Agency services dealing with port formalities	100.00	-	(d)
EMA	ETR	Agency services dealing with port formalities	60.00	-	(e)
ETS	Whitney	Investments and leases of operating machinery and equipment of port terminals	100.00	100.00	
EMU	KTIL	Loading, discharging, storage, repairs and cleaning of containers	20.00	20.00	(i)
Clove	ETS	Terminal Services	5.57	5.57	(i)
MBPI	MBT	Inland transportation, repairs and cleaning of containers	72.95	72.95	

(a) In order to strengthen the Company's operational competitiveness, the Company planned to establish a wholly-owned subsidiary, EMA, in Singapore with an investment amount of USD 50,000 as resolved by the Board of Directors on March 22, 2021, and the capital injection was completed on June 8, 2021. The company is primarily engaged in container shipping.

- (b) On March 31, 2020, the Board of Directors of the Company and the subsidiary, EGH, resolved to establish a subsidiary, EAR, in Argentina. The capital for establishment is ARS 15,000, and the capital injection was completed on May 11, 2021. The subsidiary is primarily engaged in container shipping and agency services dealing with port formalities.
 - (c) On June 22, 2020, the Board of Directors of the Company and the subsidiary, EGH, resolved to establish a subsidiary, ESAU, in Arabia. The capital for establishment is SAR 3,000, and the capital injection was completed on August 4, 2021. The subsidiary is primarily engaged in container shipping and agency services dealing with port formalities.
 - (d) On June 23, 2021, the Board of Directors of the subsidiary, EGH, resolved to make an equity transaction. EGH acquired 85% and 15% equity interests of UMS from the other related party, Evergreen International S.A., and a non-related party, respectively, and obtained the control over UMS. The transaction date was July 1, 2021 and the transaction amount was USD 300 (approx. \$8,373).
 - (e) On April 22, 2021, the Board of Directors of the subsidiary, EMA, resolved to establish a subsidiary, ETR, in Turkey. The capital for establishment is TRY4,000, and 25% of the capital injection has been completed on October 12, 2021. The subsidiary is primarily engaged in container shipping and agency services dealing with port formalities.
 - (f) On December 20, 2019, the Board of Directors of the subsidiary, EGH, approved the ELA equity transaction and acquired 83.50% equity interests from EMC, EMU and other related parties. The transaction date was March 1, 2020 and the transaction amount was USD 544. After the transaction, the shareholding ratio which was the equity of ELA held by EGH increased from 16.50% to 100%. This company is primarily engaged in management consultancy in Latin America. Because the transaction did not meet the requirements of IFRS 3, 'Definition of a business', the accounting treatment of this equity transaction would be accounted as acquired assets and liabilities based on the principle.
 - (g) On August 13, 2019, the Board of Directors of the subsidiary, EGH, approved to establish a subsidiary, EBR, in Brazil. The initial capital amounted to BRL 1,200 (approx. USD 247) and the date of the capital injection completion was March 16, 2020. This company is primarily engaged in freight and shipping agent.
 - (h) On June 30, 2020, the Board of Directors of the subsidiary, EGH, resolved to make an equity transaction. EGH acquired 40% and 60% equity interests of EGP from the other related parties, Evergreen International S.A., and Evergreen Logistics Philippines Corp., respectively, and obtained the control over EGP. The transaction date was July 1, 2020 and the transaction amount was PHP 239,500 (approx. \$141,760).
 - (i) This company was included in the consolidated financial statements, given the comprehensive shareholding ratio and the majority voting rights on the Board of Directors held by the Group, resulting in the Group obtaining control over the company.
- C. Subsidiary not included in the consolidated financial statements: None.

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

E. Significant restrictions: None.

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

As of December 31, 2021 and 2020, the non-controlling interest amounted to \$30,537,054 and \$7,212,582, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest				Description
		December 31, 2021		December 31, 2020		
		Amount	Ownership (%)	Amount	Ownership (%)	
EMU	U.K.	\$11,811,400	49%	\$ 3,389,842	49%	
EGH	Hong Kong	17,985,999	20%	3,220,801	20%	

Summarised financial information of the subsidiaries:

Balance sheets

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

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

Statements of comprehensive income

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

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

Statements of cash flows

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

(4) Foreign currency translation

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

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise, except when deferred in other comprehensive income as qualifying cash flow hedges.

- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

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

(5) Classification of current and non-current items

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

(6) Cash equivalents

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

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
 - (a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:
 - (a) The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as other income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.
 - (b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognised in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

(9) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
 - (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Notes, accounts and other receivables

- A. Notes and account receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services. Receivables arising from transactions other than the sale of goods or service are classified as other receivables.

B. The short-term notes receivable, accounts receivable and other receivables without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

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

(12) Derecognition of financial assets

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

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

(13) Operating leases (lessor) - operating leases

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

(14) Inventories

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

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

(15) Investments accounted for using equity method / associates

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

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

(16) Property, plant and equipment

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

Buildings (Including repairments)	3 ~ 135 years
Loading and unloading equipment	5 ~ 20 years
Ships (Except for docking repair and scrubber)	18 ~ 25 years
Ships (Docking repair)	2.5 ~ 5 years
Ships (Scrubber)	10 years
Transportation equipment	6 ~ 10 years
Other equipment	2 ~ 20 years

The above docking repair and scrubber pertain to the significant components of ships.

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

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

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate.

Lease payments are comprised of the following:

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

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

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

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

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

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

(18) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 20 ~ 55 years.

(19) Intangible assets

A. Computer software

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

B. Goodwill

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

C. Customer relationship

Customer relationship arises from the business combination is measured initially at their fair

values at the acquisition date. Customer relationship has a finite useful life and are amortised on a straight-line basis over their estimated useful lives of 2 ~ 10 years.

(20) Impairment of non-financial assets

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

(21) Borrowings

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

(22) Accounts payable

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

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

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

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

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

(24) Bonds payable

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

(25) Convertible bonds payable (Compound financial instruments)

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

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

(26) Derecognition of financial liabilities

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

(27) Offsetting financial instruments

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

(28) Hedge accounting

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

B. The Group designates the hedging relationship as follows:

Cash flow hedge:

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

C. Cash flow hedges

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

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

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

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

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

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

(29) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

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

C. Termination benefits

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

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

D. Employees' compensation and directors' remuneration

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

(30) Income tax

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

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

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

(31) Dividends

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

(32) Revenue recognition

A. Sales of services

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

B. Rental revenue

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

(33) Government grants

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

(34) Business combinations

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

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

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

(35) Operating segments

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

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

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

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

Lease term

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

(2) Critical accounting estimates and assumptions

Revenue recognition

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

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cash on hand and petty cash	\$ 28,314	\$ 20,206
Checking accounts and demand deposits	27,512,861	11,183,079
Time deposits	<u>80,251,221</u>	<u>32,893,200</u>
	<u>\$ 107,792,396</u>	<u>\$ 44,096,485</u>

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group has no cash and cash equivalents pledged to others.

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

<u>Items</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Non-current items:		
Equity instruments		
Listed (TSE) stocks	\$ 490,801	\$ 490,801
Unlisted stocks	<u>199,744</u>	<u>201,532</u>
	690,545	692,333
Valuation adjustment	<u>1,432,836</u>	<u>965,650</u>
	<u>\$ 2,123,381</u>	<u>\$ 1,657,983</u>

- A. The Group has elected to classify these investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$2,123,381 and \$1,657,983 as at December 31, 2021 and 2020, respectively.
- B. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	<u>Year ended</u> <u>December 31, 2021</u>	<u>Year ended</u> <u>December 31, 2020</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ 472,414	(\$ 34,251)
Income tax recognised in other comprehensive income	(\$ 1,967)	(\$ 5,865)
Dividend income recognised in profit or loss - Held at end of period	\$ 106,229	\$ 100,691

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

(3) Financial assets at amortised cost

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

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

	<u>Year ended</u> <u>December 31, 2021</u>	<u>Year ended</u> <u>December 31, 2020</u>
Interest income	\$ 111,297	\$ 39,647

B. As at December 31, 2021 and 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was \$93,617,198 and \$7,117,212 respectively.

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

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

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

(4) Hedging financial assets

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

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

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

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

B. Other equity - cash flow hedge reserve

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

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

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

(5) Notes and accounts receivable

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

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

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

The above ageing analysis was based on past due date.

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

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

D. As at December 31, 2021 and 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable were \$357,461 and \$113,313, respectively; and the amount that best represents the Group's accounts receivable were \$41,180,398 and \$21,805,310, respectively.

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

(6) Inventories

	December 31, 2021		
	Cost	Allowance for valuation loss	Book value
Ship fuel	\$ 5,240,840	\$ -	\$ 5,240,840
Steel and others	596,688	-	596,688
	<u>\$ 5,837,528</u>	<u>\$ -</u>	<u>\$ 5,837,528</u>
	December 31, 2020		
	Cost	Allowance for valuation loss	Book value
Ship fuel	\$ 2,546,614	\$ -	\$ 2,546,614
Steel and others	385,097	-	385,097
	<u>\$ 2,931,711</u>	<u>\$ -</u>	<u>\$ 2,931,711</u>

(7) Other current assets

	December 31, 2021	December 31, 2020
Shipowner's accounts	\$ 6,679	\$ 626,782
Agency accounts	3,411,873	2,802,786
Temporary debits	836,417	892,624
	<u>\$ 4,254,969</u>	<u>\$ 4,322,192</u>

A. Shipowner's accounts:

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

B. Agency accounts:

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

C. Temporary debits:

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

(8) Investments accounted for using equity method

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Evergreen International Storage and Transport Corporation	\$ 10,956,117	\$ 9,315,382
EVA Airways Corporation	12,812,215	11,327,144
Taipei Port Container Terminal Corporation	1,694,351	1,523,550
Charng Yang Development Co., Ltd.	561,169	557,549
Ningbo Victory Container Co., Ltd.	341,659	328,607
Ever Ecove Corporation	299,567	305,965
Luanta Investment (Netherlands) N.V.	710,843	1,485,739
Balsam Investment (Netherlands) N.V.	4,839,068	1,177,162
Colon Container Terminal S.A.	3,119,026	2,981,754
Others	1,084,598	917,142
	<u>\$ 36,418,613</u>	<u>\$ 29,919,994</u>

B. Associates

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

<u>Company name</u>	<u>Principal place of business</u>	<u>Ownership(%)</u>		<u>Nature of relationship</u>	<u>Methods of measurement</u>
		<u>December 31, 2021</u>	<u>December 31, 2020</u>		
Evergreen International Storage and Transport Corporation	TW	40.36%	40.36%	With a right over 20% to vote	Equity method
EVA Airways Corporation	TW	15.11%	16.00%	Have a right to vote in the Board of Directors	Equity method

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

Balance sheet

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

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

Statement of comprehensive income

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

	<u>EVA Airways Corporation</u>	
	<u>Year ended</u>	<u>Year ended</u>
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Revenue	\$ 103,872,359	\$ 89,048,776
Profit (loss) for the period	\$ 6,680,261	(\$ 3,276,719)
Other comprehensive income, net of tax	2,222,183	4,020,120
Total comprehensive income	<u>\$ 8,902,444</u>	<u>\$ 743,401</u>
Dividends received from associates	<u>\$ -</u>	<u>\$ 194,135</u>

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

As of December 31, 2021 and 2020, the carrying amount of the Group's individually immaterial associates amounted to \$12,650,281 and \$9,277,468, respectively.

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

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

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

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

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

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

G. The Company is the single largest shareholder of EITC with a 40.36% equity interest. Given that the main source of economic profits of EITC is generated from Evergreen Line, the percentage of operating volume of the Group in Evergreen Line is equivalent to other related parties' and there is no agreement between other related parties and the Company to make decisions in consultation or collectively; however, in order to maintain the equity balance between the Group and other related parties, the Company governs EITC with other related parties to maintain mutual and other shareholders' best interests; apart from independent directors, the number of seats held by the Company on the Board are the same as other related parties', which indicates that the Group has no current ability to direct the relevant activities of EITC, thus, the Group has no control, but only has significant influence, over the investee.

- H. The Company is the single largest shareholder of EVA with a 15.13% equity interest. Given that the other top ten large shareholders (including other related parties and non-related parties) hold more shares than the Company, and there is no agreement between the shareholders to make decisions in consultation or collectively as they make decisions independently, which indicates that the Company has no current ability to direct the relevant decisions of EVA, thus, the Company has no control, but only has significant influence, over the investee.
- I. The Company is the single largest shareholder of TPCT with a 27.85% equity interest. Given that the other two large shareholders (non-related parties) also operate transportation business and hold more shares than the Company, and there is no agreement between the shareholders to make decisions in consultation or collectively as they make decisions independently, which indicates that the Company has no current ability to direct the relevant decisions of TPCT, thus, the Company has no control, but only has significant influence, over the investee.

(9) Property, plant and equipment

2021

	Land	Buildings	Machinery equipment	Loading and unloading equipment	Computer and communication equipment	Transportation equipment	Ships	Office equipment	Leasehold improvements	Others	Total
At January 1	\$ 879,897	\$ 7,580,724	\$ 622,262	\$ 11,248,877	\$ 1,394,412	\$ 31,782,360	\$ 128,201,003	\$ 613,930	\$ 2,251,169	\$ 94,162	\$ 184,668,796
Cost	-	(1,586,336)	(507,880)	(8,416,514)	(1,022,422)	(11,740,650)	(41,508,113)	(481,708)	(746,601)	(15,928)	(66,026,152)
Accumulated depreciation	\$ 879,897	\$ 5,994,388	\$ 114,382	\$ 2,832,363	\$ 371,990	\$ 20,041,710	\$ 86,692,890	\$ 132,222	\$ 1,504,568	\$ 78,234	\$ 118,642,644
Opening net book amount as at January 1	\$ 879,897	\$ 5,994,388	\$ 114,382	\$ 2,832,363	\$ 371,990	\$ 20,041,710	\$ 86,692,890	\$ 132,222	\$ 1,504,568	\$ 78,234	\$ 118,642,644
Additions	-	26,566	1,719	177,160	131,479	13,878,474	2,768,224	43,008	13,548	3,118	17,043,296
Disposals	(3,468)	(493)	(2,134)	-	(199)	(26,092)	-	(738)	(13)	-	(33,137)
Reclassifications	-	(794,483)	3,048	806,325	11,780	15,141	29,580,738	25,115	228,971	(16,566)	29,829,787
Depreciation	-	(159,627)	(13,848)	(393,444)	(243,417)	(3,158,300)	(6,024,985)	(46,225)	(229,524)	(4,056)	(10,273,426)
Acquired from business combinations	2,569	6,990	-	-	585	-	-	569	44	-	10,757
Net exchange differences	(15,868)	(72,550)	(5,396)	(20,304)	(6,412)	(279,282)	(891,369)	(5,637)	(19,724)	(504)	(1,317,046)
Closing net book amount as at December 31	\$ 863,130	\$ 5,000,791	\$ 97,771	\$ 3,402,100	\$ 265,806	\$ 30,441,369	\$ 112,125,498	\$ 148,314	\$ 1,497,870	\$ 60,226	\$ 153,902,875
At December 31	\$ 863,130	\$ 6,351,358	\$ 579,400	\$ 12,167,361	\$ 1,501,627	\$ 45,098,718	\$ 159,099,975	\$ 658,483	\$ 2,466,078	\$ 80,211	\$ 228,866,341
Cost	-	(1,350,567)	(481,629)	(8,765,261)	(1,235,821)	(14,657,349)	(46,974,477)	(510,169)	(968,208)	(19,985)	(74,963,466)
Accumulated depreciation	\$ 863,130	\$ 5,000,791	\$ 97,771	\$ 3,402,100	\$ 265,806	\$ 30,441,369	\$ 112,125,498	\$ 148,314	\$ 1,497,870	\$ 60,226	\$ 153,902,875

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

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

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

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

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

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

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

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

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

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

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

H. As of December 31, 2021, the Group had entered into lease agreements that contained non-lease service component. Based on the fair value of the lease and non-lease component, the future commitment payment allocated to service component amounted to \$27,396,273.

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

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

	December 31, 2021		
Hedged items	Designated as hedging instruments	Contract period	Book value
Expected US dollar denominated marine freight income transaction	US dollar denominated lease liabilities	2019.1.1~2034.8.15	<u>\$ 11,508,873</u>

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

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

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

(b) Other equity - cash flow hedge reserve

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

(c) As of December 31, 2021 and 2020, there were no ineffective portion to be recognised in profit or loss for the unwritten-off cash flow hedge transactions.

K. The amounts of lease liabilities (net of the lease liabilities designated as hedges) of the Group on December 31, 2021 and 2020 are as follows:

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

(11) Leasing arrangements – lessor

A. For the years ended December 31, 2021 and 2020, the Group recognised rent income in the amounts of \$586,539 and \$311,494, respectively, based on the operating lease agreement, which does not include variable lease payments.

B. The maturity analysis of the lease payments under the operating leases is as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Within 1 year	\$ 725,253	\$ 335,930
1-2 years	395,164	202,020
2-3 years	208,924	54,161
3-4 years	19,655	53,747
4-5 years	19,655	53,726
After 5 years	16,211	138,792
	<u>\$ 1,384,862</u>	<u>\$ 838,376</u>

(12) Investment property, net

	<u>2021</u>		
	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
At January 1			
Cost	\$ 1,396,755	\$ 4,674,765	\$ 6,071,520
Accumulated depreciation	-	(900,008)	(900,008)
	<u>\$ 1,396,755</u>	<u>\$ 3,774,757</u>	<u>\$ 5,171,512</u>
Opening net book amount as at January 1	\$ 1,396,755	\$ 3,774,757	\$ 5,171,512
Reclassification from property, plant and equipment	-	760,873	760,873
Depreciation	-	(180,928)	(180,928)
Net exchange differences	(15)	19,642	19,627
Closing net book amount as at December 31	<u>\$ 1,396,740</u>	<u>\$ 4,374,344</u>	<u>\$ 5,771,084</u>
At December 31			
Cost	\$ 1,396,740	\$ 5,802,784	\$ 7,199,524
Accumulated depreciation	-	(1,428,440)	(1,428,440)
	<u>\$ 1,396,740</u>	<u>\$ 4,374,344</u>	<u>\$ 5,771,084</u>

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

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

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

B. The fair value of the investment property held by the Group as at December 31, 2021 and 2020 was \$9,325,083 and \$7,100,979, respectively. The fair value measurements were based on the market prices of recently sold properties in the immediate vicinity of a certain property and were classified as Level 2.

C. Information about the investment property that were pledged to others as collaterals is provided in Note 8.

(13) Other non-current assets

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Prepayments for equipment	\$ 23,841,061	\$ 13,923,670
Refundable deposits	267,607	236,729
Others	472,935	75,989
	<u>\$ 24,581,603</u>	<u>\$ 14,236,388</u>

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

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

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

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

(14) Other current liabilities

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

(15) Corporate bonds payable

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

A. On April 25, 2017, the Company issued its thirteenth domestic registered secured corporate bonds (referred herein as the “Thirteenth Bonds”), totaling \$8,000,000. The Thirteenth Bonds are categorized into Bond A, B, C, D, E, F and G, depending on the guarantee institution. Bond A totals \$2,000,000, and the rest total \$6,000,000, with each par value of \$1,000,000. The major terms of the issuance are set forth below:

(a) Period: 5 years (April 25, 2017 to April 25, 2022)

(b) Coupon rate: 1.05% fixed per annum

(c) Principal repayment and interest payment

Repayments for the Thirteenth Bonds are paid annually on coupon rate, starting a year from the issuing date. For each category of the bonds mentioned above, half the principal must be paid at the end of the fourth year, and another half at the maturity date.

(d) Collaterals

The Thirteenth Bonds are secured. Bond A is guaranteed by Hua Nan Bank, Bond B is guaranteed by First Bank, Bond C is guaranteed by Mega International Commercial Bank, Bond D is guaranteed by Land Bank of Taiwan, Bond E is guaranteed by Chang Hwa Bank, Bond F is guaranteed by Taiwan Cooperative Bank, and Bond G is guaranteed by Bank SinoPac.

B. On June 27, 2018, the Company issued its fourteenth domestic registered secured corporate bonds (referred herein as the “Fourteenth Bonds”), totaling \$2,000,000 at face value. The major terms of the issuance are set forth below:

(a) Period: 5 years (June 27, 2018 to June 27, 2023)

(b) Coupon rate: 0.86% fixed per annum

(c) Principal repayment and interest payment

Repayments for the Fourteenth Bonds are paid annually at coupon rate, starting a year from the issuing date. The principal of the Fourteenth Bonds shall be repaid in lump sum at maturity.

(d) Collaterals

The Fourteenth Bonds are secured and are guaranteed by First Commercial Bank.

C. On September 29, 2020, the Company issued the first unsecured overseas convertible bonds (the “First Overseas Convertible Bonds”), totaling USD300,000 at the face value. The major terms of the issuance are set forth below:

(a) Period: 5 years (September 29, 2020 to September 29, 2025)

(b) Coupon rate: 0% fixed per annum

(c) Principal repayment:

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

(d) Conversion period:

Except for the First Overseas Convertible Bonds previously redeemed or repurchased, or the stop transfer period as specified in the terms of the bond indenture for the First Overseas Convertible Bonds (the “bond indenture”) or the laws/regulations, the bondholders have the right to ask for the conversion of the First Overseas Convertible Bonds into the common stocks newly issued by the Company during the period from the date after 90 days of the issuance of the First Overseas Convertible Bonds to (1) 10 days before the maturity date, or (2) 5 business days before the date on which the bondholders exercise the put options or the Company exercise the early redemption (excluding the maturity date).

(e) Conversion price:

The conversion price of the First Overseas Convertible Bonds is NT\$18.20 (in dollars), 115.19% of the reference price. The reference price refers to the closing price of the Company’s common stocks on the Taiwan Stock Exchange on the pricing date, which was NT\$15.80 (in dollars), translated using the exchange rate of US\$1 to NT\$28.991.

(f) Put options:

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

- i. Except for the First Overseas Convertible Bonds previously redeemed, repurchased and retired, or converted, the bondholders have the right to require the Company to redeem the First Overseas Convertible Bonds, in whole or in part, on the date three years after the issuance at the price of the face value plus 0.0% per annum of the face value (calculated semi-annually) as the interests (the “early redemption amount”).
- ii. The bondholders have the right to require the Company to redeem the First Overseas Convertible Bonds, in whole or in part, at the early redemption amount if the Company’s common stocks are unlisted from the Taiwan Stock Exchange or ceased trading over 30 consecutive business days.

iii. The bondholders have the right to require the Company to redeem the First Overseas Convertible Bonds, in whole or in part, at the early redemption amount if any changes occur to the Company's controlling power as defined in the bond indenture.

The exercise of the aforementioned put options by the bondholders and the acceptance of the bondholders' requests by the Company shall be conducted in accordance with the procedures as specified in the bond indenture. The Company will redeem the First Overseas Convertible Bonds in cash on the payment date as specified in the bond indenture.

The early redemption amount is first translated into NTD using the fixed exchange rate, and it was then translated from NTD to USD using the exchange rate on the day for repayment (by reference to the fixing rate which was 1:28.991 at 11 a.m. quoted by Taipei Forex Inc.).

(g) Redemption:

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

i. The Company may redeem the First Overseas Convertible Bonds, in whole, at the early redemption amount if the closing price of the Company's common stocks on the Taiwan Stock Exchange (translated into USD based on the exchange rate on the day) reaches over 130% of the total amount of early redemption amount (defined later) multiplied by the conversion price on the day (translated into USD at the fixed exchange rate) and divided by the face value for 20 trade dates out of 30 consecutive business days during the period from the day after three years of the issuance to the maturity date.

ii. The Company may redeem the outstanding First Overseas Convertible Bonds, in whole, at the early redemption amount if over 90% of the First Overseas Convertible Bonds have been redeemed, converted, repurchased and retired.

iii. The Company may redeem the First Overseas Convertible Bonds, in whole, at the early redemption amount if changes to the R.O.C.'s tax regulations occur after the issue date and cause the Company to bear more tax or to pay extra interest expenses or increase in costs for the First Overseas Convertible Bonds. Also, the bondholders have no right to require the Company to cover extra tax and expense for their nonparticipation of the redemption.

The early redemption amount is first translated into NTD using the fixed exchange rate, and it was then translated from NTD to USD using the exchange rate on the day for repayment (by reference to the fixing rate which was 1:28.991 at 11 a.m. quoted by Taipei Forex Inc.).

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

(a) Period: 5 years (May 18, 2021 to May 18, 2026)

(b) Coupon rate: 0% fixed per annum

(c) Principal repayment:

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

(d) Conversion period:

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

(e) Conversion price:

The conversion price of the Fourth Convertible Bonds is NT\$95 (in dollars), 111.76% of the reference price. The reference price refers to the closing price of the Company’s common stocks on the Taiwan Stock Exchange on a prior trading day of the pricing date, which was NT\$85 (in dollars). As a result of the distribution of cash dividends, the conversion price shall be adjusted based on the formula in accordance with Article 11 of the Fourth Convertible Bonds’ Regulations Governing issuance and conversion whereby the conversion price of the Fourth Convertible Bonds has been changed from NT\$95 (in dollars) to NT\$93.67 (in dollars) since August 24, 2021.

(f) Put options:

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

Except for the Fourth Convertible Bonds previously redeemed, repurchased and retired, or converted, the bondholders have the right to require the Company to redeem the Fourth Convertible Bonds, in whole or in part, on the date three years after the issuance at the price of the face value plus 0.0% per annum of the face value as the interests (the “early redemption amount”).

(g) Redemption:

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

- i. The Company may redeem the Fourth Convertible Bonds, in whole, at the early redemption amount if the closing price of the Company’s common shares is above than the conversion price by 30% for 30 consecutive trading days during the period from the date after 3 months of the bonds issue to 40 days before the maturity date.

- ii. The Company may redeem the Fourth Convertible Bonds, in whole, at the early redemption amount if the amount of the Company's outstanding shares is lower than the conversion price by 10% of the original total issuance amount during the period from the date after 3 months of the bonds issue to 40 days before the maturity date.
- E. As of December 31, 2021, all the First Overseas Convertible Bonds had been converted into the Company's common shares in the amount of 477,874 thousand shares, resulting in a capital surplus, additional paid-in capital arising from convertible bonds amounting to \$3,888,709.
- F. Regarding the issuance of convertible bonds, the equity conversion options were separated from the liability component in accordance with IAS 32. As of December 31, 2021, the domestic unsecured convertible bonds amounting to \$289,160 were recognised in 'capital surplus—share options'. In addition, the call options and redemption embedded in convertible bonds were not separated from their host contracts and were recognised in 'financial assets or liabilities at fair value through profit or loss' in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were closely related to those of the host contracts.

(16) Long-term loans

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Mortgage and secured bank loans	\$ 37,678,512	\$ 59,213,235
Unsecured bank loans	11,409,804	36,211,178
Less : Unrealised foreign exchange gains	(192,527)	(148,493)
Less: Hosting fee credit	(110,060)	(33,872)
	<u>48,785,729</u>	<u>95,242,048</u>
Less: Current portion (recorded as other current liabilities)	(9,147,275)	(18,201,548)
	<u>\$ 39,638,454</u>	<u>\$ 77,040,500</u>
Borrowing period	2022.08~2031.12	2021.01~2030.06
Interest rate	0.93%~5.15%	0.93%~5.15%

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

(17) Other non-current liabilities

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Accrued pension liabilities	\$ 4,257,425	\$ 3,423,829
Guarantee deposits received	448,863	300,820
Deferred income	120,454	-
Unrealised gain on sale and leaseback	418	1,594
Credit balance for investments accounted for using the equity method	373	-
Others	18,918	14,368
	<u>\$ 4,846,451</u>	<u>\$ 3,740,611</u>

(18) Pension

- A. (a) The Company and its domestic subsidiary-TTSC have a defined benefit pension plan in accordance with the Labor Standards Act (“the Act”), covering all regular employees’ service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiary-TTSC contribute monthly an amount equal to 15% of the employees’ monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiary-TTSC would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiary-TTSC will make contributions for the deficit by next March.
- (b) The employees with R.O.C. nationality of the Group’s subsidiaries, EMA, EGH, GMS and EMU, adopted the Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement.
- (c) The amounts recognised in the balance sheet are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Present value of defined benefit obligations	(\$ 5,804,853)	(\$ 4,921,339)
Fair value of plan assets	<u>1,547,428</u>	<u>1,497,510</u>
Net defined benefit liability	<u>(\$ 4,257,425)</u>	<u>(\$ 3,423,829)</u>

(d) Movements in net defined benefit liabilities are as follows:

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

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

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

(f) The principal actuarial assumptions used were as follows:

	Year ended December 31, 2021	Year ended December 31, 2020
Discount rate	<u>0.54%~6.72%</u>	<u>0.28%~7%</u>
Future salary increases	<u>1.08%~10%</u>	<u>0.5%~10%</u>

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

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

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

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

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

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

(19) Capital stock

- A. As of December 31, 2021, the Company's authorized capital was \$70,000,000, and the paid-in capital was \$ 52,908,484, consisting of 5,290,848 thousand shares of common stocks with a par value of NT\$10 (in dollars) per share. All proceeds from shares issued have been collected.
- B. The Company's domestic convertible bonds with a face value of \$100 thousands dollars had been converted into ordinary share capital of \$10 (1 thousand shares) with a par value of NT\$10 (in dollars) per share during the year ended December 31, 2021, which resulted in 'capital surplus, additional paid-in capital arising from bond conversion' of \$90. All proceeds from share issuance have been collected by December 1, 2021.
- C. The Company bonds totaling USD 246,600 thousands dollars (face value) had been converted into \$3,928,121 of ordinary shares (392,812 thousand shares) with a par value of \$10 (in dollars) per share during the year ended December 31, 2021, which resulted in 'capital surplus, additional paid-in capital arising from bond conversion' of \$3,198,159. All proceeds from share issuance have been collected by July 23, 2021.
- D. The Company issued 85,062 thousand shares of new shares during the period from December 29, 2020 to December 31, 2020 due to the exercise of conversion options by the overseas convertible corporate bondholders. All proceeds from share issuance have been collected by February 19, 2021.
- E. On June 24, 2020, the shareholders meeting of the Company resolved to increase authorized capital from \$50,000,000 to \$70,000,000. All proceeds from share issuance have been collected by July 22, 2020.
- F. On December 31, 2021 and 2020, the numbers of the Company's shares held by its associate accounted for using equity method, EITC, were 25,254 and 25,084 thousand shares, respectively.

(20) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	2021				
	Share premium	Employee stock options exercised	Adjustments to share of changes in equity of associates and joint ventures	Donated assets	Others
At January 1	\$ 9,857,768	\$ 423,246	\$ 2,144,568	\$ 446	\$7,336
Expired unclaimed dividends	-	-	-	-	(62)
Proceeds from issuance of Euro-Convertible Bonds	-	289,166	-	-	-
Conversion of Euro-Convertible Bonds	3,198,249	(312,296)	-	-	-
Recognition of change in equity of associates in proportion to the Company's ownership	-	-	153,764	-	-
At December 31	<u>\$ 13,056,017</u>	<u>\$ 400,116</u>	<u>\$ 2,298,332</u>	<u>\$ 446</u>	<u>\$7,274</u>
	2020				
	Share premium	Employee stock options exercised	Adjustments to share of changes in equity of associates and joint ventures	Donated assets	Others
At January 1	\$ 9,167,217	\$ 110,956	\$ 2,122,105	\$ 446	\$6,713
Expired unclaimed dividends	-	-	-	-	623
Proceeds from issuance of Euro-Convertible Bonds	-	379,915	-	-	-
Conversion of Euro-Convertible Bonds	690,551	(67,625)	-	-	-
Recognition of change in equity of associates in proportion to the Company's ownership	-	-	22,463	-	-
At December 31	<u>\$ 9,857,768</u>	<u>\$ 423,246</u>	<u>\$ 2,144,568</u>	<u>\$ 446</u>	<u>\$7,336</u>

(21) Retained earnings

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
At January 1	\$ 27,734,460	\$ 3,659,042
Profit for the period	239,014,860	24,364,926
Appropriation of earnings	(16,145,182)	-
Remeasurement on post employment benefit obligations, net of tax	(90,912)	(291,317)
Adjustments to share of changes in equity of associates and joint ventures	42,523	1,809
At December 31	<u>\$ 250,555,749</u>	<u>\$ 27,734,460</u>

A. According to the Company's Articles of Incorporation, if there is any profit for a fiscal year, the Company shall first make provision for all taxes and cover prior years' losses and then appropriate 10% of the residual amount as legal reserve. Dividends shall be proposed by the Board of Directors and resolved by the stockholders.

B. Dividend policy

In order to facilitate future expansion plans, dividends to stockholders are distributed mutually in the form of both cash and stocks with the basic principle that the ratio of cash dividends to total stock dividends shall not be lower than 10%.

C. Legal reserve

Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

E. For the year ended December 31, 2019, the Company's net income after tax plus other items including current unappropriated retained earnings is negative, thus the Company will not provision for legal reserve. Additionally, the shareholders of the Company during its meeting on June 24, 2020 adopted a resolution to retain distributable earnings for its future operating plan, thus, the Company will not appropriate for shareholders' bonus.

F. The appropriation of earnings of year 2020 that was resolved at the Company's shareholders' meeting on July 21, 2021 is as follows:

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

G. The appropriation of 2021 earnings resolved by the Board of Directors on March 15, 2022 is as follows:

	Year ended December 31, 2021	
	Amount	Dividend per share (in dollars)
Accrual of legal reserve	\$ 23,896,647	
Accrual of special reserve	\$ 564,364	
Appropriation of cash dividends to shareholders	\$ 95,238,884	\$ 18.00

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

(22) Other equity items

	2021			
	Unrealised gains (losses) on valuation	Hedging reserve	Currency translation	Total
At January 1	\$ 1,884,774	\$ 1,862,164	(\$ 4,328,344)	(\$ 581,406)
Revaluation – gross	472,411	-	-	472,411
Revaluation – tax	(1,963)	-	-	(1,963)
Revaluation – associates	1,673,330	-	-	1,673,330
Revaluation transferred to retained earnings – associates	(42,523)	-	-	(42,523)
Cash flow hedges:				
– Fair value gain in the period				
– Group	- (42,909)	-	-	(42,909)
– Group – tax	- 26,879	-	-	26,879
– Associates	- (244,927)	-	-	(244,927)
Currency translation differences:				
– Group	-	- (2,346,629)	(2,346,629)	(2,346,629)
– Group – tax	-	- (825)	(825)	(825)
– Associates	-	- (57,208)	(57,208)	(57,208)
At December 31	\$ 3,986,029	\$ 1,601,207	(\$ 6,733,006)	(\$ 1,145,770)

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

(23) Operating revenue

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

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of services over time (ship-owners, agents and terminals) and at a point in time (other services) in the following major businesses. Also, ship-owners, agents and terminals were classified as transportation department. Information relating to the operating segments is provided in Note 14(2).

Year ended December 31,

2021	Ship-owners	Agents	Terminals	Other	Total
Total segment revenue	\$ 501,474,591	\$ 12,781,687	\$ 14,388,411	\$ 1,657,590	\$ 530,302,279
Inter-segment revenue	(25,760,903)	(7,207,526)	(8,313,527)	-	(41,281,956)
Revenue from external customer contracts	<u>\$ 475,713,688</u>	<u>\$ 5,574,161</u>	<u>\$ 6,074,884</u>	<u>\$ 1,657,590</u>	<u>\$ 489,020,323</u>

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

B. Contract assets and liabilities

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

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

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

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

(24) Other income and expenses, net

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

(25) Interest income

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

(26) Other income

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

(27) Other gains and losses

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

(28) Finance costs

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

(29) Expenses by nature

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

(30) Employee benefit expense

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

A. According to the Articles of Incorporation of the Company, when distributing earnings, the Company shall distribute bonus to the employees that account for no less than 0.5% and pay remuneration to the directors and supervisors that account for no more than 2% of the total distributed amount.

B. (a) In accordance with the Articles of Incorporation of the Company, based on the profit for the years ended December 31, 2021, employees' compensation and directors' remunerations were accrued at \$1,303,466 and \$9,500, respectively. The aforementioned amount was recognised in salary expenses. The actual distributed amounts as resolved by the Board of Directors were in agreement with the accrued amounts. The employees' compensation will be distributed in the form of cash.

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

Information about the appropriation of employees', directors' and supervisors' remuneration by the Company as proposed by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(31) Income tax

A. Income tax expense

(a) Components of income tax expense:

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

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

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

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

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

B. Reconciliation between income tax expense and accounting profit:

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

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

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

	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	Translation differences	December 31
Temporary differences:						
— Deferred tax assets:						
Loss on valuation of financial assets	\$ 233	(\$ 133)	(\$ 19)	\$ -	(\$ 10)	\$ 71
Deferred profit	11,022	(1,686)	-	-	-	9,336
Unrealized expense	113,567	(36,613)	-	-	176	77,130
Unrealized exchange loss	1,312	(3,929)	82	-	2,535	-
Pension expense and actuarial losses/(gains)	470,492	146,810	29,520	-	(16,101)	630,721
Others	67,568	81,579	-	-	(9,157)	139,990
Subtotal	<u>\$ 664,194</u>	<u>\$ 186,028</u>	<u>\$ 29,583</u>	<u>\$ -</u>	<u>(\$ 22,557)</u>	<u>\$ 857,248</u>
— Deferred tax liabilities:						
Temporary differences:						
Gain on valuation of financial assets	(\$ 2,907)	\$ -	\$ 1,856	\$ -	\$ -	(\$ 1,051)
Unrealized exchange gain	-	(103,348)	-	-	30	(103,318)
Unrealized gain	(4,018)	216	(82)	-	129	(3,755)
Pension expense and actuarial losses/(gains)	(528)	-	(524)	-	573	(479)
Foreign investment income	(1,474,383)	(8,845,315)	14,876	115	269	(10,304,438)
Gains (losses) on hedging instruments	(202,958)	-	8,582	-	-	(194,376)
Others	(1,187,448)	109,289	-	-	9,450	(1,068,709)
Subtotal	<u>(\$2,872,242)</u>	<u>(\$ 8,839,158)</u>	<u>\$ 24,708</u>	<u>\$ 115</u>	<u>\$ 10,451</u>	<u>(\$11,676,126)</u>
Total	<u>(\$2,208,048)</u>	<u>(\$ 8,653,130)</u>	<u>\$ 54,291</u>	<u>\$ 115</u>	<u>(\$ 12,106)</u>	<u>(\$10,818,878)</u>

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

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

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

(32) Earnings per share

	<u>Year ended December 31, 2021</u>		
	<u>Amount</u>	<u>Weighted average</u>	<u>Earnings per share</u>
	<u>after tax</u>	<u>number of ordinary</u>	<u>(in dollars)</u>
		<u>shares outstanding</u>	
		<u>(share in thousands)</u>	
<u>Basic earnings per share</u>			
Net profit attributable to ordinary shareholders of the parent	\$ 239,014,860	5,244,562	\$ 45.57
<u>Diluted earnings per share</u>			
Net profit attributable to ordinary shareholders of the parent	\$ 239,014,860	5,244,562	
Assumed conversion of all dilutive potential ordinary shares			
Convertible Bond	40,735	33,343	
Employees' compensation	-	9,146	
Net profit attributable to ordinary shareholders of the parent	\$ 239,055,595	5,287,051	\$ 45.22

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

(33) Transactions with non-controlling interest

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

(34) Business combinations

- A. On June 23, 2021, the Board of Directors of the subsidiary, EGH, resolved to make an equity transaction. EGH acquired 85% and 15% equity interests of UMS from the other related party, EIS, and a non-related party, respectively, and obtained control over UMS. The transaction date was July 1, 2021 and the transaction amount was USD 300 (approx. \$8,373).
- B. On June 30, 2020, the Board of Directors of the subsidiary, EGH, resolved to make an equity transaction. EGH acquired 40% and 60% equity interests of EGP from the other related party, EIS, and ELCP, respectively, and obtained control over EGP. The transaction date was July 1, 2020 and the transaction amount was PHP 239,500 (approx. \$141,760).
- C. The following table summarises the consideration paid and the fair values of the assets acquired and liabilities assumed at the acquisition date, as well as the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets at the acquisition date:

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

D. Had UMS been acquired from January 1, 2021, the consolidated statement of comprehensive income for the year ended December 31, 2021 would show operating revenue and profit before income tax of \$25,082 and \$102,174, respectively.

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

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

(35) Supplemental cash flow information

A. Investing activities with partial cash payments

(a) Property, plant and equipment

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

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

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

(d) Intangible assets

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

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

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

(f) Change in non-controlling interest

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

(36) Changes in liabilities from financing activities

	Corporate bonds payable (including current portion)	Long-term borrowings (including current portion)	Guarantee deposits received	Lease liabilities and financial liabilities for hedging (including current portion)	Liabilities from financing activities-gross
At January 1, 2021	\$ 16,779,043	\$ 95,242,048	\$ 300,820	\$ 74,170,932	\$ 186,492,843
Changes in cash flow from financing activities	1,043,721	(45,445,775)	155,261	(11,608,880)	(55,855,673)
Acquired from business combinations	-	-	-	8,615	8,615
Additions to lease liabilities	-	-	-	32,584,521	32,584,521
Remeasurement of lease liabilities	-	-	-	5,391,623	5,391,623
Changes in other non-cash items	(7,049,814)	-	-	(1,519)	(7,051,333)
Impact of changes in foreign exchange rate	-	(1,010,544)	(7,218)	(1,597,174)	(2,614,936)
At December 31, 2021	<u>\$ 10,772,950</u>	<u>\$ 48,785,729</u>	<u>\$ 448,863</u>	<u>\$ 98,948,118</u>	<u>\$ 158,955,660</u>
	Corporate bonds payable (including current portion)	Long-term borrowings (including current portion)	Guarantee deposits received	Lease liabilities and financial liabilities for hedging (including current portion)	Liabilities from financing activities-gross
At January 1, 2020	\$ 10,000,000	\$ 106,701,568	\$ 325,987	\$ 81,231,835	\$ 198,259,390
Changes in cash flow from financing activities	8,635,118	(7,097,184)	(14,981)	(11,728,475)	(10,205,522)
Acquired from business combinations	-	-	13	2,586	2,599
Additions to lease liabilities	-	-	-	8,621,034	8,621,034
Remeasurement of lease liabilities	-	-	-	953,252	953,252
Changes in other non-cash items	(1,856,075)	-	-	(3,889)	(1,859,964)
Impact of changes in foreign exchange rate	-	(4,362,336)	(10,199)	(4,905,411)	(9,277,946)
At December 31, 2020	<u>\$ 16,779,043</u>	<u>\$ 95,242,048</u>	<u>\$ 300,820</u>	<u>\$ 74,170,932</u>	<u>\$ 186,492,843</u>

7. RELATED PARTY TRANSACTIONS

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

<u>Names of related parties</u>	<u>Relationship with the Group</u>
Evergreen International Storage and Transport Corp. (EITC)	Associate
Eva Airways Corp. (EVA)	Associate
Evergreen Security Corp. (ESC)	Associate
Chang Yang Development Co., Ltd. (CYD)	Associate
Taipei Port Container Terminal Corp. (TPCT)	Associate
Ningbo Victory Container Co. Ltd. (NVC)	Associate
Qingdao Evergreen C&T Co., Ltd. (QECT)	Associate
Ever Ecove Corporation (EEC)	(An associate since December 1, 2020)
Green Properties Sdn. Bhd. (GPP)	Associate
Luanta Investment (Netherlands) N.V. (Luanta)	Associate
Balsam Investment (Netherlands) N.V. (Balsam)	Associate
Italia Marittima S.p.A. (ITS)	Associate
Colon Container Terminal S.A. (CCT)	Associate
PT. Evergreen Shipping Agency Indonesia (EMI)	Associate
Evergreen Shipping Agency Co. (U.A.E) LLC (UAE)	Associate
Evergreen Shipping Agency Lanka (Private) Limited (ELK)	Associate
VIP Greenport Joint Stock Company (VGP)	Associate
Ics Depot Services Sdn. Bhd. (IDS)	Associate
Evergreen Marine (Latin America), S.A. (ELA)	(A subsidiary since March 1, 2020)
Evergreen International Corp. (EIC)	Other related party
Evergreen Airline Service Corp. (EGAS)	Other related party
Chang Yung-Fa Charity Foundation (CYFC)	Other related party
Chang Yung-Fa Foundation (CYFF)	Other related party
Evergreen Steel Corp. (EGST)	Other related party
Ever Accord Construction Corporation (EAC)	Other related party
Evergreen Aviation Technologies Corporation (EGAT)	Other related party
Evergreen Logistics Corp. (ELC)	Other related party
Evergreen Sky Catering Corporation (EGSC)	Other related party
Evergreen Air Cargo Services Corporation (EGAC)	Other related party
Central Reinsurance Corporation(CRC)	Other related party
Evergreen International S.A.(EIS)	Other related party
Evergreen Marine (Singapore) Pte. Ltd.(EMS)	Other related party
Gaining Enterprise S.A. (GESA)	Other related party
Evergreen Insurance Company Ltd. (EINS)	Other related party
Evergreen Shipping Agency (America) Corporation (EGA)	Other related party

Names of related parties	Relationship with the Group
Evergreen Shipping Agency (Japan) Corporation (EGJ)	Other related party
Evergreen Shipping Agency Philippines Corporation (EGP)	Other related party (A subsidiary since July 1, 2020)
Evergreen International Myanmar Co., Ltd. (EIM)	Other related party
Chestnut Estate B.V. (Chestnut)	Other related party
Advanced Business Process, Inc. (ABPI)	Other related party
Unigreen Marine S.A.(UMS)	Other related party (A subsidiary since July 1, 2021)
Evergreen Logistics Philippines Corp. (ELCP)	Other related party
Round the World S.A. (RTW)	Other related party
Evergreen Logistics Co., Ltd. (ELCSH)	Other related party
Evergreen Logistics (HK) Ltd. (ELCHK)	Other related party
Round the World Logistics (U.S.A.) Corps. (RTWL)	Other related party
Everconcord, S.A. (ECC)	Other related party
Directors, General Manager and Vice General Manager	Key management

(2) Significant related party transactions and balances

A. Operating revenue:

	Year ended December 31, 2021	Year ended December 31, 2020
Associates	\$ 2,061,692	\$ 2,016,084
Other related parties	22,394,736	12,230,309
	<u>\$ 24,456,428</u>	<u>\$ 14,246,393</u>

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

B. Operating cost and expense:

	Year ended December 31, 2021	Year ended December 31, 2020
Associates	\$ 5,792,185	\$ 3,988,736
Other related parties	12,161,518	7,306,331
	<u>\$ 17,953,703</u>	<u>\$ 11,295,067</u>

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

C. Receivables from related parties:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Accounts receivable:		
Associates	\$ 66,457	\$ 95,943
Other related parties	<u>1,934,249</u>	<u>753,489</u>
Subtotal	<u>\$ 2,000,706</u>	<u>\$ 849,432</u>
Other receivables:		
Associates	\$ 5,814	\$ 3,859
Other related parties	<u>21,378</u>	<u>16,005</u>
Subtotal	<u>\$ 27,192</u>	<u>\$ 19,864</u>
Total	<u><u>\$ 2,027,898</u></u>	<u><u>\$ 869,296</u></u>

The receivables from related parties arise mainly from sale transactions. The receivables are unsecured in nature and bear no interest. The receivables include provisions against receivables from related parties.

D. Payables to related parties:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Accounts payable:		
Associates	\$ 105,026	\$ 89,633
Other related parties	<u>190,843</u>	<u>146,571</u>
Subtotal	<u>\$ 295,869</u>	<u>\$ 236,204</u>
Other payables:		
Associates	\$ 5,774	\$ 22,400
Other related parties	<u>109,375</u>	<u>99,118</u>
Subtotal	<u>\$ 115,149</u>	<u>\$ 121,518</u>
Total	<u><u>\$ 411,018</u></u>	<u><u>\$ 357,722</u></u>

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

E. Property transactions:

(a) Acquisition of property, plant and equipment:

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

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

(b) Disposal of property, plant and equipment:

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

F. Leasing arrangements - lessee

(a) The Group leases buildings, ships as well as loading and unloading equipment from associates and other related parties. Rental contracts are typically made for periods of 2 to 10 years, rents are paid in accordance with the contract terms.

(b) Acquisition of right-of-use assets:

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

(c) Lease liabilities:

i. Outstanding balance:

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

ii. Interest expense:

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

G. Agency accounts:

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

H. Shipowner's accounts:

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

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

I. Loans to/from related parties:

(a) Loans to related parties:

i. Outstanding balance:

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

ii. Interest income:

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

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

(b) Loans from related parties:

i. Outstanding balance:

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

ii. Interest expense:

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

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

J. Endorsements and guarantees provided to related parties:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Associates	\$ 815,365	\$ 1,827,476
Other related parties	2,404,006	-
	<u>\$ 3,219,371</u>	<u>\$ 1,827,476</u>

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

L. On June 30, 2020, the Board of Directors of the subsidiary, EGH, approved to acquire 40% and 60% equity interests of EGP from the other related party, EIS, and ELCP. The transaction date was July 1, 2020, and the transaction price amounted to \$141,760 (approx. PHP 239,500).

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

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

(3) Key management compensation

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

8. PLEDGED ASSETS

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

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

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT

COMMITMENTS

(1) Contingencies

None.

(2) Commitments

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

price of the contracts amounted to USD 17,440, of which USD 15,199 remain unpaid.

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

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

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

I. As of December 31, 2021, the Group had entered into a service contract which was not belonging to lease component. The amount of future commitment payment is provided in Note 6(10).

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

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

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

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

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

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

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

	EGJ	
	<u>January 1, 2022</u>	
Purchase consideration		
Cash paid	\$	402,843
Fair value of the identifiable assets acquired and liabilities assumed		
Cash and cash equivalents		249,061
Accounts receivable, net		7,383
Prepayments		24,723
Other current assets		225,402
Non-current financial assets at fair value through other comprehensive income		72
Property, plant and equipment, net		596,166
Right-of-use assets		15,800
Investment property, net		770,442
Intangible assets		5,109
Other non-current assets		4,245
Short-term loans	(649,082)
Accounts payable	(617,321)
Current income tax liabilities	(42,579)
Other current liabilities	(97,939)
Current lease liabilities	(15,800)
Other non-current liabilities	(<u>310,985)</u>
Total identifiable net assets		<u>164,697</u>
Goodwill	\$	<u>238,146</u>

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders and issue new shares to maintain an optimal capital structure.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 44,999	\$ 4,289
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	\$ 2,123,381	\$ 1,657,983
<u>Financial assets at amortised cost</u>		
Cash and cash equivalents	\$ 107,792,396	\$ 44,096,485
Financial assets at amortised cost	93,617,198	7,117,212
Notes receivable	357,461	113,313
Accounts receivable	41,180,398	21,805,310
Other accounts receivable	1,130,938	986,883
Guarantee deposits paid	267,607	236,729
	<u>\$ 244,345,998</u>	<u>\$ 74,355,932</u>
Financial assets for hedging (including current portion)	\$ 24,514,739	\$ -
<u>Financial liabilities</u>		
<u>Financial liabilities at amortised cost</u>		
Notes payable	\$ 392	\$ 3,973
Accounts payable	30,374,828	20,563,234
Other accounts payable	11,595,376	5,586,636
Bonds payable (including current portion)	10,772,950	16,779,043
Lease payable (including current portion)	87,439,245	63,300,557
Long-term borrowings (including current portion)	48,785,729	95,242,048
Guarantee deposits received	448,863	300,820
	<u>\$ 189,417,383</u>	<u>\$ 201,776,311</u>
Financial liabilities for hedging (including current portion)	\$ 11,508,873	\$ 10,870,375

B. Financial risk management policies

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

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

December 31, 2021			
	Foreign currency amount	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,930,892	27.6545	\$ 53,397,853
EUR:NTD	9,873	31.3837	309,851
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,375,077	27.6545	\$ 38,027,067
HKD:USD	116,492	0.1282	\$ 413,000
GBP:USD	5,601	1.3497	\$ 209,059
EUR:USD	4,110	1.1326	\$ 128,731
CNY:USD	298,559	0.1570	\$ 1,296,270

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

- iv. The total exchange gain, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2021 and 2020 amounted to \$307,200 and \$601,300, respectively.

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

Year ended December 31, 2021			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 288,832	\$ 245,147
EUR:NTD	1%	3,099	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 265,182	\$ 115,089
HKD:USD	1%	4,130	-
GBP:USD	1%	2,091	-
EUR:USD	1%	1,287	-
CNY:USD	1%	12,963	-
Year ended December 31, 2020			
Sensitivity analysis			
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 302,376	\$ -
JPY:USD	1%	1,274	-
GBP:USD	1%	1,728	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 201,994	\$ 108,704
HKD:USD	1%	4,686	-
GBP:USD	1%	1,661	-
EUR:USD	1%	1,625	-
CNY:USD	1%	10,796	-

Price risk

- i. The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated balance sheet at fair value through other comprehensive income. The Group is not exposed to significant commodity price risk. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- ii. The Group's investments in equity securities comprise domestic listed and unlisted stocks. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, equity would have increased/decreased by \$20,949 and \$16,303 for the years ended December 31, 2021 and 2020, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During the years ended December 31, 2021 and 2020, the Group's borrowings at variable rate were denominated in the NTD and USD.
- ii. At December 31, 2021 and 2020, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the years ended December 31, 2021 and 2020 would have been \$439,418 and \$853,750 lower/higher, respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the notes receivable, accounts receivable, contract assets and financial assets at amortised cost based on the agreed terms.
- ii. The Group manages their credit risk taking into consideration the entire group's concern. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.
- iii. The Group manages their credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with good credit rating are accepted.

- iv. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- v. The default occurs when the contract payments are past due over 30 days.
- vi. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- vii. The Group classifies customers' accounts receivable and contract assets in accordance with geographic area. The Group applies the modified approach based on the loss rate methodology to estimate expected credit loss.
- viii. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. As of December 31, 2021 and 2020, the Group has no written-off financial assets that are still under recourse procedures.
- ix. The Group used the forecastability to adjust historical, timely information, economic conditions of the industry, GDP forecast and trade growth rate to assess the default possibility of notes receivable, accounts receivable (including related parties), contract assets and overdue receivables. As of December 31, 2021 and 2020, the loss rate methodology is as follows:

Notes receivable			
<u>December 31, 2021</u>	<u>Total book value</u>	<u>Expected loss rate</u>	<u>Loss allowance</u>
Not past due	\$ 302,205	0%	\$ -
Up to 30 days	55,256	0%	-
	<u>\$ 357,461</u>		<u>\$ -</u>
Accounts receivable (including related parties)			
<u>December 31, 2021</u>	<u>Total book value</u>	<u>Expected loss rate</u>	<u>Loss allowance</u>
Not past due	\$ 29,159,450	0.0000%~0.0280%	\$ 95
Up to 30 days	10,942,351	0.0556%~0.2497%	271
31 to 180 days	1,083,091	0.0021%~4.5964%	4,128
	<u>\$ 41,184,892</u>		<u>\$ 4,494</u>
Contract assets			
<u>December 31, 2021</u>	<u>Total book value</u>	<u>Expected loss rate</u>	<u>Loss allowance</u>
Not past due	<u>\$ 4,525,961</u>	0%	<u>\$ -</u>
Notes receivable			
<u>December 31, 2020</u>	<u>Total book value</u>	<u>Expected loss rate</u>	<u>Loss allowance</u>
Not past due	<u>\$ 113,314</u>	0.0225%	<u>\$ 1</u>
Accounts receivable (including related parties)			
<u>December 31, 2020</u>	<u>Total book value</u>	<u>Expected loss rate</u>	<u>Loss allowance</u>
Not past due	\$ 17,859,541	0.0009%~0.0225%	\$ 1,029
Up to 30 days	3,758,485	0.0046%~0.2506%	2,374
31 to 180 days	194,026	0.0028%~16.126%	3,339
	<u>\$ 21,812,052</u>		<u>\$ 6,742</u>
Contract assets			
<u>December 31, 2020</u>	<u>Total book value</u>	<u>Expected loss rate</u>	<u>Loss allowance</u>
Not past due	<u>\$ 3,041,774</u>	0.0016%~0.0028%	<u>\$ 205</u>

- x. Movements in relation to the Group applying the modified approach to provide loss allowance for notes receivable, accounts receivable (including related parties), contract assets and overdue receivables are as follows:

	2021		
	Notes receivable	Accounts receivable	Contract assets
At January 1	(\$ 1)	(\$ 6,742)	(\$ 205)
Provision for impairment	-	(4,370)	-
Reversal of impairment loss	1	6,238	204
Effect of foreign exchange	-	380	1
At December 31	<u>(\$ -)</u>	<u>(\$ 4,494)</u>	<u>\$ -</u>

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

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group's Finance Department. Group's Finance Department monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- ii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities.

Non-derivative financial liabilities:

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

Non-derivative financial liabilities:

December 31, 2020	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Notes payable	\$ 3,973	\$ -	\$ -	\$ -	\$ -	\$ 3,973
Accounts payable	20,192,859	134,171	-	-	-	20,327,030
Accounts payable - related parties	236,204	-	-	-	-	236,204
Other payables	4,760,272	695,597	-	-	-	5,455,869
Other payables - related parties	121,518	-	-	-	9,249	130,767
Bonds payable (including current portion)	-	4,101,200	4,059,200	9,166,381	-	17,326,781
Long-term loans (including current portion)	3,531,587	15,807,525	22,915,040	40,304,550	16,301,419	98,860,121
Lease payable and financial liabilities for hedging (including current portion)	3,331,990	9,118,680	16,533,263	25,291,130	29,755,185	84,030,248

- iii. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value estimation

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active if it meets all the following conditions: the items traded in the market are homogeneous; willing buyers and sellers can normally be found at any time; and prices are available to the public. The fair value of the Group's investment in listed stocks, beneficiary certificates and derivative instruments with quoted market prices is included in Level.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. Fair value information of investment property at cost is provided in Note 6(12).

C. Financial instruments not measured at fair value

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

	December 31, 2021		
	Book value	Fair value Level 2	Fair value Level 3
	Financial liabilities:		
Bonds payable (including current portion)	\$ 10,772,950	\$ 4,772,950	\$ 6,049,253
Long-term loans (including current portion)	48,785,729	-	51,265,080
	<u>\$ 59,558,679</u>	<u>\$ 4,772,950</u>	<u>\$ 57,314,333</u>
	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)	95,242,048	-	98,724,856
	<u>\$ 112,021,091</u>	<u>\$ 6,779,043</u>	<u>\$ 108,880,021</u>

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

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

December 31, 2021	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Derivative instruments	\$ -	\$ 44,999	\$ -	\$ 44,999
Financial assets at fair value through other comprehensive income				
Equity securities	1,478,540	-	644,841	2,123,381
	<u>\$ 1,478,540</u>	<u>\$ 44,999</u>	<u>\$ 644,841</u>	<u>\$ 2,168,380</u>
December 31, 2020	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
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	1,131,969	-	526,014	1,657,983
	<u>\$ 1,131,969</u>	<u>\$ 4,289</u>	<u>\$ 526,014</u>	<u>\$ 1,662,272</u>

(b) The methods and assumptions the Group used to measure fair value are as follows:

i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed shares</u>
Market quoted price	Closing price

- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date (i.e. yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters).
- iii. When assessing non-standard and low-complexity financial instruments, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

- iv. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate. Structured interest derivative instruments are measured by using appropriate option pricing models (i.e. Black-Scholes model) or other valuation methods, such as Monte Carlo simulation.
 - v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
 - vi. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.
- E. For the years ended December 31, 2021 and 2020, there was no transfer between Level 1 and Level 2.
- F. The following chart is the movement of Level 3 for the years ended December 31, 2021 and 2020:

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

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

- G. For the years ended December 31, 2021 and 2020, there was no transfer into or out from Level 3.
- H. The Group is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

I. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 638,069	Market comparable companies	Price to earnings ratio multiple	7.28~40.52	The higher the multiple and control premium, the higher the fair value
			Price to book ratio multiple	0.50~3.38	The higher the multiple and control premium, the higher the fair value
			Discount for lack of marketability	20%~30%	The higher the weighted average cost of capital and discount for lack of control, the lower the fair value
Venture capital shares Private equity fund investment	6,772	Net asset value	Not applicable		Not applicable

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

J. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in difference measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets categorised within Level 3 if the inputs used to valuation models have changed:

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

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

(4) Other

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

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 4.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Please refer to table 6.

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

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

(3) Information on investments in Mainland China

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

(4) Information of major shareholder

Information of major shareholder: Please refer to table 9.

14. SEGMENT INFORMATION

(1) General information

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

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

(2) Segment information

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

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

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

(3) Reconciliation for segment income (loss)

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

(4) Trading information

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

(5) Geographical information

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

(6) Major customer information

The Group provides services to customers all over the world. No single customer of the Group accounts for more than 10% of the Group's operating revenues.

Evergreen Marine Corporation (Taiwan) Ltd.
Loans to others
For the year ended December 31, 2021

Expressed in thousands of TWD/thousands of foreign currency

Table 1

Number (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2021 (Note 3)	Balance at December 31, 2021 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful accounts	Collateral		Ceiling on total loans granted (Note 7)	Footnote
													Item	Value		
1	Peony Investment S.A.	Luanata Investment (Netherlands) N.V.	Receivables from related parties	Yes	\$ 27,991	\$ -	\$ -	-	2	\$ -	Working capital requirement	\$ -	None	\$ 14,754,479	36,886,197	
1	Peony Investment S.A.	Clove Holding Ltd.	Receivables from related parties	Yes	227,932	221,236	207,409	1.1913-1.20350	2	-	Working capital requirement	-	None	29,508,958	36,886,197	(Note9)
1	Peony Investment S.A.	Colon Container Terminal S.A.	Receivables from related parties	Yes	575,528	558,621	558,621	1.18863-1.20200	2	-	Working capital requirement	-	None	14,754,479	36,886,197	
2	Evergreen Marine (Hong Kong) Ltd.	Colon Container Terminal S.A.	Receivables from related parties	Yes	129,494	125,690	125,690	1.18863-1.20200	2	-	Working capital requirement	-	None	16,766,440	33,532,880	
3	Everport Terminal Services Inc.	Whiney Equipment LLC.	Receivables from related parties	Yes	256,424	165,927	165,927	1.35820	2	-	Working capital requirement	-	None	1,380,788	1,725,985	(Note9)

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

(1)The Company is '0'.

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

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

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

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

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

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

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

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

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

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

The Company held 100% voting shares directly and indirectly in foreign company, that the total amount of loans granted to a single company should not exceed 40% of the net worth stated in the latest financial statements.

PEONY : USD 2,667,645*27.6545*40%/(=29,508,958

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

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

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

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

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

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

Note 8: The amounts of funds to be loaned to others which have been approved by the Board of Directors of a public company in accordance with Article 14, Item 1 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", should be included in its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears, even though they have not yet been appropriated. However, this balance should exclude the loans repaid when repayments are done subsequently to reflect the risk adjustment. In addition, if the Board of Directors of a public company has authorized the Chairman to loan funds in insurances or in revolving within certain lines and within one year in accordance with Article 14, Item 2 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", the published balance of loans to others at the end of the reporting period should also include these lines of loaning approved by the Board of Directors, and these lines of loaning should not be excluded from this balance, even though the loans are repaid subsequently, for taking into consideration that they could be loaned again thereafter.

Note 9: This transaction was written off when the consolidated financial statements were prepared.

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

Expressed in thousands of TWD/thousands of foreign currency

Table 2

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

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

Expressed in thousands of TWD/thousands of foreign currency

Table 2

Number (Note 1)	Endorser/Guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2021 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2021 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
4	Evergreen Marine (Asia) Pte. Ltd.	Evergreen Shipping Agency(Japan) Corp.	2	178,692,691	2,404,006	2,404,006	-	-	2.69%	223,365,863	N	N	N	

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

(1) The Company is '0'.

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

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following six categories; fill in the number of category each case belongs to:

(1) Having business relationship.

(2) The endorser/guarantor parent company directly and indirectly owns more than 50% voting shares of the endorsed/guaranteed company.

(3) The endorsed/guaranteed parent company directly and indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.

(4) The parent company directly or indirectly owns more than 90% voting shares of the companies that make endorsements/guarantees for each other.

(5) The parent company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.

(6) Due to joint venture, all capital contributing shareholders make endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

(7) Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: Fill in limit on endorsements/guarantees provided for a single party and ceiling on total amount of endorsements/guarantees provided as prescribed in the endorser/guarantor company's "Procedures for Provision of Endorsements and Guarantees", and state each individual party to which the endorsements/guarantees have been provided and the calculation for ceiling on total amount of endorsements/guarantees provided in the footnote.

The calculation is as follows:

The Company: $326,784,536 \times 25.0\% = 81,696,134$

Limit on endorsement or guarantees provided by the Company for a single entity is \$163,392,268 (Amounting to 50% of its net worth).

(When the Company owns more than 50% voting shares of the endorsed/guaranteed company, the limit on endorsement or guarantee provided by the Company should not exceed 200% of its net worth, which equals to \$653,569,072.)

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

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

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

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

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

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

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

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

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

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

Ceiling on total amount of endorsements/guarantees: $USD\ 3,230,807 \times 27.6545\% \times 250\% = 223,365,863$

Limit on endorsements or guarantees provided for a single entity: 178,692,691 (Amounting to 200% of its net worth).

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

Note 5: Fill in the amount approved by the Board of Directors or the chairman if the chairman has been authorized by the Board of Directors.

Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary, provision by subsidiary to listed parent company, and provision to the party in Mainland China.

Evergreen Marine Corporation (Taiwan) Ltd.
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
For the year ended December 31, 2021

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

Table 3

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2021				Footnote (Note 4)
				Number of shares	Book value (Note 3)	Ownership (%)	Fair value	
Evergreen Marine Corporation	Stock:							
	Power World Fund Inc.		Financial asset measured at fair value through other comprehensive income - non-current	677	\$ 6,772	5.68%	\$ 6,772	
	Linden Technologies, Inc.		"	50	21,062	1.44%	21,062	
	TopLogis, Inc.		"	2,464	21,665	17.48%	21,665	
	Ever Accord Construction Corp.	Other related party	"	10,500	97,900	17.50%	97,900	
	Central Reinsurance Corp.	"	"	49,866	1,478,541	8.45%	1,478,541	
	Financial bonds:							
	Sunny Bank 2nd Subordinate Financial Debentures-B Issue in 2015		Financial asset measured at amortised cost - current	-	50,000	-	50,000	
	Sunny Bank 3rd Subordinate Financial Debentures-B Issue in 2017		Financial asset measured at amortised cost - non-current	-	50,000	-	50,000	
Peony Investment S.A.	Hutchison Inland Container Depots Ltd.		Financial asset measured at fair value through other comprehensive income - non-current	0.75	USD 549	5.27%	USD 549	
Evergreen Shipping Agency (Europe) GmbH	South Asia Gateway Terminal (Private) Ltd.		"	18,942	USD 17,423	5.00%	USD 17,423	
Evergreen Shipping Agency Philippines Corporation	Zoll Pool Hafen Hamburg AG		"	10	EUR 10	2.86%	EUR 10	
	Eagle Ridge Golf & Country Club Inc.		"	0.001	PHP 230	0.02%	PHP 230	

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

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

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

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

Evergreen Marine Corporation (Taiwan) Ltd.

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

For the year ended December 31, 2021

Table 4

Expressed in thousands of TWD/thousands of foreign currency

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction			Differences in transaction terms compared to third party transactions (Note 1)			Notes/accounts receivable (payable)		Footnote (Note 2)	
			Purchases/sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)		
Evergreen Marine Corporation	Everport Terminal Services Inc.	Subsidiary	Purchases	\$ 2,029,767	4%	30-60 days	\$ -	-	-	-	0%	(Note)
	Greencompass Marine S.A.	Indirect subsidiary	Purchases	772,734	1%	30-60 days	-	-	-	-	0%	(Note)
			Sales	1,517,354	2%	30-60 days	-	-	277	-	0%	(Note)
	Taiwan Terminal Services Co., Ltd.	Subsidiary	Purchases	855,926	2%	30-60 days	-	-	(118,545)	-	2%	(Note)
	Italia Marittima S.P.A.	Associates	Purchases	269,145	1%	30-60 days	-	-	-	-	0%	
			Sales	295,600	0%	30-60 days	-	-	179	-	0%	
	Evergreen International Storage and Transport Corp.	Associates	Purchases	670,002	1%	30-60 days	-	-	(17,732)	-	0%	
	Evergreen Shipping Agency (America) Corporation	Other related parties	Purchases	840,445	2%	30-60 days	-	-	-	-	0%	
			Sales	118,276	0%	30-60 days	-	-	16,246	-	0%	
	Evergreen International Corp.	Other related parties	Purchases	1,643,420	3%	30-60 days	-	-	(4,941)	-	0%	
			Purchases	332,665	1%	30-60 days	-	-	-	-	0%	(Note)
	Evergreen Marine (UK) Limited	Indirect subsidiary	Sales	439,123	0%	30-60 days	-	-	11	-	0%	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Purchases	280,515	1%	30-60 days	-	-	(3,510)	-	0%	
			Sales	1,231,238	1%	30-60 days	-	-	730	-	0%	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary	Purchases	2,870,110	5%	30-60 days	-	-	(658)	-	0%	(Note)
			Sales	1,599,136	2%	30-60 days	-	-	26,090	-	0%	(Note)
Evergreen Marine (Asia) Pte. Ltd.	Subsidiary	Purchases	738,648	1%	30-60 days	-	-	(1,372)	-	0%	(Note)	
		Sales	1,367,715	1%	30-60 days	-	-	23,382	-	0%	(Note)	

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)			Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)		
Evergreen Marine Corporation	Evergreen Shipping Agency (Europe) GmbH	Subsidiary	Purchases	\$ 165,619	0%	30-60 days	\$ -	-	\$ -	0%	(Note)	
	Evergreen Logistics Corp.	Other related parties	Sales	413,444	0%	30-60 days	-	-	-	0%		
	Round The World Logistics (U.S.A) Corp.	Other related parties	Sales	632,555	1%	30-60 days	-	-	-	0%		
	Evergreen Logistics Co., Ltd.	Other related parties	Sales	165,121	0%	30-60 days	-	-	-	0%		
	Gaining Enterprise S.A.	Other related parties	Purchases	243,431	0%	30-60 days	-	-	-	0%		
	Evergreen Marine Corp. (Malaysia) Sdn.Bhd.	Indirect subsidiary	Purchases	146,858	0%	30-60 days	-	-	-	0%	(Note)	
	Evergreen Shipping Agency (Vietnam) Corp.	Indirect subsidiary	Purchases	176,925	0%	30-60 days	-	-	-	0%	(Note)	
	PT. Evergreen Shipping Agency Indonesia	Associates	Purchases	144,395	0%	30-60 days	-	-	-	0%		
	Evergreen Shipping Agency (Japan) Corporation	Other related parties	Purchases	130,269	0%	30-60 days	-	-	-	0%		
	Evergreen Insurance Company Limited	Other related parties	Purchases	109,146	0%	30-60 days	-	-	-	0%		
	Taipei Port Container Terminal Corporation	Associates	Purchases	237,012	0%	30-60 days	-	-	(90)	0%		
	Evergreen Marine Corp.	The parent	Sales	855,926	100%	30-60 days	-	-	118,545	100%	(Note)	
	Evergreen Marine Corp.	The parent	Sales	72,680	16%	30-60 days	-	-	-	0%	(Note)	
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	77,857	17%	30 days	-	-	-	0%		
Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	72,805	16%	30 days	-	-	-	0%	(Note)		
Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	58,719	13%	30 days	-	-	-	0%	(Note)		
Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	54,918	12%	30 days	-	-	-	0%	(Note)		
Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Purchases	6,926	1%	30 days	-	-	-	0%	(Note)		
Evergreen Shipping Agency (America) Corporation	Other related parties	Purchases	6,889	1%	30 days	-	-	(USD 189)	0%			

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction					Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)		
											Unit price	
Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine Corp.	The parent	Sales	USD 102,770	2%	30-60 days	\$ -	-	USD 24	0%	(Note)	
			Purchases	USD 57,260	3%	30-60 days	-	-	(USD 943)	0%	(Note)	
	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	USD 99,525	2%	30-60 days	-	-	-	0%	(Note)	
			Purchases	USD 28,200	2%	30-60 days	-	-	-	0%	(Note)	
	Italia Marittima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Sales	USD 18,375	0%	30-60 days	-	-	USD 2	0%		
			Purchases	USD 37,073	2%	30-60 days	-	-	(USD 5)	0%		
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	USD 209,982	5%	30-60 days	-	-	USD 58	0%		
			Purchases	USD 11,272	1%	30-60 days	-	-	(USD 745)	0%		
	Evergreen International Corp.	Other related parties	Purchases	USD 19,694	1%	30-60 days	-	-	-	0%		
			Sales	USD 37,528	1%	30-60 days	-	-	USD 4,326	0%	(Note)	
	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Purchases	USD 98,231	6%	30-60 days	-	-	(USD 689)	0%	(Note)	
			Sales	USD 163,739	4%	30-60 days	-	-	USD 21	0%	(Note)	
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Purchases	USD 28,540	2%	30-60 days	-	-	(USD 725)	0%	(Note)	
			Purchases	USD 54,918	3%	30 days	-	-	-	0%	(Note)	
	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 44,243	3%	30-60 days	-	-	-	0%		
			Purchases	USD 9,517	1%	30-60 days	-	-	-	0%	(Note)	
	Evergreen Shipping Agency (America) Corporation	Other related parties	Purchases	USD 9,359	1%	30-60 days	-	-	-	0%	(Note)	
			Purchases	USD 5,977	0%	30-60 days	-	-	-	0%	(Note)	
	Evergreen Shipping Agency (Europe) GmbH	Indirect subsidiary of the Parent Company	Purchases	USD 7,191	0%	30-60 days	-	-	-	0%		
			Purchases	USD 39,758	1%	30-60 days	-	-	-	0%		
Evergreen Shipping Agency (Vietnam) Corp.	Indirect subsidiary of the Parent Company	Purchases	USD 18,430	0%	30-60 days	-	-	-	0%			
		Purchases	USD 18,430	0%	30-60 days	-	-	-	0%			
Evergreen Shipping Agency (Thailand) Co., Ltd	Associates	Purchases	USD 18,430	0%	30-60 days	-	-	-	0%			
		Purchases	USD 18,430	0%	30-60 days	-	-	-	0%			
Taipei Port Container Terminal Corporation	Other related parties	Purchases	USD 18,430	0%	30-60 days	-	-	-	0%			
		Purchases	USD 18,430	0%	30-60 days	-	-	-	0%			
Round The World Logistics (U.S.A) Corp.	Other related parties	Sales	USD 18,430	0%	30-60 days	-	-	-	0%			
		Sales	USD 18,430	0%	30-60 days	-	-	-	0%			
Evergreen Logistics Corp.	Other related parties	Sales	USD 18,430	0%	30-60 days	-	-	-	0%			
		Sales	USD 18,430	0%	30-60 days	-	-	-	0%			

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)	
			Purchases/sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)		
Evergreen Marine (Hong Kong) Ltd.	Evergreen Logistics Co., Ltd.	Other related parties	Sales	USD 4,298	0%	30-60 days	\$ -	-	-	0%		
	Evergreen International Storage and Transport Corp.	Associates	Purchases	USD 9,946	1%	30-60 days	-	-	-	0%		
	Evergreen Shipping Agency (China) Co., Ltd.	Subsidiary	Purchases	USD 47,098	3%	30-60 days	-	-	(USD 13,348)	0%	(Note)	
	Evergreen Shipping Agency (Japan) Corporation	Other related parties	Purchases	USD 4,728	0%	30-60 days	-	-	-	0%		
	Evergreen Marine Co. (Malaysia) SDN.BHD.	Indirect subsidiary of the Parent Company	Purchases	USD 4,270	0%	30-60 days	-	-	-	0%	(Note)	
	Evergreen Marine (Asia) Pte. Ltd.	Evergreen Marine Corp.	The parent	Sales	USD 26,449	1%	30-60 days	-	-	USD 50	0%	(Note)
				Purchases	USD 48,974	3%	30-60 days	-	-	(USD 845)	0%	(Note)
		Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	USD 11,534	0%	30-60 days	-	-	-	0%	(Note)
				Purchases	USD 146,256	8%	30-60 days	-	-	(USD 38)	0%	(Note)
		Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	USD 28,540	1%	30-60 days	-	-	USD 725	0%	(Note)
			Purchases	USD 163,739	8%	30-60 days	-	-	(USD 21)	0%	(Note)	
Italia Marittima S.p.A.		Investee of Balsam Investment (NetherLands) N.V.	Sales	USD 4,890	0%	30-60 days	-	-	USD 6	0%		
			Purchases	USD 14,869	1%	30-60 days	-	-	(USD 3)	0%		
Evergreen Logistics Co., Ltd.		Other related parties	Sales	USD 4,226	0%	30-60 days	-	-	-	0%		
Evergreen Marine (Singapore) Pte. Ltd.		Other related parties	Sales	USD 25,382	0%	30-60 days	-	-	USD 19	0%		
		Purchases	USD 13,684	1%	30-60 days	-	-	(USD 2,378)	0%			
Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	USD 4,029	0%	30-60 days	-	-	-	0%	(Note)		
		Purchases	USD 94,540	5%	30-60 days	-	-	(USD 150)	0%	(Note)		
Round The World Logistics (U.S.A) Corp.	Other related parties	Sales	USD 45,046	1%	30-60 days	-	-	-	0%			
Evergreen Logistics Corp.	Other related parties	Sales	USD 27,341	1%	30-60 days	-	-	-	0%			
Evergreen International Corp.	Other related parties	Purchases	USD 25,942	1%	30-60 days	-	-	-	0%			

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)	
			Purchases/sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)		
Evergreen Marine (Asia) Pte. Ltd.	Evergreen International Storage and Transport Corp.	Associates	Purchases	USD 7,843	0%	30-60 days	\$ -	-	\$ -	0%		
	Evergreen Shipping Agency (India) Pvt. Ltd.	Indirect subsidiary of the Parent Company	Purchases	USD 3,922	0%	30-60 days	-	-	(USD 801)	0%	(Note)	
	Evergreen Shipping Agency (Thailand) Co., Ltd	Indirect subsidiary of the Parent Company	Purchases	USD 4,694	0%	30-60 days	-	-	-	0%	(Note)	
	PT. Evergreen Shipping Agency Indonesia	Associates	Purchases	USD 5,488	0%	30-60 days	-	-	-	0%		
	Evergreen Shipping Agency (Europe) GmbH	Indirect subsidiary of the Parent Company	Purchases	USD 8,402	0%	30-60 days	-	-	-	0%	(Note)	
	Evergreen Marine Co. (Malaysia) SDN.BHD.	Indirect subsidiary of the Parent Company	Purchases	USD 6,122	0%	30-60 days	-	-	-	0%	(Note)	
	Evergreen Shipping Agency (Vietnam) Corp.	Indirect subsidiary of the Parent Company	Purchases	USD 9,107	0%	30-60 days	-	-	-	0%	(Note)	
	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 6,926	0%	30 days	-	-	-	0%	(Note)	
	Evergreen Shipping Agency (America) Corporation	Other related parties	Purchases	USD 56,319	3%	30-60 days	-	-	-	0%		
	Evergreen Shipping Agency (Japan) Corporation	Other related parties	Purchases	USD 6,239	0%	30-60 days	-	-	-	0%		
	Taipei Port Container Terminal Corporation	Associates	Purchases	USD 5,695	0%	30-60 days	-	-	-	0%		
	Greencoast Marine S.A.	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	USD 14,145	0%	30-60 days	-	-	-	0%	(Note)
		Evergreen Marine Corp.	The parent	Purchases	USD 17,564	1%	30-60 days	-	-	-	0%	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Sales	USD 27,669	1%	30-60 days	-	-	-	0%	(Note)
Evergreen Marine (Singapore) Pte. Ltd.		Other related parties	Purchases	USD 54,352	3%	30-60 days	-	-	(USD 10)	0%	(Note)	
Italia Marittima S.p.A.	Evergreen Marine (Singapore) Pte. Ltd.	Subsidiary of the Parent Company	Purchases	USD 72,805	4%	30 days	-	-	-	0%	(Note)	
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	USD 36,297	1%	30-60 days	-	-	USD 71	3%		
Evergreen Shipping Agency (America) Corporation	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Purchases	USD 14,451	1%	30-60 days	-	-	-	0%		
	Italia Marittima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Sales	USD 15,172	0%	30-60 days	-	-	-	0%		
Evergreen Shipping Agency (America) Corporation	Evergreen Shipping Agency (America) Corporation	Other related parties	Purchases	USD 28,299	1%	30-60 days	-	-	-	0%		
	Evergreen Shipping Agency (America) Corporation	Other related parties	Purchases	USD 33,112	2%	30-60 days	-	-	-	0%		

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Greencoast Marine S.A.	Evergreen International Corp.	Other related parties	Purchases	USD 20,644	1%	30-60 days	\$ -	-	-	0%	
	Evergreen Shipping Agency (Japan) Corporation	Other related parties	Purchases	USD 6,185	0%	30-60 days	-	-	-	0%	
	Evergreen Shipping Agency (Europe) GmbH	Indirect subsidiary of the Parent Company	Purchases	USD 9,302	0%	30-60 days	-	-	-	0%	(Note)
	Evergreen Marine Co. (Malaysia) SDN.BHD.	Indirect subsidiary of the Parent Company	Purchases	USD 7,693	0%	30-60 days	-	-	-	0%	(Note)
	PT. Evergreen Shipping Agency Indonesia	Associates	Purchases	USD 4,870	0%	30-60 days	-	-	-	0%	
	Round-the-world logistics (U.S.A) Corps	Other related parties	Sales	USD 19,952	1%	30-60 days	-	-	-	0%	
	Evergreen International Storage and Transport Corp.	Associates	Purchases	USD 11,988	1%	30-60 days	-	-	-	0%	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	USD 28,200	1%	30-60 days	-	-	-	0%	(Note)
	Evergreen Logistics Corp.	Other related parties	Sales	USD 99,525	5%	30-60 days	-	-	-	0%	(Note)
	Evergreen Shipping Agency (Vietnam) Corp.	Indirect subsidiary of the Parent Company	Purchases	USD 10,190	0%	30-60 days	-	-	-	0%	
	Taipei Port Container Terminal Corporation	Associates	Purchases	USD 9,450	0%	30-60 days	-	-	-	0%	(Note)
	Evergreen logistics Co., Ltd.	Other related parties	Sales	USD 7,389	0%	30-60 days	-	-	-	0%	
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Sales	USD 4,652	0%	30-60 days	-	-	-	0%	
	Greencoast Marine S.A.	Subsidiary of the Parent Company	Sales	USD 146,256	0%	30-60 days	-	-	USD 38	2%	(Note)
Evergreen Marine (UK) Limited	Greencoast Marine S.A.	Indirect subsidiary of the Parent Company	Purchases	USD 11,534	0%	30-60 days	-	-	-	0%	(Note)
	Evergreen Marine Corp.	The Parent	Sales	USD 17,564	1%	30-60 days	-	-	-	0%	(Note)
	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 14,145	2%	30-60 days	-	-	-	0%	(Note)
	Evergreen Marine Corp.	The Parent	Sales	USD 11,912	1%	30-60 days	-	-	-	0%	(Note)
	Evergreen Marine Corp.	The Parent	Purchases	USD 15,724	2%	30-60 days	-	-	-	0%	(Note)
	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 58,719	6%	30 days	-	-	-	0%	(Note)

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Evergreen Marine (UK) Limited	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	USD 27,198	2%	30-60 days	\$ -	-	USD 249	0%	
	Evergreen Shipping Agency (America) Corporation	Other related parties	Purchases	USD 5,105	1%	30-60 days	-	-	-	0%	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Purchases	USD 20,747	2%	30-60 days	-	-	-	0%	
	Italia Marittima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Sales	USD 98,231	6%	30-60 days	-	-	USD 689	1%	(Note)
	Evergreen International Corporation	Other related parties	Purchases	USD 37,528	4%	30-60 days	-	-	(USD 4,326)	20%	(Note)
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Purchases	USD 4,415	0%	30-60 days	-	-	-	0%	
	Round The World Logistics (U.S.A) Corp.	Other related parties	Purchases	USD 6,455	1%	30-60 days	-	-	-	0%	
	Evergreen Insurance Company Limited	Other related parties	Sales	USD 94,540	6%	30-60 days	-	-	USD 150	0%	(Note)
	Evergreen Logistics Corp.	Other related parties	Purchases	USD 4,029	0%	30-60 days	-	-	-	0%	(Note)
	Gaining Enterprise S.A.	Other related parties	Sales	USD 9,829	1%	30-60 days	-	-	-	0%	
Evergreen Heavy Industrial Corp.(Malaysia) Berhad	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	USD 3,667	0%	30-60 days	-	-	-	0%	
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	USD 3,804	0%	30-60 days	-	-	-	0%	
	Evergreen Shipping Agency (Europe) GmbH	Other related parties	Sales	MYR 246,145	100%	45 days	-	-	MYR 60,632	100%	
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Sales	EUR 8,047	17%	30-60 days	-	-	-	0%	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	EUR 15,288	33%	30-60 days	-	-	EUR 3,292	2%	
	Evergreen Marine Corp.	The Parent	Sales	EUR 5,014	11%	30-60 days	-	-	-	0%	(Note)
	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	EUR 7,865	17%	30-60 days	-	-	-	0%	(Note)
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Sales	EUR 7,104	15%	30-60 days	-	-	-	0%	(Note)
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	THB 191,487	21%	30-60 days	-	-	-	0%	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	THB 215,097	24%	30-60 days	-	-	THB 26,283	3%	

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Evergreen Marine Co. (Malaysia) SDN.BHD.	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	MYR 31,903	18%	30-60 days	\$ -	-	-	0%	(Note)
	Evergreen Marine Corp.	The Parent	Sales	MYR 21,808	13%	30-60 days	-	-	-	0%	(Note)
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	MYR 17,707	10%	30-60 days	-	-	-	0%	(Note)
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Sales	MYR 25,389	15%	30-60 days	-	-	-	0%	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	MYR 28,500	16%	30-60 days	-	-	MYR 3,486	4%	
	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	VND 216,745,863	19%	30-60 days	-	-	-	0%	(Note)
Evergreen Shipping Agency (Vietnam) Corp.	Evergreen Marine Corp.	The Parent	Sales	VND 145,302,762	13%	30-60 days	-	-	-	0%	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	VND 228,321,352	20%	30-60 days	-	-	VND 31,314,903	4%	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	VND 214,645,096	19%	30-60 days	-	-	-	0%	(Note)
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Sales	VND 208,875,076	18%	30-60 days	-	-	-	0%	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	KRW 5,052,170	27%	30-60 days	-	-	KRW 608,988	1%	
	Evergreen Shipping Agency (India) Private Ltd.	Other related parties	Sales	INR 340,563	26%	30-60 days	-	-	-	0%	
Evergreen Shipping (Spain) S.L.	Evergreen Marine (Singapore) Pte. Ltd.	Subsidiary of the Parent Company	Sales	INR 290,053	22%	30-60 days	-	-	INR 59,736	1.4%	(Note)
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	EUR 3,051	12%	30-60 days	-	-	EUR 666	2%	
	Evergreen Shipping Agency (Australia) Pty. Ltd.	Other related parties	Sales	AUD 4,865	31%	30-60 days	-	-	AUD 359	5%	
Evergreen Shipping Agency (China) Co., Ltd.	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	CNY 303,803	100%	30-60 days	-	-	CNY 85,005	100%	(Note)

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

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

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

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

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

Expressed in thousands of TWD/thousands of foreign currency

Table 5

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

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

Note 1: Fill in separately the balances of accounts receivable-related parties, notes receivable-related parties, other receivables-related parties, etc.

Note 2: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20% of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Evergreen Marine Corporation (Taiwan) Ltd.
Significant inter-company transactions during the reporting periods
For the year ended December 31, 2021

Expressed in thousands of TWD

Table 6

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

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

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
4	Evergreen Marine (Hong Kong) Ltd.	Everport Terminal Services Inc.	3	Operating cost	\$ 1,533,715	Note 4	0.31
4	Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine Corp. (Malaysia) SDN BHD	3	Operating cost	119,241	"	0.02
4	Evergreen Marine (Hong Kong) Ltd.	Evergreen Shipping Agency (China) Co., Ltd.	3	Operating cost	1,315,314	"	0.27
4	Evergreen Marine (Hong Kong) Ltd.	Evergreen Shipping Agency (Europe) GmbH	3	Operating cost	265,797	"	0.05
4	Evergreen Marine (Hong Kong) Ltd.	Evergreen Shipping Agency (Vietnam) Corp.	3	Operating cost	261,359	"	0.05
4	Evergreen Marine (Hong Kong) Ltd.	Evergreen Shipping Agency (China) Co., Ltd.	3	Accounts payable	369,132	"	0.06
4	Evergreen Marine (Hong Kong) Ltd.	Evergreen Shipping Agency (China) Co., Ltd.	3	Agency's account - debit	216,673	"	0.04
5	Peony Investment S.A.	Clove Holding Ltd.	3	Other receivables	207,478	"	0.03

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is '0'.

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

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; Fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1) Parent company to subsidiary.

(2) Subsidiary to parent company

(3) Subsidiary to subsidiary

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Terms are approximately the same as for general transactions.

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

Evergreen Marine Corporation (Taiwan) Ltd.
Information on investees (not including investee company of Mainland China)

For the year ended December 31, 2021

Table 7

Expressed in thousands of shares/thousands of TWD

Investor	Investee (Note 1 - Note 2)	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2021			Net profit (loss) of the investee For the year ended December 31, 2021 (Note 2(2))	Investment income (loss) recognised by the Company For the year ended December 31, 2021 (Note 2(3))	Footnote
				Balance as of December 31, 2021	Balance as of December 31, 2020	Number of shares	Ownership (%)	Book value			
Evergreen Marine Corp.	Peony Investment S.A.	Republic of Panama	Investment activities	\$ 13,177,369	\$ 13,177,369	4,765	100.00	\$ 73,662,703	\$ 69,049,485	69,009,811	Subsidiary of the Company (Note)
	Taiwan Terminal Services Co., Ltd.	Taiwan	Loading and discharging operations of container yards	55,000	55,000	5,500	55.00	63,410	35,370	19,454	" (Note)
	Everport Terminal Services Inc.	U.S.A	Terminal services	2,765	2,765	1	94.43	3,108,885	1,075,024	1,015,131	" (Note)
	Evergreen Marine (Hong Kong) Ltd.	Hong Kong	Marine transportation and shipping agency	5,789,470	5,789,470	6,320	79.00	69,185,247	73,421,692	57,925,168	" (Note)
	Evergreen Shipping Agency (Israel) Ltd.	Israel	Shipping agency	9,406	9,406	1,062	59.00	75,414	146,437	86,398	" (Note)
	Evergreen Marine (Asia) Pre. Ltd.	Singapore	Marine transportation	1,382,725	-	50,000	100.00	89,347,158	88,544,370	88,545,188	" (Note)
	Chang Yang Development Co., Ltd.	Taiwan	Development, rental, sale of residential and commercial buildings	320,000	320,000	58,542	40.00	561,169	162,548	65,019	Investee accounted for using equity method
	Evergreen International Storage and Transport Corporation	Taiwan	Container transportation and gas stations	4,840,408	4,840,408	430,692	40.36	10,956,116	1,064,544	397,122	"
	Evergreen Security Corporation	Taiwan	General security guards services	25,000	25,000	6,336	31.25	113,084	35,223	11,007	"
	EVA Airways Corporation	Taiwan	International passengers and cargo transportation	11,276,823	11,276,823	776,541	15.11	12,812,215	6,608,496	982,506	"
	Taipei Port Container Terminal Corporation	Taiwan	Container distribution and cargo stevedoring	1,446,196	1,446,196	144,799	27.85	1,694,351	613,379	170,802	"
	Ever Ecove Corporation	Taiwan	Waste treatment and combined heat and power	305,000	305,000	30,500	19.06	299,567	(33,444)	(6,375)	"
	VIP Greenport Joint Stock Company	Vietnam	Terminal services	165,000	165,000	13,750	21.74	279,693	235,566	51,210	"
	Peony Investment S.A.	Clove Holding Ltd.	British Virgin Islands	Investment holding company	1,453,224	1,453,224	10	100.00	2,748,803	209,542	209,542
Evergreen Shipping Agency (Europe) GmbH		Germany	Shipping agency	229,975	229,975	-	100.00	122,016	19,894	19,894	" (Note)
Evergreen Shipping Agency (Korea) Corporation		South Korea	Shipping agency	67,090	67,090	121	100.00	142,475	239,575	239,575	" (Note)
Greencoast Marine S.A.		Republic of Panama	Marine transportation	9,775,866	9,775,866	3,535	100.00	41,468,689	52,063,669	52,063,669	" (Note)

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

Investor	Investee (Note 1 - Note 2)	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2021			Net profit (loss) of the investee For the year ended December 31, 2021 (Note 2(2))	Investment income (loss) recognised by the Company For the year ended December 31, 2021 (Note 2(3))	Footnote
				Balance as of December 31, 2021	Balance as of December 31, 2020	Number of shares	Ownership (%)	Book value			
Peony Investment S.A.	Evergreen Marine (Hong Kong) Ltd.	Hong Kong	Marine transportation and shipping agency	\$ 73,284	\$ 73,284	80	1.00	\$ 875,763	\$ 73,421,692	\$ 733,230	Subsidiary of the Company (Note)
	Ies Depot Services Snd. Bhd.	Malaysia	Depot services	30,807	30,807	286	28.65	62,888	6,130	1,756	Investee company of Peony accounted for using equity method
Clove Holding Ltd.	Colon Container Terminal, S.A.	Republic of Panama	Inland container storage and loading	632,182	632,182	22,860	40.00	2,529,462	382,419	152,967	Investee company of Clove Holding Ltd. accounted for using equity method
	Everport Terminal Services Inc.	U.S.A	Terminal services	179,864	179,864	0,059	5.57	343,085	1,075,024	59,893	Indirect subsidiary of the Company (Note)
Everport Terminal Services Inc.	Whitney Equipment LLC.	U.S.A	Equipment Leasing Company	5,531	5,531	-	100.00	276,961	51,508	51,508	" (Note)
PT. Multi Bina Pura International	PT. Multi Bina Transport	Indonesia	Container repair cleaning and inland transportation	91,299	91,299	7,55	72.95	56,416	2,485	1,813	" (Note)
	Colon Container Terminal S.A.	Republic of Panama	Inland container storage and loading	431,410	431,410	5,144	9.00	589,564	382,419	34,418	Investee company of Evergreen Marine (Hong Kong) Limited accounted for using equity method
Evergreen Marine (Hong Kong) Limited	Evergreen Marine (Latin America), S.A.	Republic of Panama	Management consultancy	18,018	18,018	600	100.00	17,332	1,334	1,334	Indirect subsidiary of the Company (Note)
	Evergreen Shipping Service (Cambodia) Co., Ltd.	Cambodia	Shipping agency	5,531	5,531	200	100.00	104,769	60,703	60,703	" (Note)
	Evergreen Shipping Agency (Peru) S.A.C.	Peru	Shipping agency	7,677	7,677	900	60.00	73,766	178,630	107,178	" (Note)
	Evergreen Shipping Agency (Colombia) S.A.S	Colombia	Shipping agency	9,708	9,708	80	75.00	96,322	173,611	130,208	" (Note)
	Evergreen Shipping Agency Mexico S.A. de C.V.	Mexico	Shipping agency	6,339	6,339	44	60.00	148,685	241,499	144,899	" (Note)
	Evergreen Shipping Agency (Chile) SPA.	Chile	Shipping agency	8,817	8,817	2	60.00	73,104	173,137	103,882	" (Note)
	Evergreen Shipping Agency (Greece) Societe Anonyme.	Greece	Shipping agency	7,475	7,475	2	60.00	125,227	186,237	111,742	" (Note)
	Evergreen Shipping Agency (Israel) Ltd.	Israel	Shipping agency	141	141	18	1.00	1,278	146,437	1,464	" (Note)

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

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

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

- (1) The columns of 'Investee', 'Location', 'Main business activities', 'Initial investment amount' and 'Shares held as at December 31, 2021' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column.
- (2) The 'Net profit (loss) of the investee for the year ended December 31, 2021' column should fill in amount of net profit (loss) of the investee for this period.
- (3) The 'Investment income (loss) recognised by the Company for the year ended December 31, 2021' column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

Evergreen Marine Corporation (Taiwan) Ltd.
Information on investments in Mainland China

For the year ended December 31, 2021

Table 8

Expressed in thousands of TWD

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

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2021	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2021		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021	Net income (loss) of the investee for the year ended December 31, 2021	Ownership held by the Company (direct or indirect) (%)	Investment income (loss) recognised by the Company for the year ended December 31, 2021 (Note 2(2)(B))	Book value of investments in Mainland China as of December 31, 2021	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2021	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Evergreen Shipping Agency (China) Co., Ltd.	Agency services dealing with port formalities	\$ 29,777	(2)	\$ 81,853	\$ -	\$ -	\$ 81,853	\$ 62,587	52.00	\$ 32,545	\$ 43,355	\$ -	(Note)

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

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

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company, Peony Investment S.A. and Evergreen Marine (Hong Kong) Ltd., in the third area, which then invested in the investee in Mainland China.
- (3) Others

Note 2: In the 'Investment income (loss) recognised by the Company for the year ended December 31, 2021' column:

- (1) It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.
- (2) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:
 - A. The financial statements that are audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.
 - B. The financial statements that are audited and attested by R.O.C. parent company's CPA.
 - C. Others.

Note 3: The numbers in this table are expressed in New Taiwan Dollars.

Evergreen Marine Corporation (Taiwan) Ltd.
Major shareholders information
For the year ended December 31, 2021

Table 9

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

Note 1: The major shareholders information was from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded in the financial statements may differ from the actual number of shares issued in dematerialised form because of a different calculation basis.

Note 2: If the aforementioned data contains shares which were kept in trust by the shareholders, the data disclosed was the settlor's separate account for the fund set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act, the shareholding ratio includes the self-owned shares and trusted shares, at the same time, persons who have power to decide how to allocate the trust assets. For the information of reported share equity of insider, please refer to Market Observation Post System.

VI. Parent Company Only Financial Statements and Report of Independent Accountants

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

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

Opinion

We have audited the accompanying parent company only balance sheets of Evergreen Marine Corporation (Taiwan) Ltd. (the “Company”) as of December 31, 2021 and 2020, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other independent auditors (please refer to Other Matter section of our report), the accompanying financial statements present fairly, in all material respects, the financial position of Evergreen Marine Corporation (Taiwan) Ltd. as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the “Regulations Governing the Preparations of Financial Reports by Securities Issuers” .

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

The key audit matters of the parent company only financial statements for the year ended December 31, 2021 are as follows:

Accuracy and cut-off of freight revenue

Description

Please refer to Note 4(31) for accounting policy on revenue recognition, Note 5(2) for uncertainty of accounting estimates and assumptions applied on revenue recognition, and Note 6(23) for details of sales revenue, Note 6(8) for details of investments accounted for using equity method, and Table 7 for information on investees accounted for using equity method.

The Company, its directly held subsidiaries, Peony Investment S.A. and Evergreen Marine (Asia) Pte. Ltd., which are recognised in investments accounted for using equity method, and its subsidiary, Evergreen Marine (Hong Kong) Ltd., which is directly and indirectly held an 80% equity interest by the Company, primarily engages in global container shipping service covering ocean-going and near-sea shipping line, shipping agency business as well as container freight station business. Since ocean-going shipping often lasts for several days, voyages are sometimes completed after the balance sheet date. Also, demand for freight services is consistently sent by forwarders during voyage. Due to the factors mentioned above, freight revenue is recognized under the percentage-of-completion method for each vessel of which the service has been provided during the reporting period.

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

How our audit addressed the matter

We and other auditors performed the following audit procedures on the above key audit matter:

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

Other matter – Reference to the reports of other independent auditors

We did not audit the financial statements of all the investee companies accounted for using equity method. Those statements were audited by other independent auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for those investee companies accounted for using equity method and information disclosed in Note 13 relating to these long-term equity investments, is based solely on the reports of the other independent auditors. Long-term equity investments in these investee companies amounted to NT\$ 39,219,549 thousand and NT\$ 27,602,691 thousand, constituting 9.57% and 15.94% of the total assets as of December 31, 2021 and

2020, respectively, and comprehensive income (loss) (including share of profit or loss and share of other comprehensive income of associates and joint ventures accounted for using equity method) was NT\$ 14,169,123 thousand and NT\$ 4,543,410 thousand, constituting 5.94% and 20.32% of the total comprehensive income (loss) as of December 31, 2021 and 2020, respectively.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the “Regulations Governing the Preparations of Financial Reports by Securities Issuers” and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including supervisors, are responsible for overseeing the Company’s financial reporting process.

Auditors’ responsibilities for the audit of the parent company only financial statements

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

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

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

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

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

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

Lee, Hsiu-Ling

Chou, Hsiao-Tzu

For and on behalf of PricewaterhouseCoopers, Taiwan

March 15, 2022

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

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

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2021		December 31, 2020	
		AMOUNT	%	AMOUNT	%
Current assets					
Cash and cash equivalents	6(1)	\$ 19,310,785	5	\$ 20,562,990	12
Financial assets at fair value through profit or loss - current		44,999	-	4,289	-
Current financial assets at amortised cost	6(3) and 8	20,500,935	5	4,171,210	2
Current financial assets for hedging	6(4)	23,026,075	6	-	-
Current contract assets	6(23)	988,691	-	802,464	1
Notes receivable - net	6(5)	136	-	29	-
Accounts receivable - net	6(5)	6,089,641	1	3,275,730	2
Accounts receivable, net - related parties	6(5) and 7	98,507	-	69,048	-
Other receivables		86,517	-	28,463	-
Other receivables - related parties	7	45,212	-	80,695	-
Current income tax assets		29,012	-	-	-
Inventories	6(6)	916,874	-	523,326	-
Prepayments		261,555	-	249,781	-
Other current assets	6(7) and 7	2,252,589	1	3,011,234	2
Current Assets		<u>73,651,528</u>	<u>18</u>	<u>32,779,259</u>	<u>19</u>
Non-current assets					
Non-current financial assets at fair value through other comprehensive income	6(2)	1,625,940	-	1,312,358	1
Non-current financial assets at amortised cost	6(3) and 8	261,315	-	289,651	-
Non-current financial assets for hedging	6(4)	1,488,664	-	-	-
Investments accounted for using equity method	6(8)	262,139,567	64	76,818,995	44
Property, plant and equipment - net	6(9) and 8	43,790,376	11	37,425,681	22
Right-of-use assets	6(10) and 7	18,829,781	5	19,596,656	11
Investment property - net	6(12) and 8	1,810,503	1	1,829,556	1
Intangible assets		8,810	-	16,247	-
Deferred income tax assets	6(31)	450,314	-	290,095	-
Other non-current assets	6(13)	5,862,948	1	2,817,347	2
Non-current assets		<u>336,268,218</u>	<u>82</u>	<u>140,396,586</u>	<u>81</u>
Total assets		<u>\$ 409,919,746</u>	<u>100</u>	<u>\$ 173,175,845</u>	<u>100</u>

(Continued)

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2021		December 31, 2020	
		AMOUNT	%	AMOUNT	%
Current liabilities					
Current financial liabilities for hedging	6(10) and 7	\$ 1,031,678	-	\$ 898,484	1
Current contract liabilities	6(23)	3,304,976	1	494,792	-
Accounts payable		5,641,233	1	4,929,925	3
Accounts payable - related parties	7	149,973	-	310,788	-
Other payables		4,640,530	1	1,314,986	1
Other payables - related parties	7	28,687	-	11,006	-
Current income tax liabilities		8,136,437	2	340,338	-
Current lease liabilities	6(10) and 7	1,109,676	-	1,484,357	1
Other current liabilities	6(14)(15)(16) and 7	10,186,929	3	11,897,010	7
Current Liabilities		34,230,119	8	21,681,686	13
Non-current liabilities					
Non-current financial liabilities for hedging	6(10) and 7	10,477,195	3	9,971,891	6
Corporate bonds payable	6(15)	6,772,950	2	12,779,043	7
Long-term loans	6(16)	14,008,465	3	25,346,223	15
Non-current provisions		4,839	-	-	-
Deferred income tax liabilities	6(31)	10,593,057	3	1,738,565	1
Non-current lease liabilities	6(10) and 7	4,931,430	1	6,057,307	3
Other non-current liabilities	6(17)(18)	2,117,155	-	1,319,419	1
Non-current liabilities		48,905,091	12	57,212,448	33
Total Liabilities		83,135,210	20	78,894,134	46
Equity					
Capital					
Common stock	6(19)	52,908,484	13	48,980,353	28
Capital surplus					
Capital surplus	6(20)	15,762,185	4	12,433,364	7
Retained earnings					
Legal reserve	6(21)	8,122,482	2	5,714,940	3
Special reserve		581,406	-	-	-
Unappropriated retained earnings		250,555,749	61	27,734,460	16
Other equity interest					
Other equity interest	6(22)	(1,145,770)	-	(581,406)	-
Total equity		326,784,536	80	94,281,711	54
Significant Contingent Liabilities And Unrecognised Contract Commitments	9				
Significant Events After The Balance Sheet Date	11				
Total liabilities and equity		\$ 409,919,746	100	\$ 173,175,845	100

The accompanying notes are an integral part of these parent company only financial statements.

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

Items	Notes	Year ended December 31			
		2021		2020	
		AMOUNT	%	AMOUNT	%
Operating revenue	6(23) and 7	\$ 93,885,535	100	\$ 51,623,123	100
Operating costs	6(29)(30) and 7	(43,137,123)	(46)	(42,970,912)	(83)
Gross profit		50,748,412	54	8,652,211	17
Operating expenses	6(29)(30) and 7				
Selling expenses		(1,984,683)	(2)	(592,712)	(1)
General and administrative expenses		(7,230,364)	(8)	(2,900,971)	(6)
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	126	-	875	-
Total operating expenses		(9,214,921)	(10)	(3,492,808)	(7)
Other gains - net	6(24) and 7	(1,837)	-	3,170	-
Operating profit		41,531,654	44	5,162,573	10
Non-operating income and expenses					
Interest income	6(25)	115,507	-	134,800	-
Other income	6(26)	292,399	-	362,255	-
Other gains and losses	6(27)	(42,476)	-	431,762	1
Finance costs	6(28) and 7	(789,354)	(1)	(1,186,369)	(2)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method		218,272,441	233	21,204,957	41
Total non-operating income and expenses		217,848,517	232	20,947,405	40
Profit before income tax		259,380,171	276	26,109,978	50
Income tax expense	6(31)	(20,365,311)	(21)	(1,745,052)	(3)
Profit for the year		\$ 239,014,860	255	\$ 24,364,926	47
Other comprehensive income (loss)					
Components of other comprehensive income that will not be reclassified to profit or loss					
Losses on remeasurements of defined benefit plans	6(18)	(\$ 69,115)	-	(\$ 111,752)	-
Unrealised gains (losses) on valuation of investments in equity instruments measured at fair value through other comprehensive income	6(2)	313,582	-	156,060	-
Share of other comprehensive loss of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		1,792,720	2	122,110	-
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		15,679	-	18,700	-
Components of other comprehensive income that will not be reclassified to profit or loss		2,052,866	2	185,118	-
Components of other comprehensive income that will be reclassified to profit or loss					
Other comprehensive loss, before tax, exchange differences on translation		(2,346,629)	(3)	(3,160,573)	(6)
Gains (losses) on hedging instrument	6(4)(10)(22)	(42,909)	-	554,654	1
Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		(283,838)	-	521,607	1
Income tax relating to the components of other comprehensive income		7,757	-	(106,342)	-
Components of other comprehensive loss that will be reclassified to profit or loss		(2,665,619)	(3)	(2,190,654)	(4)
Other comprehensive loss for the year		(\$ 612,753)	(1)	(\$ 2,005,536)	(4)
Total comprehensive income for the year		\$ 238,402,107	254	\$ 22,359,390	43
Basic earnings per share (in dollars)	6(32)				
Basic earnings per share		\$ 45.57		\$ 5.06	
Diluted earnings per share		\$ 45.22		\$ 4.96	

The accompanying notes are an integral part of these parent company only financial statements.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	Retained Earnings				Other equity interest			Total equity	
		Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translating the financial statements of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income		Gains (losses) on hedging instruments
Year 2020										
Balance at January 1, 2020		\$ 48,129,738	\$ 11,407,437	\$ 5,714,940	\$ -	\$ 3,659,042	(\$ 856,773)	\$ 1,411,638	\$ 579,757	\$ 70,045,779
Profit for the year	6(21)	-	-	-	-	24,364,926	-	-	-	24,364,926
Other comprehensive income (loss)	6(21)(22)	-	-	-	-	(291,317)	(3,471,571)	474,945	1,282,407	(2,005,536)
Total comprehensive income (loss)		-	-	-	-	24,073,609	(3,471,571)	474,945	1,282,407	22,359,390
Adjustments to share of changes in equity of subsidiaries, associates and joint ventures	6(20)(21)(22)	-	22,463	-	-	1,809	-	(1,809)	-	22,463
Other changes in capital surplus	6(20)	-	623	-	-	-	-	-	-	623
Due to recognition of equity component of Euro-Convertible Bonds	6(15)(20)	-	379,915	-	-	-	-	-	-	379,915
Conversion of Euro-Convertible Bonds	6(19)(20)	850,615	622,926	-	-	-	-	-	-	1,473,541
Balance at December 31, 2020		\$ 48,980,353	\$ 12,433,364	\$ 5,714,940	\$ -	\$ 27,734,460	(\$ 4,328,344)	\$ 1,884,774	\$ 1,862,164	\$ 94,281,711
Year 2021										
Balance at January 1, 2021		\$ 48,980,353	\$ 12,433,364	\$ 5,714,940	\$ -	\$ 27,734,460	(\$ 4,328,344)	\$ 1,884,774	\$ 1,862,164	\$ 94,281,711
Profit for the year	6(21)	-	-	-	-	239,014,860	-	-	-	239,014,860
Other comprehensive income (loss)	6(21)(22)	-	-	-	-	(90,912)	(2,404,662)	2,143,778	(260,957)	(612,753)
Total comprehensive income (loss)		-	-	-	-	238,923,948	(2,404,662)	2,143,778	(260,957)	238,402,107
Appropriation of 2020 earnings	6(21)	-	-	-	-	(2,407,542)	-	-	-	(2,407,542)
Legal reserve		-	-	2,407,542	-	-	-	-	-	-
Special reserve		-	-	-	581,406	(581,406)	-	-	-	-
Cash dividends		-	-	-	-	(13,156,234)	-	-	-	(13,156,234)
Adjustments to share of changes in equity of subsidiaries, associates and joint ventures	6(20)(21)(22)	-	153,764	-	-	42,523	-	(42,523)	-	153,764
Other changes in capital surplus	6(20)	-	(62)	-	-	-	-	-	-	(62)
Due to recognition of equity component of Convertible Bonds	6(15)(20)	-	289,166	-	-	-	-	-	-	289,166
Conversion of Convertible Bonds	6(19)(20)	3,928,131	2,885,953	-	-	-	-	-	-	6,814,084
Balance at December 31, 2021		\$ 52,908,484	\$ 15,762,185	\$ 8,122,482	\$ 581,406	\$ 250,555,749	(\$ 6,733,006)	\$ 3,986,029	\$ 1,601,207	\$ 326,784,536

The accompanying notes are an integral part of these parent company only financial statements.

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

	Notes	Year ended December 31	
		2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 259,380,171	\$ 26,109,978
Adjustments			
Adjustments to reconcile profit (loss)			
Financial assets and liabilities at fair value through profit or loss	6(27)	(28,472)	(30,027)
Depreciation	6(27)(29)	5,378,873	5,341,866
Amortization	6(29)	22,051	17,266
Expected credit gain	12(2)	(126)	(875)
Interest expense	6(28)	789,354	1,186,369
Interest income	6(25)	(115,507)	(134,800)
Dividend income	6(26)	(69,198)	(50,516)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method		(218,272,441)	(21,204,957)
Loss on disposal of investments	6(27)	(11,191)	(99)
(Gains) losses arising from lease modification	6(27)	(3,802)	259
Net loss (gain) on disposal of property, plant and equipment	6(24)	1,837	(3,170)
Unrealized foreign exchange gain	6(10)	-	(381,555)
Changes in operating assets and liabilities			
Changes in operating assets			
Current contract assets		(186,214)	(429,873)
Notes receivable		(107)	138
Accounts receivable		(2,813,798)	(397,695)
Accounts receivable - related parties		(29,457)	43,126
Other receivables		(39,825)	11,530
Other receivables - related parties		16,417	(56,469)
Inventories		(393,548)	449,213
Prepayments		(11,774)	(3,390)
Other current assets		758,645	(605,983)
Changes in operating liabilities			
Current contract liabilities		2,810,183	(41,982)
Accounts payable		711,308	1,559,902
Accounts payable - related parties		(160,815)	27,589
Other payables		1,154,994	114,789
Other payables - related parties		4,351	1,895
Other current liabilities		(915,692)	617,549
Other non-current liabilities		732,912	(94,655)
Cash inflow generated from operations		48,709,129	12,045,423
Interest received		97,278	163,909
Interest paid		(823,825)	(1,200,849)
Income tax paid		(3,864,698)	(13,911)
Net cash flows from operating activities		44,117,884	10,994,572

(Continued)

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

	Notes	Year ended December 31	
		2021	2020
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease in financial assets at amortised cost		(\$ 16,329,725)	(\$ 2,769,353)
Decrease (increase) in financial assets at amortised cost-non-current		28,336	(2,711)
Increase in financial assets for hedging		(28,524,568)	-
Decrease in financial assets for hedging		3,691,280	-
Acquisition of investments accounted for using equity method		(1,385,000)	(657,123)
Proceeds from disposal of investments accounted for using equity		-	3,457
Acquisition of property, plant and equipment	6(33)	(3,526,200)	(2,408,766)
Proceeds from disposal of property, plant and equipment		6,300	533
Acquisition of intangible assets		(10,230)	(13,914)
Increase in other non-current assets	6(33)	(6,399,396)	(2,152,974)
Increase in guarantee deposits paid		(1,528)	(1,348)
Decrease in guarantee deposits paid		1,870	1,740
Cash dividends received		33,744,954	468,212
Net cash flows used in investing activities		(18,703,907)	(7,532,247)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in long-term loans	6(34)	3,688,406	7,890,285
Decrease in long-term loans	6(34)	(15,820,554)	(15,360,586)
Increase in corporate bonds payable	6(34)	5,043,721	8,635,118
Decrease in corporate bonds payable	6(34)	(4,000,000)	-
Payments of lease liabilities	6(10)(34)	(2,422,007)	(2,832,683)
Increase in guarantee deposits received	6(34)	1,391	60
Decrease in guarantee deposits received	6(34)	(843)	-
Cash dividends paid		(13,156,234)	-
Other financing activities	6(20)	(62)	623
Net cash flows used in financing activities		(26,666,182)	(1,667,183)
Net (decrease) increase in cash and cash equivalents		(1,252,205)	1,795,142
Cash and cash equivalents at beginning of year		20,562,990	18,767,848
Cash and cash equivalents at end of year		\$ 19,310,785	\$ 20,562,990

The accompanying notes are an integral part of these parent company only financial statements.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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

1. HISTORY AND ORGANISATION

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

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These parent company only financial statements were authorised for issuance by the Board of Directors on March 15, 2022.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 4, ‘Extension of the temporary exemption from applying IFRS 9’	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, ‘Interest Rate Benchmark Reform— Phase 2’	January 1, 2021
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 Company’s financial condition and financial performance based on the Company’s assessment. The relevant impact amount will be disclosed when the assessment is completed :

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.

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

New standards, interpretations and amendments endorsed by the FSC effective from 2022 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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 Company's financial condition and financial performance based on the Company's assessment :

Amendments to IFRS 3, 'Reference to the conceptual framework'

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

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

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 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 Company's financial condition and financial performance based on the Company'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 assets and liabilities 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 parent company only financial

statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

These parent company only financial statements have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

(2) Basis of preparation

A. Except for the following items, these parent company only financial statements have been prepared under the historical cost convention:

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

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the parent company only financial statements of Company are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The parent company only financial statements are presented in New Taiwan Dollars, which is the Company’s functional currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their

translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

- (d) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

- (a) The operating results and financial position of all the company entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
- ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- iii. All resulting exchange differences are recognised in other comprehensive income.

- (b) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Company retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.

- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Company retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

- (d) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(4) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

- (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
- (b) Assets held mainly for trading purposes;
- (c) Assets that are expected to be realised within twelve months from the balance sheet date;
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they

are classified as non-current liabilities:

- (a) Liabilities that are expected to be settled within the normal operating cycle;
- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be settled within twelve months from the balance sheet date;
- (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(5) Cash equivalents

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

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

- A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- D. The Company recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
 - (a) The objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets; and
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:
 - (a) The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will

flow to the Company and the amount of the dividend can be measured reliably.

- (b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognised in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

(8) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
 - (a) The objective of the Company's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- D. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) Notes, accounts and other receivables

- A. Notes and accounts receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services. Receivables arising from transactions other than the sale of goods or services are classified as other receivables.
- B. The Company initially measures accounts and notes receivable at fair value and subsequently recognises the amortised interest income over the period of circulation using the effective interest method and the impairment loss. A gain or loss is recognised in profit or loss.

(10) Impairment of financial assets

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

(11) Derecognition of financial assets

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

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

(12) Inventories

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

(13) Investments accounted for using equity method / subsidiaries and associates

- A. Subsidiary is an entity where the Company has the right to dominate its finance and operation policies (includes special purpose entity), normally the Company owns more than 50 percent of the voting rights directly or indirectly in that entity. Subsidiaries are accounted for under the equity method in the Company's parent company only financial statements.
- B. Unrealized gains or losses resulted from inter-company transactions with subsidiaries are eliminated. Necessary adjustments are made to the accounting policies of subsidiaries, to be consistent with the accounting policies of the Company.
- C. After acquisition of subsidiaries, the Company recognizes proportionately for the share of profit and loss and other comprehensive incomes in the income statement as part of the Company's profit and loss and other comprehensive income, respectively. When the share of loss from a subsidiary exceeds the carrying amount of Company's interests in that subsidiary, the Company continues to recognize its shares in the subsidiary's loss proportionately.
- D. Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received shall be recognized directly in equity and attributed to the owners of the parent.
- E. If the Company loses control of a subsidiary, the Company recognizes any investment retained in the former subsidiary at its fair value at the date when control is lost and recognizes any resulting difference as a gain or loss in profit or loss. The Company shall account for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Company reclassifies the gain or loss from equity to profit or loss when it loses control of the subsidiary.

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

are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

- N. According to “Regulations Governing the Preparations of Financial Statements by Securities Issuers”, 'profit for the year' and 'other comprehensive income for the year' reported in an entity's parent company only statement of comprehensive income, shall equal to 'profit for the year' and 'other comprehensive income' attributable to owners of the parent reported in that entity's consolidated statement of comprehensive income. Total equity reported in an entity's parent company only financial statements, shall equal to equity attributable to owners of parent reported in that entity's consolidated financial statements.

(14) Property, plant and equipment

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

Buildings (Including repairment)	3 ~ 55 years
Loading and unloading equipment	5~ 20 years
Ships (Except for docking repair and scrubber)	18 ~ 25 years
Ships (Docking repair)	2.6 ~ 5 years
Ships (Scrubber)	10 years
Transportation equipment	6 ~ 10 years
Lease improvements	3~ 13 years
Other equipment	3 ~ 5 years

The above docking repair and scrubbers are significant components of ships.

(15) Leasing arrangements (lessee) – right-of-use assets/ lease liabilities

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

Lease payments are comprised of the following:

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

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

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

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

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

(16) Leasing arrangements (lessor) – operating leases

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

(17) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 50 ~ 55 years.

(18) Intangible assets

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3-5 years.

(19) Impairment of non-financial assets

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

(20) Borrowings

A. Borrowings comprise long-term and short-term bank borrowings and other long-term and short-term loans. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

(21) Accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services.

B. The Company initially measures accounts payable at fair value and subsequently amortises the interest expense in profit or loss over the period of circulation using the effective interest method.

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

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

(a) Hybrid (combined) contracts; or

(b) They eliminate or significantly reduce a measurement or recognition inconsistency; or

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

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

financial liabilities at fair value with any gain or loss recognised in profit or loss.

(23) Bonds payable

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

(24) Convertible bonds payable (Compound financial instruments)

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

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

(25) Derecognition of financial liabilities

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

(26) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle

on a net basis or realise the asset and settle the liability simultaneously.

(27) Hedge accounting

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

B. The Company designates the hedging relationship as follows:

Cash flow hedge:

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

C. Cash flow hedges

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

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

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

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

- i. If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the Company shall remove that amount from the cash flow hedge reserve and include it directly in the initial cost or other carrying amount of the asset or liability.
- ii. For cash flow hedges other than those covered by item i. above, that amount shall be reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss.
- iii. If that amount is a loss and the Company expects that all or a portion of that loss will not be recovered in one or more future periods, it shall immediately reclassify the amount that is not expected to be recovered into profit or loss as a reclassification adjustment.

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

flow hedge reserve to profit or loss as a reclassification adjustment.

(28) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

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

C. Termination benefits

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

D. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee

compensation is paid by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(29) Income tax

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

(30) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are

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

(31) Revenue recognition

A. Sales of services

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

B. Rental revenue

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

(32) Government grants

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

(33) Business combinations

A. The Company uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Company measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of

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

(34) Operating segments

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

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

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

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

Lease term

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

(2) Critical accounting estimates and assumptions

Revenue recognition

The Company and the subsidiaries, Peony Investment S.A., Evergreen Marine (Asia) Pte. Ltd. and Evergreen Marine (Hong Long) Ltd., which are recognized in investments accounted for using equity method, primarily engages in global container shipping service covering ocean-going and near-sea shipping line. Despite the Company conducting business worldwide, its transactions are all in small amounts, whereas the freight rate is subject to fluctuation caused by cargo loading rate as well as market competition. Worldwide shipping agencies use a system to record the transactions by entering data including shipping departure, destination, counterparty, transit time, shipping amounts, and freight price for the Company. Therefore, management could recognize freight revenue in accordance with the data on bill of lading reports generated from the system, accompanied by estimation made

from past experience and current cargo loading conditions the revenue that would flow in. Also, demands for freight are consistently sent by forwarders during voyage. Due to the factors mentioned above, freight revenue is recognized under the percentage-of-completion method for each vessel during the reporting period. As the process of recording transactions, communicating with agencies, and maintaining the system are done manually, and the estimation of freight revenue are subject to management's judgement. Given the conditions mentioned above, we consider the accuracy of freight revenue and the appropriate use of cut-off by the Company and its investee companies as a key audit matter.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cash on hand and petty cash	\$ 26,135	\$ 10,952
Checking accounts and demand deposits	6,540,523	3,832,161
Time deposits	12,744,127	16,719,877
	<u>\$ 19,310,785</u>	<u>\$ 20,562,990</u>

A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Company has no cash and cash equivalents pledged to others.

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

<u>Items</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Non-current items:		
Listed (TSE and OTC) stocks	\$ 490,801	\$ 490,801
Unlisted stocks	91,058	91,058
	581,859	581,859
Valuation adjustment	1,044,081	730,499
	<u>\$ 1,625,940</u>	<u>\$ 1,312,358</u>

A. The Company has elected to classify these investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$1,625,940 and \$1,312,358 at December 31, 2021 and 2020, respectively.

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

	Year ended <u>December 31, 2021</u>	Year ended <u>December 31, 2020</u>
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ 313,582	\$ 156,060
Income tax recognised in other comprehensive income	\$ 1,856	(\$ 3,650)
Cumulative gains reclassified to retained earnings due to derecognition	\$ -	\$ -
Dividend income recognised in profit or loss held at end of period	\$ 69,198	\$ 50,516

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

(3) Financial assets at amortised cost

<u>Items</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current items:		
Time deposits with maturity over three months	\$ 18,254,973	\$ 4,171,208
Restricted reserve account	2,195,962	2
Financial bonds	50,000	-
	<u>\$ 20,500,935</u>	<u>\$ 4,171,210</u>
Non-current items:		
Pledged time deposits	\$ 211,315	\$ 189,651
Financial bonds	50,000	100,000
	<u>\$ 261,315</u>	<u>\$ 289,651</u>

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

	Year ended <u>December 31, 2021</u>	Year ended <u>December 31, 2020</u>
Interest income	\$ 55,782	\$ 22,593

B. As at December 31, 2021 and 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Company was \$20,762,250 and \$4,460,861, respectively.

C. Information relating to financial assets at amortised cost pledged as collaterals is provided in Note 8.

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

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

specific purposes.

(4) Hedging financial assets

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

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

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

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

B. Other equity - cash flow hedge reserve

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

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

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

(5) Notes and accounts receivable

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Notes receivable	\$ 136	\$ 29
Less: Allowance for bad debts	<u>-</u>	<u>-</u>
	<u>\$ 136</u>	<u>\$ 29</u>
Accounts receivable (including related parties)	\$ 6,188,148	\$ 3,344,891
Less: Allowance for bad debts	<u>-</u>	<u>(113)</u>
	<u>\$ 6,188,148</u>	<u>\$ 3,344,778</u>

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

	<u>December 31, 2021</u>		<u>December 31, 2020</u>	
	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>
Not impaired	\$ 4,846,542	\$ 136	\$ 2,754,129	\$ 29
Up to 30 days	1,341,606	-	590,199	-
31 to 180 days	<u>-</u>	<u>-</u>	<u>563</u>	<u>-</u>
	<u>\$ 6,188,148</u>	<u>\$ 136</u>	<u>\$ 3,344,891</u>	<u>\$ 29</u>

The above ageing analysis was based on past due date.

- B. As of December 31, 2021, December 31, 2020 and January 1, 2020, the balances of receivables (including notes receivable) from contracts with customers amounted to \$6,188,284, \$3,344,807 and \$2,989,600, respectively.
- C. The Company has no notes and accounts receivable held by the Company pledged to others.
- D. As at December 31, 2021 and 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's notes receivable were \$136 and \$29, respectively; and the amount that best represents the Company's accounts receivable (including notes receivable) were \$6,188,148 and \$3,344,778, respectively.
- E. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(6) Inventories

	December 31, 2021		
	Cost	Allowance for valuation loss	Book value
Ship fuel	<u>\$ 916,874</u>	<u>\$ -</u>	<u>\$ 916,874</u>
	December 31, 2020		
	Cost	Allowance for valuation loss	Book value
Ship fuel	<u>\$ 523,326</u>	<u>\$ -</u>	<u>\$ 523,326</u>

(7) Other current assets

	December 31, 2021	December 31, 2020
Shipowner's accounts	\$ 161,642	\$ 1,103,849
Agent accounts	1,314,729	1,377,536
Temporary debits	776,218	529,849
	<u>\$ 2,252,589</u>	<u>\$ 3,011,234</u>

A. Shipowner's accounts

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

B. Agency accounts

These accounts occur when domestic and foreign agencies, based on the agreement with the Company, deal with foreign port formalities regarding arrival and departure of ships, cargo loading, discharging and forwarding, collection of freight, and payment of expenses incurred in the foreign port.

C. Temporary debits

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

(8) Investments accounted for using equity method

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Subsidiary of the Company:		
Peony Investment S.A.	\$ 73,525,827	\$ 39,121,066
Evergreen Marine (Hong Kong) Ltd.	69,185,247	11,989,398
Everport Terminal Services Inc.	3,108,885	2,139,666
Taiwan Terminal Services Co., Ltd.	63,410	66,770
Evergreen Shipping Agency (Israel) Ltd.	75,414	23,158
Evergreen Marine (Asia) Pte. Ltd.	89,347,158	-
Associates of the Company:		
EVA Airways Corporation	12,812,215	11,327,144
Evergreen International Storage and Transport Corporation	11,073,547	9,372,490
Taipei Port Container Terminal Corporation	1,694,351	1,523,550
Charng Yang Development Co., Ltd.	561,169	557,549
VIP Greenport Joint Stock Company	279,693	277,982
Ever Ecove Corporation	299,567	305,965
Evergreen Security Corporation	113,084	114,257
	<u>\$ 262,139,567</u>	<u>\$ 76,818,995</u>

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

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

B. The above investment income or loss accounted for using the equity method was based on the financial statements of the investees for the corresponding periods, which were audited by independent auditors.

C. Subsidiary:

(a) For information on the subsidiaries, please refer to Note 4(3) of the consolidated financial statements as of December 31, 2021.

(b) In order to strengthen the Company's operational competitiveness, the Company planned to establish a wholly-owned subsidiary, Evergreen Marine (Asia) Pte. Ltd., in Singapore with an investment amount of USD 50,000 as resolved by the Board of Directors on March 22, 2021, and the capital injection was completed on June 8, 2021. The company is primarily engaged in container shipping.

D. The basic information of the associates that are material to the Company is as follows:

Company name	Principal place of business	Ownership(%)		Nature of relationship	Methods of measurement
		December 31, 2021	December 31, 2020		
Evergreen International Storage and Transport Corporation	TW	40.36%	40.36%	With a right over 20% to vote	Equity method
EVA Airways Corporation	TW	15.11%	16.00%	Have a right to vote in the Board of Directors	Equity method

E. The summarised financial information of the associates that are material to the Company is as follows:

Balance sheet

	Evergreen International Storage and Transport Corporation	
	December 31, 2021	December 31, 2020
Current assets	\$ 11,651,185	\$ 6,947,311
Non-current assets	30,154,095	28,124,463
Current liabilities	(3,735,556)	(3,517,476)
Non-current liabilities	(10,338,771)	(8,204,681)
Total net assets	<u>\$ 27,730,953</u>	<u>\$ 23,349,617</u>
Share in associate's net assets	\$ 11,074,174	\$ 9,373,779
Unrealized income with affiliated companies	(627)	(1,289)
Carrying amount of the associate	<u>\$ 11,073,547</u>	<u>\$ 9,372,490</u>
	EVA Airways Corporation	
	December 31, 2021	December 31, 2020
Current assets	\$ 65,182,413	\$ 55,932,512
Non-current assets	260,131,637	273,634,743
Current liabilities	(46,637,622)	(45,433,155)
Non-current liabilities	(185,969,070)	(207,474,571)
Total net assets	<u>\$ 92,707,358</u>	<u>\$ 76,659,529</u>
Share in associate's net assets	<u>\$ 12,812,215</u>	<u>\$ 11,327,144</u>

Statement of comprehensive income

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

	EVA Airways Corporation	
	Year ended	Year ended
	December 31, 2021	December 31, 2020
Revenue	\$ 103,872,359	\$ 89,048,776
Profit (loss) for the period from continuing operations	\$ 6,680,261	(\$ 3,276,719)
Other comprehensive income, net of tax	2,222,183	4,020,120
Total comprehensive income	\$ 8,902,444	\$ 743,401
Dividends received from associates	\$ -	\$ 194,135

F. The carrying amount of the Company's interests in all individually immaterial associates and the Company's share of the operating results are summarized below:

As of December 31, 2021 and 2020, the carrying amount of the Company's individually immaterial associates amounted to \$ \$2,947,864 and \$2,779,303, respectively.

	Year ended	Year ended
	December 31, 2021	December 31, 2020
Profit for the period from continuing operations	\$ 1,013,273	\$ 727,043
Other comprehensive (loss) income, net of tax	(8,681)	5,395
Total comprehensive income	\$ 1,004,592	\$ 732,438

G. 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%.

- H. The Company's share interest in EVA Airways Corporation decreased to 15.11% as of December 31, 2021 due to the conversions from corporate bonds to stocks during the year ended December 31, 2021.
- I. The Company is the single largest shareholder of EITC with a 40.36% equity interest. Given that the main source of economic profits of EITC is generated from Evergreen Line, the percentage of operating volume of the Group in Evergreen Line is equivalent to other related parties' and there is no agreement between other related parties and the Company to make decisions in consultation or collectively; however, in order to maintain the equity balance between the Group and other related parties, the Company governs EITC with other related parties to maintain mutual and other shareholders' best interests; apart from independent directors, the number of seats held by the Company on the Board are the same as other related parties', which indicates that the Group has no current ability to direct the relevant activities of EITC, thus, the Group has no control, but only has significant influence, over the investee.
- J. The Company is the single largest shareholder of EVA with a 15.11% equity interest. Given that the other top ten large shareholders (including other related parties and non-related parties) hold more shares than the Company, and there is no agreement between the shareholders to make decisions in consultation or collectively as they make decisions independently, which indicates that the Company has no current ability to direct the relevant decisions of EVA, thus, the Company has no control, but only has significant influence, over the investee.
- K. The Company is the single largest shareholder of TPCT with a 27.85% equity interest. Given that the other two large shareholders (non-related parties) also operate transportation business and hold more shares than the Company, and there is no agreement between the shareholders to make decisions in consultation or collectively as they make decisions independently, which indicates that the Company has no current ability to direct the relevant decisions of TPCT, thus, the Company has no control, but only has significant influence, over the investee.

(9) Property, plant and equipment

	Land	Buildings	Loading and unloading equipment	Computer and communication equipment	Transportation equipment	Ships	Office equipment	Leasehold improvements	Others	Total
<u>At January 1, 2021</u>										
Cost	\$ 576,740	\$ 408,914	\$ 6,128,541	\$ 261,922	\$ 9,399,295	\$ 37,465,277	\$ 221,984	\$ 794,860	\$ 80,076	\$ 55,337,609
Accumulated depreciation	-	(233,845)	(4,658,481)	(162,457)	(3,310,449)	(8,731,278)	(207,548)	(591,942)	(15,928)	(17,911,928)
	<u>\$ 576,740</u>	<u>\$ 175,069</u>	<u>\$ 1,470,060</u>	<u>\$ 99,465</u>	<u>\$ 6,088,846</u>	<u>\$ 28,733,999</u>	<u>\$ 14,436</u>	<u>\$ 202,918</u>	<u>\$ 64,148</u>	<u>\$ 37,425,681</u>
<u>2021</u>										
Opening net book amount as at January 1	\$ 576,740	\$ 175,069	\$ 1,470,060	\$ 99,465	\$ 6,088,846	\$ 28,733,999	\$ 14,436	\$ 202,918	\$ 64,148	\$ 37,425,681
Additions	-	-	-	36,668	5,648,696	34,820	7,371	-	135	5,727,690
Disposals	(3,469)	(492)	-	(8)	(12,586)	-	(13)	-	-	(16,568)
Reclassifications	-	-	16,322	-	-	3,379,371	15,511	-	-	3,411,204
Depreciation	-	(7,834)	(151,778)	(59,236)	(926,271)	(1,561,707)	(8,318)	(38,430)	(4,057)	(2,757,631)
Closing net book amount as at December 31	<u>\$ 573,271</u>	<u>\$ 166,743</u>	<u>\$ 1,334,604</u>	<u>\$ 76,889</u>	<u>\$ 10,798,685</u>	<u>\$ 30,586,483</u>	<u>\$ 28,987</u>	<u>\$ 164,488</u>	<u>\$ 60,226</u>	<u>\$ 43,790,376</u>
<u>At December 31, 2021</u>										
Cost	\$ 573,271	\$ 407,591	\$ 6,144,864	\$ 292,454	\$ 15,011,148	\$ 40,879,468	\$ 238,050	\$ 794,860	\$ 80,211	\$ 64,421,917
Accumulated depreciation	-	(240,848)	(4,810,260)	(215,565)	(4,212,463)	(10,292,985)	(209,063)	(630,372)	(19,985)	(20,631,541)
	<u>\$ 573,271</u>	<u>\$ 166,743</u>	<u>\$ 1,334,604</u>	<u>\$ 76,889</u>	<u>\$ 10,798,685</u>	<u>\$ 30,586,483</u>	<u>\$ 28,987</u>	<u>\$ 164,488</u>	<u>\$ 60,226</u>	<u>\$ 43,790,376</u>

	Land	Buildings	Loading and unloading equipment	Computer and communication equipment	Transportation equipment	Ships	Office equipment	Leasehold improvements	Others	Total
<u>At January 1, 2020</u>										
Cost	\$ 558,532	\$ 402,956	\$ 6,138,199	\$ 154,030	\$ 7,145,872	\$ 37,131,824	\$ 212,315	\$ 576,073	\$ 78,826	\$ 52,398,627
Accumulated depreciation	-	(222,642)	(4,488,946)	(117,474)	(2,641,927)	(7,239,926)	(198,353)	(543,517)	(11,358)	(15,464,143)
	<u>\$ 558,532</u>	<u>\$ 180,314</u>	<u>\$ 1,649,253</u>	<u>\$ 36,556</u>	<u>\$ 4,503,945</u>	<u>\$ 29,891,898</u>	<u>\$ 13,962</u>	<u>\$ 32,556</u>	<u>\$ 67,468</u>	<u>\$ 36,934,484</u>
<u>2020</u>										
Opening net book amount as at January 1	\$ 558,532	\$ 180,314	\$ 1,649,253	\$ 36,556	\$ 4,503,945	\$ 29,891,898	\$ 13,962	\$ 32,556	\$ 67,468	\$ 36,934,484
Additions	-	-	-	94,834	2,264,700	36,725	9,640	8,888	1,250	2,416,037
Disposals	-	-	(37)	(30)	(6,190)	-	(3)	-	-	(6,260)
Reclassifications	18,208	2,577	-	23,124	-	296,728	828	209,899	-	551,364
Depreciation	-	(7,822)	(179,156)	(55,019)	(673,609)	(1,491,352)	(9,991)	(48,425)	(4,570)	(2,469,944)
Closing net book amount as at December 31	<u>\$ 576,740</u>	<u>\$ 175,069</u>	<u>\$ 1,470,060</u>	<u>\$ 99,465</u>	<u>\$ 6,088,846</u>	<u>\$ 28,733,999</u>	<u>\$ 14,436</u>	<u>\$ 202,918</u>	<u>\$ 64,148</u>	<u>\$ 37,425,681</u>
<u>At December 31, 2020</u>										
Cost	\$ 576,740	\$ 408,914	\$ 6,128,541	\$ 261,922	\$ 9,399,295	\$ 37,465,277	\$ 221,984	\$ 794,860	\$ 80,076	\$ 55,337,609
Accumulated depreciation	-	(233,845)	(4,658,481)	(162,457)	(3,310,449)	(8,731,278)	(207,548)	(591,942)	(15,928)	(17,911,928)
	<u>\$ 576,740</u>	<u>\$ 175,069</u>	<u>\$ 1,470,060</u>	<u>\$ 99,465</u>	<u>\$ 6,088,846</u>	<u>\$ 28,733,999</u>	<u>\$ 14,436</u>	<u>\$ 202,918</u>	<u>\$ 64,148</u>	<u>\$ 37,425,681</u>

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

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

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

- A. The Company leases various assets including land, buildings, and ships. Rental contracts are typically made for periods of 3 to 15 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months or less comprise of ships. Low-value assets comprise of office equipment and other equipment.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 606,791	\$ 1,288,295
Buildings	-	44,291
Ships	18,222,990	18,264,070
	<u>\$ 18,829,781</u>	<u>\$ 19,596,656</u>

	<u>Year ended</u>	<u>Year ended</u>
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 693,552	\$ 679,242
Buildings	45,249	44,291
Ships	1,863,388	2,129,318
	<u>\$ 2,602,189</u>	<u>\$ 2,852,851</u>

- D. For the years ended December 31, 2021 and 2020, the additions to right-of-use assets were \$958 and \$0, respectively.
- E. The information on profit and loss accounts relating to lease contracts is as follows:

	<u>Year ended</u>	<u>Year ended</u>
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 437,223	\$ 596,424
Expense on short-term lease contracts	2,090	2,154
Expense on leases of low-value assets	4,162	3,775

- F. For the years ended December 31, 2021 and 2020, the Company's total cash outflow for leases were \$2,865,482 and \$3,435,036, respectively.
- G. As of December 31, 2021, the Group had entered into lease agreements that contained non-lease service component. Based on the fair value of the lease and non-lease component, the future commitment payment allocated to service component amounted to \$914,258.

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

December 31, 2021			
Hedged items	Designated as hedging instruments	Contract period	Book value
Expected US dollar denominated marine freight income transaction	US dollar denominated lease liabilities	2019.1.1~2034.8.15	\$ <u>11,508,873</u>
December 31, 2020			
Hedged items	Designated as hedging instruments	Contract period	Book value
Expected US dollar denominated marine freight income transaction	US dollar denominated lease liabilities	2019.1.1~2034.8.15	\$ <u>10,870,375</u>

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

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

(b) Other equity - cash flow hedge reserve

	2021	2020
At January 1	\$ 1,014,792	\$ 460,138
Add: : Profit on hedge effectiveness-amount recognised in other comprehensive income	171,391	988,987
Less : Reclassified from equity to exchange gain for the period loss	100,172 (52,778)
Less : Reclassified to freight revenue as the hedged item has affected profit or loss	-	(381,555)
At December 31	<u>\$ 1,286,355</u>	<u>\$ 1,014,792</u>

(c) For the years ended December 31, 2021 and 2020, there are no cash flow hedges transactions of ineffective portion should be recognised in profit or loss.

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

I. The amounts of lease liabilities (net of the lease liabilities designated as hedges) of the Company on December 31, 2021 and 2020 are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current lease liabilities	\$ 1,084,541	\$ 1,251,651
Current lease liabilities - related parties	25,135	232,706
Non-current lease liabilities	4,916,641	6,057,307
Non-current lease liabilities - related parties	14,789	-
	<u>\$ 6,041,106</u>	<u>\$ 7,541,664</u>

(11) Leasing arrangements – lessor

A. For the years ended December 31, 2021 and 2020, the Company recognised rent income in the amounts of \$194,774 and \$197,695, respectively, based on the operating lease agreement, which does not include variable lease payments.

B. The maturity analysis of the lease payments under the operating leases is as follows:

	<u>December 31, 2021</u>		<u>December 31, 2020</u>	
2022	\$	319,650	2021	\$ 107,519
2023		261,002	2022	89
2024		124,189	2023	89
2025		504	2024	7
2026		756	2025	-
	<u>\$</u>	<u>706,101</u>		<u>\$ 107,704</u>

(12) Investment property

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>At January 1, 2021</u>			
Cost	\$ 1,395,800	\$ 972,610	\$ 2,368,410
Accumulated depreciation	-	(538,854)	(538,854)
	<u>\$ 1,395,800</u>	<u>\$ 433,756</u>	<u>\$ 1,829,556</u>
<u>2021</u>			
Opening net book amount as at January 1	\$ 1,395,800	\$ 433,756	\$ 1,829,556
Depreciation	-	(19,053)	(19,053)
Closing net book amount as at December 31	<u>\$ 1,395,800</u>	<u>\$ 414,703</u>	<u>\$ 1,810,503</u>
<u>At December 31, 2021</u>			
Cost	\$ 1,395,800	\$ 969,229	\$ 2,365,029
Accumulated depreciation	-	(554,526)	(554,526)
	<u>\$ 1,395,800</u>	<u>\$ 414,703</u>	<u>\$ 1,810,503</u>

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>At January 1, 2020</u>			
Cost	\$ 1,414,008	\$ 975,187	\$ 2,389,195
Accumulated depreciation	-	(519,783)	(519,783)
	<u>\$ 1,414,008</u>	<u>\$ 455,404</u>	<u>\$ 1,869,412</u>
<u>2020</u>			
Opening net book amount as at January 1	\$ 1,414,008	\$ 455,404	\$ 1,869,412
Depreciation	-	(19,071)	(19,071)
Reclassifications	(18,208)	(2,577)	(20,785)
Closing net book amount as at December 31	<u>\$ 1,395,800</u>	<u>\$ 433,756</u>	<u>\$ 1,829,556</u>
<u>At December 31, 2020</u>			
Cost	\$ 1,395,800	\$ 972,610	\$ 2,368,410
Accumulated depreciation	-	(538,854)	(538,854)
	<u>\$ 1,395,800</u>	<u>\$ 433,756</u>	<u>\$ 1,829,556</u>

A. Rental income from the investment property and direct operating expenses arising from the investment property are shown below:

	<u>Year ended</u> <u>December 31, 2021</u>	<u>Year ended</u> <u>December 31, 2020</u>
Rental income from investment property	<u>\$ 101,871</u>	<u>\$ 100,591</u>
Direct operating expenses arising from the investment property that generated rental income during the year	<u>\$ 19,053</u>	<u>\$ 19,071</u>
Direct operating expenses arising from the investment property that did not generate rental income during the year	<u>\$ -</u>	<u>\$ -</u>

B. The fair value of the investment property held by the Company as at December 31, 2021 and 2020 was \$3,557,854 and \$3,534,160, respectively. The fair value measurements were based on the market prices of recently sold properties in the immediate vicinity of a certain property, which is categorised within Level 2 in the fair value hierarchy.

C. Information about the investment property that was pledged to others as collaterals is provided in Note 8.

(13) Other current assets

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Prepayments for equipment	\$ 5,845,591	\$ 2,799,647
Refundable deposits	17,357	17,700
	<u>\$ 5,862,948</u>	<u>\$ 2,817,347</u>

A. Amount of borrowing costs capitalized as part of prepayment for equipment and the range of the interest rates for such capitalization are as follows:

	Year ended December 31, 2021	Year ended December 31, 2020
Amount capitalised	\$ 44,927	\$ 18,638
Interest rate	0.86%~1.03%	0.86%~1.24%

B. Movement in prepayments for equipment for the years ended December 31, 2021 and 2020 are as follows:

	Year ended December 31, 2021	Year ended December 31, 2020
At January 1	\$ 2,799,647	\$ 1,154,130
Additions	6,457,148	2,176,096
Reclassification to property, plant and equipment	(3,411,204)	(530,579)
At December 31	\$ 5,845,591	\$ 2,799,647

(14) Other current liabilities

	December 31, 2021	December 31, 2020
Long-term liabilities - current portion	\$ 4,792,891	\$ 5,587,280
Corporate bonds- current portion	4,000,000	4,000,000
Shipowner's accounts	888,479	1,782,644
Agency accounts	209,667	467,737
Others	295,892	59,349
	<u>\$ 10,186,929</u>	<u>\$ 11,897,010</u>

(15) Corporate bonds payable

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

A. On April 25, 2017, the Company issued its thirteenth domestic secured corporate bonds (referred herein as the “Thirteenth Bonds”), totaling \$8,000,000. The Thirteenth Bonds are categorized into Bond A, B, C, D, E, F and G, depending on the guarantee institution. Bond A totals \$2,000,000, and the rest total \$6,000,000, with each par value of \$1,000,000. The major terms of the issuance are set forth below:

(a) Period: 5 years (April 25, 2017 to April 25, 2022)

- (b) Coupon rate: 1.05% fixed per annum
 - (c) Principal repayment and interest payment
Repayments for the Thirteenth Bonds are paid annually on coupon rate, starting a year from the issuing date. For each category of the bonds mentioned above, half the principal must be paid at the end of the fourth year, and another half at the maturity date.
 - (d) Collaterals
The Thirteenth Bonds are secured. Bond A is guaranteed by Hua Nan Bank, Bond B is guaranteed by First Bank, Bond C is guaranteed by Mega International Commercial Bank, Bond D is guaranteed by Land Bank of Taiwan, Bond E is guaranteed by Chang Hwa Bank, Bond F is guaranteed by Taiwan Cooperative Bank, and Bond G is guaranteed by Bank Sinopac.
- B. On June 27, 2018, the Company issued its fourteenth domestic secured corporate bonds (referred herein as the “Fourteenth Bonds”), totaling \$2,000,000, with each par value of \$1,000. On June 7, 2018, the Bonds were qualified as the green bonds based on the Securities-TPEX-Bond No. 1070014617 issued by Taipei Exchange. The major terms of the issuance are set forth below:
- (a) Period: 5 years (June 27, 2018 to June 27, 2023)
 - (b) Coupon rate: 0.86% fixed per annum
 - (c) Principal repayment and interest payment
Repayments for the Fourteenth Bonds are paid annually on coupon rate, starting a year from the issuing date. The principal of the Fourteenth Bonds shall be repaid in lump sum at maturity.
 - (d) Collaterals
The Fourteenth Bonds are secured and are guaranteed by First Commercial Bank.
- C. On September 29, 2020, the Company issued the first unsecured overseas convertible bonds (the “First Overseas Convertible Bonds”), totaling USD300,000 at the face value. The major terms of the issuance are set forth below:
- (a) Period: 5 years (September 29, 2020 to September 29, 2025)
 - (b) Coupon rate: 0% fixed per annum
 - (c) Principal repayment:
Except for the First Overseas Convertible Bonds previously redeemed, repurchased and retired by the Company, or converted by the bondholders of the First Overseas Convertible Bonds (the “bondholders”), the Company will redeem the First Overseas Convertible Bonds in USD on the maturity date at the price of the face value plus 0.0% gross yield per annum of the face value, calculated semi-annually.

(d) Conversion period:

Except for the First Overseas Convertible Bonds previously redeemed or repurchased, or the stop transfer period as specified in the terms of the bond indenture for the First Overseas Convertible Bonds (the “bond indenture”) or the laws/regulations, the bondholders have the right to ask for the conversion of the First Overseas Convertible Bonds into the common stocks newly issued by the Company during the period from the date after 90 days of the issuance of the First Overseas Convertible Bonds to (1) 10 days before the maturity date, or (2) 5 business days before the date on which the bondholders exercise the put options or the Company exercise the early redemption (excluding the maturity date).

(e) Conversion price:

The conversion price of the First Overseas Convertible Bonds is NT\$18.2 (in dollars), 115.19% of the reference price. The reference price refers to the closing price of the Company’s common stocks on the Taiwan Stock Exchange on the pricing date, which was NT\$15.80 (in dollars), translated using the exchange rate of US\$1 to NT\$28.9910.

(f) Put options:

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

- i. Except for the First Overseas Convertible Bonds previously redeemed, repurchased and retired, or converted, the bondholders have the right to require the Company to redeem the First Overseas Convertible Bonds, in whole or in part, on the date three years after the issuance at the price of the face value plus 0.0% per annum of the face value (calculated semi-annually) as the interests (the “early redemption amount”).
- ii. The bondholders have the right to require the Company to redeem the First Overseas Convertible Bonds, in whole or in part, at the early redemption amount if the Company’s common stocks are unlisted from the Taiwan Stock Exchange or ceased trading over 30 consecutive business days.
- iii. The bondholders have the right to require the Company to redeem the First Overseas Convertible Bonds, in whole or in part, at the early redemption amount if any changes occur to the Company’s controlling power as defined in the bond indenture.

The exercise of the aforementioned put options by the bondholders and the acceptance of the bondholders’ requests by the Company shall be conducted in accordance with the procedures as specified in the bond indenture. The Company will redeem the First Overseas Convertible Bonds in cash on the payment date as specified in the bond indenture.

The early redemption amount is first translated into NTD using the fixed exchange rate, and it was then translated from NTD to USD using the exchange rate on the day for repayment (by reference to the fixing rate of US\$1 to NT\$28.9910 at 11 a.m. quoted by Taipei Forex Inc.).

(g) Redemption:

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

i. The Company may redeem the First Overseas Convertible Bonds, in whole, at the early redemption amount if the closing price of the Company's common stocks on the Taiwan Stock Exchange (translated into USD based on the exchange rate on the day) reaches over 130% of the total amount of early redemption amount (defined later) multiplied by the conversion price on the day (translated into USD at the fixed exchange rate) and divided by the face value for 20 trade dates out of 30 consecutive business days during the period from the day after three years of the issuance to the maturity date.

ii. The Company may redeem the outstanding First Overseas Convertible Bonds, in whole, at the early redemption amount if over 90% of the First Overseas Convertible Bonds have been redeemed, converted, repurchased and retired.

iii. The Company may redeem the First Overseas Convertible Bonds, in whole, at the early redemption amount if changes to the R.O.C.'s tax regulations occur after the issue date and cause the Company to bear more tax or to pay extra interest expenses or increase in costs for the First Overseas Convertible Bonds. Also, the bondholders have no right to require the Company to cover extra tax and expense for their nonparticipation of the redemption.

The early redemption amount is first translated into NTD using the fixed exchange rate, and it was then translated from NTD to USD using the exchange rate on the day for repayment (by reference to the fixing rate of US\$1 to NT\$28.9910 at 11 a.m. quoted by Taipei Forex Inc.).

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

(a) Period: 5 years (May 18, 2021 to May 18, 2026)

(b) Coupon rate: 0% fixed per annum

(c) Principal repayment:

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

(d) Conversion period:

Except for the Fourth Convertible Bonds previously redeemed or repurchased, or the stop transfer period as specified in the terms of the bond indenture for the Fourth Convertible Bonds (the "bond indenture") or the laws/regulations, the bondholders have the right to ask for the conversion of the Fourth Convertible Bonds into the common stocks newly issued by

the Company during the period from the date after 3 months of the issuance of the Fourth Convertible Bonds.

(e) Conversion price:

The conversion price of the Fourth Convertible Bonds is NT\$95 (in dollars), 111.76% of the reference price. The reference price refers to the closing price of the Company's common stocks on the Taiwan Stock Exchange on a prior trading day of the pricing date, which was NT\$85 (in dollars). As a result of the distribution of cash dividends, the conversion price shall be adjusted based on the formula in accordance with Article 11 of the Fourth Convertible Bonds' Regulations Governing issuance and conversion whereby the conversion price of the Fourth Convertible Bonds has been changed from NT\$95 (in dollars) to NT\$93.67 (in dollars) since August 24, 2021.

(f) Put options:

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

Except for the Fourth Convertible Bonds previously redeemed, repurchased and retired, or converted, the bondholders have the right to require the Company to redeem the Fourth Convertible Bonds, in whole or in part, on the date three years after the issuance at the price of the face value plus 0.0% per annum of the face value as the interests (the "early redemption amount").

(g) Redemption:

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

- i. The Company may redeem the Fourth Convertible Bonds, in whole, at the early redemption amount if the closing price of the Company's common shares is above than the conversion price by 30% for 30 consecutive trading days during the period from the date after 3 months of the bonds issue to 40 days before the maturity date.
- ii. The Company may redeem the Fourth Convertible Bonds, in whole, at the early redemption amount if the amount of the Company's outstanding shares is lower than the conversion price by 10% of the original total issuance amount during the period from the date after 3 months of the bonds issue to 40 days before the maturity date.

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

F. Regarding the issuance of convertible bonds, the equity conversion options were separated from the liability component in accordance with IAS 32. As of December 31, 2021, the domestic unsecured convertible bonds amounting to \$289,160 were recognised in 'capital surplus—share options'. In addition, the call options and redemption embedded in convertible bonds were not separated from their host contracts and were recognised in 'financial assets or liabilities at fair

value through profit or loss' in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were closely related to those of the host contracts.

(16) Long-term loans

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Secured bank loans	\$ 15,109,491	\$ 19,489,018
Unsecured bank loans	3,970,784	11,607,882
Less: Unrealized foreign exchange gain	(192,527)	(148,492)
Less: Deferred expenses - hosting fee credit	(86,392)	(14,905)
	18,801,356	30,933,503
Less: Current portion (recorded as other current liabilities)	(4,792,891)	(5,587,280)
	<u>\$ 14,008,465</u>	<u>\$ 25,346,223</u>
Maturity range	2022.08~2031.11	2021.05~2029.05
Interest rate	0.93%~1.58%	0.93%~2.91%

Please refer to Note 8 for details of the collaterals pledged for the above long-term loans.

(17) Other non-current liabilities

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Accrued pension liabilities	\$ 2,104,357	\$ 1,307,169
Guarantee deposits received	12,798	12,250
	<u>\$ 2,117,155</u>	<u>\$ 1,319,419</u>

(18) Pension

A.(a) In accordance with the Labor Standards Act ("the Act"), covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contribute monthly an amount equal to 15% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Present value of defined benefit obligations	(\$ 2,783,121)	(\$ 1,933,690)
Fair value of plan assets	<u>678,764</u>	<u>626,521</u>
Net defined benefit liability	<u>(\$ 2,104,357)</u>	<u>(\$ 1,307,169)</u>

(c) Movements in net defined benefit liabilities are as follows:

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
<u>Year ended December 31, 2021</u>			
Balance at January 1	(\$ 1,933,690)	\$ 626,521	(\$ 1,307,169)
Current service cost	(11,541)	-	(11,541)
Interest (expense) income	(5,634)	1,866	(3,768)
Past service cost	<u>(840,805)</u>	<u>-</u>	<u>(840,805)</u>
	<u>(2,791,670)</u>	<u>628,387</u>	<u>(2,163,283)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	9,379	9,379
Change in demographic assumptions	(2,827)	-	(2,827)
Change in financial assumptions	72,692	-	72,692
Experience adjustments	<u>(148,359)</u>	<u>-</u>	<u>(148,359)</u>
	<u>(78,494)</u>	<u>9,379</u>	<u>(69,115)</u>
Pension fund contribution	-	112,924	112,924
Paid pension	<u>87,043</u>	<u>(71,926)</u>	<u>15,117</u>
Balance at December 31	<u>(\$ 2,783,121)</u>	<u>\$ 678,764</u>	<u>(\$ 2,104,357)</u>

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
<u>Year ended December 31, 2020</u>			
Balance at January 1	(\$ 1,876,357)	\$ 586,285	(\$ 1,290,072)
Current service cost	(12,871)	-	(12,871)
Interest (expense) income	(13,700)	4,407	(9,293)
	<u>(1,902,928)</u>	<u>590,692</u>	<u>(1,312,236)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	18,948	18,948
Change in financial assumptions	(80,744)	-	(80,744)
Experience adjustments	(49,956)	-	(49,956)
	<u>(130,700)</u>	<u>18,948</u>	<u>(111,752)</u>
Pension fund contribution	-	96,986	96,986
Paid pension	99,938	(80,105)	19,833
Balance at December 31	<u>(\$ 1,933,690)</u>	<u>\$ 626,521</u>	<u>(\$ 1,307,169)</u>

(d)The Bank of Taiwan was commissioned to manage the Fund of the Company’s defined benefit pension plan in accordance with the Fund’s annual investment and utilisation plan and the “Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund” (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2021 and 2020 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e)The principal actuarial assumptions used were as follows:

	Year ended <u>December 31, 2021</u>	Year ended <u>December 31, 2020</u>
Discount rate	0.70%	0.30%
Future salary increases	<u>2.00%</u>	<u>2.00%</u>

Assumptions regarding future mortality rate for the years ended December 31, 2021 and 2020 was estimated based on the 6th and 5th Taiwan Standard Ordinary Experience Mortality Table. Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
<u>December 31, 2021</u>				
Effect on present value of defined benefit obligation	(\$ 64,861)	\$ 67,225	\$ 45,008	(\$ 43,642)
<u>December 31, 2020</u>				
Effect on present value of defined benefit obligation	(\$ 45,498)	\$ 47,165	\$ 32,620	(\$ 31,616)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(f) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2022 amount to \$117,161.

(g) As of December 31, 2021, the weighted average duration of the retirement plan is 9 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	\$	129,135
1~2 years		183,769
2~5 years		461,253
Over 5 years		2,203,488
	\$	<u>2,977,645</u>

B.(a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2021 and 2020 were \$120,236 and \$109,425, respectively.

(19) Capital stock

- A. As of December 31, 2021, the Company's authorised capital was \$70,000,000, and the paid-in capital was \$52,908,484, divided into 5,290,848 thousand shares of common stocks with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.
- B. The Company's domestic convertible bonds with a face value of \$100 thousands dollars had been converted into ordinary share capital of \$10 (1 thousand shares) with a par value of NT\$10 (in dollars) per share during the year ended December 31, 2021, which resulted in 'capital surplus, additional paid-in capital arising from bond conversion' of \$90. All proceeds from share issuance have been collected by December 1, 2021.
- C. The Company bonds totaling USD 246,600 thousands dollars (face value) had been converted into \$3,928,121 of ordinary shares (392,812 thousand shares) with a par value of \$10 (in dollars) per share during the year ended December 31, 2021, which resulted in 'capital surplus, additional paid-in capital arising from bond conversion' of \$3,198,159. All proceeds from share issuance have been collected by July 23, 2021.
- D. The Company issued 85,062 shares of new shares during the period from December 29, 2020 to December 31, 2020 due to the exercise of conversion options by the overseas convertible corporate bondholders. All proceeds from share issuance have been collected by February 19, 2021.
- E. On June 24, 2020, the shareholders, meeting of the Company resolved to increase authorized capital from \$50,000,000 to \$70,000,000. All proceeds from share issuance have been collected by July 22, 2020.
- F. On December 31, 2021 and 2020, the numbers of the Company's shares held by its associate accounted for using equity method, EITC, were 25,254 and 25,084 thousand shares, respectively.

(20) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	Year ended December 31, 2021				
	Share premium	Employee stock options exercised	Adjustments to share of changes in equity of associates and joint ventures	Donated assets	Others
At January 1	\$ 9,857,768	\$423,246	\$ 2,144,568	\$ 446	\$ 7,336
Expired unclaimed dividends	-	-	-	-	(62)
Proceeds from issuance of convertible bonds	-	289,166	-	-	-
Conversion of convertible bonds	3,198,249	(312,296)	-	-	-
Recognition of change in equity of associates in proportion to the Company's ownership	-	-	153,764	-	-
At December 31	<u>\$ 13,056,017</u>	<u>\$400,116</u>	<u>\$ 2,298,332</u>	<u>\$ 446</u>	<u>\$ 7,274</u>
	Year ended December 31, 2020				
	Share premium	Employee stock options exercised	Adjustments to share of changes in equity of associates and joint ventures	Donated assets	Others
At January 1	\$ 9,167,217	\$110,956	\$ 2,122,105	\$ 446	\$ 6,713
Expired unclaimed dividends	-	-	-	-	623
Proceeds from issuance of overseas convertible bonds	-	379,915	-	-	-
Conversion of overseas convertible bonds	690,551	(67,625)	-	-	-
Recognition of change in equity of associates in proportion to the Company's ownership	-	-	22,463	-	-
At December 31	<u>\$ 9,857,768</u>	<u>\$423,246</u>	<u>\$ 2,144,568</u>	<u>\$ 446</u>	<u>\$ 7,336</u>

(21) Retained earnings

	Year ended December 31, 2021	Year ended December 31, 2020
At January 1	\$ 27,734,460	\$ 3,659,042
Profit for the year	239,014,860	24,364,926
Distribution of earnings	(16,145,182)	-
Remeasurement on post employment benefit obligations, net of tax	(90,912)	(291,317)
Adjustments to share of changes in equity of associates and joint ventures	42,523	1,809
At December 31	<u>\$ 250,555,749</u>	<u>\$ 27,734,460</u>

- A. According to the Company's Articles of Incorporation, if there is any profit for a fiscal year, the Company shall first make provision for income tax and cover prior years' losses, then appropriate 10% of the residual amount as legal reserve. Dividends shall be proposed by the Board of Directors and resolved by the stockholders.
- B. Dividend policy
The Company is currently at the stable growth stage. In order to facilitate future expansion plans, dividends to stockholders are distributed mutually in the form of both cash and stocks with the basic principle that the ratio of cash dividends to total stock dividends shall not be lower than 10%.
- C. Legal reserve
Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.
- D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- E. For the year ended December 31, 2019, the Company's net income after tax plus other items including current unappropriated retained earnings are negative, thus the Company will not provision for legal reserve. Additionally, the Company will retain distributable earnings for its future operating plan, thus, the Company will not appropriate for shareholders' bonus.

F. The appropriation of 2020 earnings was adopted by the stockholders on July 21, 2021 is as follows:

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

G. The appropriation of 2021 earnings was adopted by the Board of Directors on March 15, 2022 as follows:

	Year ended December 31, 2021	Year ended December 31, 2021
	Amount	Dividend per share (in dollars)
Accrual of legal reserve	\$ 23,896,647	
Accrual of special reserve	\$ 564,364	
Appropriate cash dividends to shareholders	\$ 95,238,884	\$ 18.0

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

(22) Other equity items

	Unrealised gains (losses) on valuation	Hedging reserve	Currency translation	Total
At January 1, 2021	\$ 1,884,774	\$ 1,862,164	(\$ 4,328,344)	(\$ 581,406)
Revaluation – gross	313,582	-	-	313,582
Revaluation – tax	1,856	-	-	1,856
Revaluation – associates	1,828,340	-	-	1,828,340
Revaluation transferred to retained earnings – associates	(42,523)	-	-	(42,523)
Cash flow hedges:				
– Fair value gain in the period				
– Parent	-	(42,909)	-	(42,909)
– Parent – tax	-	8,582	-	8,582
– Associates	-	(226,630)	-	(226,630)
Currency translation differences:				
– Parent	-	-	(2,346,629)	(2,346,629)
– Parent – tax	-	-	(825)	(825)
– Associates	-	-	(57,208)	(57,208)
At December 31, 2021	<u>\$ 3,986,029</u>	<u>\$ 1,601,207</u>	<u>(\$ 6,733,006)</u>	<u>(\$ 1,145,770)</u>

	Unrealised gains (losses) on valuation	Hedging reserve	Currency translation	Total
At January 1, 2020	\$ 1,411,638	\$ 579,757	(\$ 856,773)	\$ 1,134,622
Revaluation – gross	156,060	-	-	156,060
Revaluation – tax	(3,650)	-	-	(3,650)
Revaluation – associates	322,535	-	-	322,535
Revaluation transferred to retained earnings – associates	(1,809)	-	-	(1,809)
Cash flow hedges:				
– Fair value gain in the period				
– Parent	-	554,654	-	554,654
– Parent – tax	-	(110,931)	-	(110,931)
– Associates	-	838,684	-	838,684
Currency translation differences:				
– Parent	-	-	(3,160,573)	(3,160,573)
– Parent – tax	-	-	4,589	4,589
– Associates	-	-	(315,587)	(315,587)
At December 31, 2020	<u>\$ 1,884,774</u>	<u>\$ 1,862,164</u>	<u>(\$ 4,328,344)</u>	<u>(\$ 581,406)</u>

(23) Operating revenue

	Year ended December 31, 2021	Year ended December 31, 2020
Revenue from contracts with customers	\$ 93,800,133	\$ 51,533,438
Other - ship rental income	85,402	89,685
	<u>\$ 93,885,535</u>	<u>\$ 51,623,123</u>

A. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of services over time and at a point in time in the following major businesses:

	Year ended				
December 31, 2021	Asia	America	Europe	Others	Total
Revenue from external customer contracts	\$16,824,710	\$28,101,449	\$33,517,589	\$10,374,937	\$88,818,685
Inter-segment revenue	<u>3,607,723</u>	<u>1,023,720</u>	<u>343,227</u>	<u>6,778</u>	<u>4,981,448</u>
Total segment revenue	<u>\$20,432,433</u>	<u>\$29,125,169</u>	<u>\$33,860,816</u>	<u>\$10,381,715</u>	<u>\$93,800,133</u>

Year ended					
December 31, 2020	Asia	America	Europe	Others	Total
Revenue from external customer contracts	\$14,787,452	\$15,958,295	\$14,942,824	\$1,780,635	\$47,469,206
Inter-segment revenue	1,721,067	1,736,225	605,317	1,623	4,064,232
Total segment revenue	<u>\$16,508,519</u>	<u>\$17,694,520</u>	<u>\$15,548,141</u>	<u>\$1,782,258</u>	<u>\$51,533,438</u>

B. Contract assets and liabilities

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

	December 31, 2021	December 31, 2020	January 1, 2020
Contract assets:			
Contract assets relating to marine freight income	<u>\$ 988,691</u>	<u>\$ 802,464</u>	<u>\$ 372,492</u>
Contract liabilities:			
Contract liabilities – unearned marine freight income	<u>\$ 3,304,976</u>	<u>\$ 494,792</u>	<u>\$ 536,774</u>

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

	Year ended December 31, 2021	Year ended December 31, 2020
Marine freight income	<u>\$ 494,792</u>	<u>\$ 536,774</u>

(24) Other gains-net

	Year ended December 31, 2021	Year ended December 31, 2020
(Losses) gains on disposal of property, plant and equipment	<u>(\$ 1,837)</u>	<u>\$ 3,170</u>

(25) Interest income

	Year ended December 31, 2021	Year ended December 31, 2020
Interest income from bank deposits	\$ 59,725	\$ 112,207
Interest income from financial assets measured at amortised cost	55,782	22,593
	<u>\$ 115,507</u>	<u>\$ 134,800</u>

(26) Other income

	Year ended December 31, 2021	Year ended December 31, 2020
Rental revenue	\$ 109,372	\$ 108,010
Dividend income	69,198	50,516
Other income – others	113,829	203,729
	<u>\$ 292,399</u>	<u>\$ 362,255</u>

(27) Other gains and losses

	Year ended December 31, 2021	Year ended December 31, 2020
Net currency exchange gains	\$ 23,772	\$ 503,637
Gains on financial assets at fair value through profit or loss	28,472	30,027
Gains on disposal of investments	11,191	99
Gains (losses) arising from lease modifications	3,802 (259)
Depreciation charges on investment property	(19,053)	(19,071)
Other non-operating expenses	(90,660)	(82,671)
	<u>(\$ 42,476)</u>	<u>\$ 431,762</u>

(28) Finance costs

	Year ended December 31, 2021	Year ended December 31, 2020
Interest expense:		
Bank borrowings	\$ 284,005	\$ 483,801
Corporate bonds	113,053	124,782
Lease liabilities	437,223	596,424
	834,281	1,205,007
Less: Capitalisation of qualifying assets	(44,927)	(18,638)
Finance costs	<u>\$ 789,354</u>	<u>\$ 1,186,369</u>

(29) Expenses by nature

	Year ended <u>December 31, 2021</u>	Year ended <u>December 31, 2020</u>
Employee benefit expense	\$ 9,699,818	\$ 3,784,844
Depreciation charges on property, plant and equipment	2,757,631	2,469,944
Depreciation charges on right-of-use assests	2,602,189	2,852,851
Amortisation charges on intangible assets	22,051	17,266
Stevedorage	11,490,606	15,064,018
Inland haulage and canal due	7,634,945	8,516,195
Bunker fuel	6,258,007	5,315,736
Operating lease payments	413,850	321,060
Commission	6,164,700	2,457,287
Port charge	1,293,175	1,594,561
Ship supplies and lubricant oil	344,902	254,406
Professional service and data service expenses	1,036,194	1,554,620
Other operating costs and expenses	2,633,976	2,260,932
	<u>\$ 52,352,044</u>	<u>\$ 46,463,720</u>

(30) Employee benefit expense

	Year ended <u>December 31, 2021</u>	Year ended <u>December 31, 2020</u>
Wages and salaries	\$ 8,159,872	\$ 3,286,719
Labor and health insurance fees	304,396	200,711
Pension costs	976,350	131,588
Directors' remuneration	35,175	22,869
Other personnel expenses	224,025	142,957
	<u>\$ 9,699,818</u>	<u>\$ 3,784,844</u>

- A. According to the Articles of Incorporation of the Company, when distributing earnings, the Company shall distribute bonus to the employees that account for no less than 0.5% and pay remuneration to the directors and supervisors that account for no more than 2% of the total distributed amount.
- B. (a) In accordance with the Articles of Incorporation of the Company, based on the profit for the year ended December 31, 2021, employees' compensation and directors' remunerations were accrued based on 0.5% and 0.04% at \$1,303,466 and \$9,500, respectively. The aforementioned amount was recognised in salary expenses. The actual distributed amounts as resolved by the Board of Directors were in agreement with the accrued amounts. The employees' compensation will be distributed in the form of cash.
- (b) For the year ended December 31, 2020, employees' compensation and directors' remunerations were accrued at \$131,254 and \$9,500, respectively. The aforementioned

amount was recognised in salary expenses. The actual distributed amounts as resolved by the Board of Directors were in agreement with the accrued amounts.

Information about the appropriation of employees', directors' and supervisors' remuneration by the Company as proposed by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(31) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Year ended December 31, 2021	Year ended December 31, 2020
Current tax:		
Current tax on profits for the year	\$ 11,631,620	\$ 383,262
Land value increment tax included in current tax	166	-
Total current tax	<u>11,631,786</u>	<u>383,262</u>
Deferred tax:		
Origination and reversal of temporary differences	8,733,525	1,361,790
Total deferred tax	<u>8,733,525</u>	<u>1,361,790</u>
Income tax expense	<u>\$ 20,365,311</u>	<u>\$ 1,745,052</u>

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

	Year ended December 31, 2021	Year ended December 31, 2020
Changes in fair value of available -for-sale financial assets	(\$ 1,856)	\$ 3,650
Currency translation differences	825	(4,589)
Remeasurement of defined benefit obligations	(13,823)	(22,350)
Cash flow hedges	(8,582)	110,931
Share of other comprehensive income of associates	(15,701)	(5,908)
	<u>(\$ 39,137)</u>	<u>\$ 81,734</u>

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

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

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31, 2021	Year ended December 31, 2020
Tax calculated based on profit before tax and statutory tax rate	\$ 51,876,001	\$ 5,221,996
Land value increment tax included in current tax	166	-
Expenses disallowed by tax regulation	3,318,399	14,491
Tax exempt income by tax regulation	(34,829,255)	(3,494,602)
Effect from tax losses	-	3,167
Income tax expense	<u>\$ 20,365,311</u>	<u>\$ 1,745,052</u>

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

	2021				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	December 31
— Deferred tax assets:					
Temporary differences:					
Bad debts expense	\$ 1,789	(\$ 25)	\$ -	\$ -	\$ 1,764
Deferred profit from disposal of loading and unloading equipment	11,022	(1,686)	-	-	9,336
Unrealized expense	15,850	2,493	-	-	18,343
Pension fund contribution	155,936	145,614	-	-	301,550
Remeasurements of defined benefit obligation	<u>105,498</u>	<u>-</u>	<u>13,823</u>	<u>-</u>	<u>119,321</u>
	<u>290,095</u>	<u>146,396</u>	<u>13,823</u>	<u>-</u>	<u>450,314</u>
— Deferred tax liabilities:					
Temporary differences:					
Gain on valuation of financial assets	(\$ 2,906)	\$ -	\$ 1,856	\$ -	(\$ 1,050)
Equity-accounted investment income	(1,465,428)	(8,844,812)	14,876	115	(\$ 10,295,249)
Unrealized exchange gain	(67,272)	(35,109)	-	-	(102,381)
Cash flow hedges	<u>(202,959)</u>	<u>-</u>	<u>8,582</u>	<u>-</u>	<u>(194,377)</u>
	<u>(1,738,565)</u>	<u>(8,879,921)</u>	<u>25,314</u>	<u>115</u>	<u>(10,593,057)</u>
	<u>(\$ 1,448,470)</u>	<u>(\$ 8,733,525)</u>	<u>\$ 39,137</u>	<u>\$ 115</u>	<u>(\$ 10,142,743)</u>

	2020				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	December 31
— Deferred tax assets:					
Temporary differences:					
Bad debts expense	\$ 16,376	(\$ 14,587)	\$ -	\$ -	\$ 1,789
Loss on valuation of financial assets	744	-	(744)	-	-
Deferred profit from disposal of loading and unloading equipment	12,801	(1,779)	-	-	11,022
Unrealized expense	58,884	(43,034)	-	-	15,850
Unrealized exchange loss	28,633	(28,633)	-	-	-
Pension fund contribution	174,867	(18,931)	-	-	155,936
Remeasurements of defined benefit obligation	83,147	-	22,351	-	105,498
Net operating loss carryforward	<u>418,670</u>	<u>(418,670)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>794,122</u>	<u>(525,634)</u>	<u>21,607</u>	<u>-</u>	<u>290,095</u>
— Deferred tax liabilities:					
Temporary differences:					
Gain on valuation of financial assets	\$ -	\$ -	(\$ 2,906)	\$ -	(\$ 2,906)
Equity-accounted investment income	(706,970)	(768,884)	10,496	(70)	(\$ 1,465,428)
Unrealized exchange gain	-	(67,272)	-	-	(67,272)
Cash flow hedges	<u>(92,028)</u>	<u>-</u>	<u>(110,931)</u>	<u>-</u>	<u>(202,959)</u>
	<u>(798,998)</u>	<u>(836,156)</u>	<u>(103,341)</u>	<u>(70)</u>	<u>(1,738,565)</u>
	<u>(\$ 4,876)</u>	<u>(\$ 1,361,790)</u>	<u>(\$ 81,734)</u>	<u>(\$ 70)</u>	<u>(\$ 1,448,470)</u>

- E. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2021 and 2020, the amounts of temporary difference unrecognised as deferred tax liabilities were \$164,046,155 and \$26,906,819, respectively.
- F. As of December 31, 2021, the Company's income tax returns through 2018 have been assessed and approved by the Tax Authority.

(32) Earnings per share

	<u>Year ended December 31, 2021</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 239,014,860</u>	<u>5,244,562</u>	<u>\$ 45.57</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	239,014,860	5,244,562	
Assumed conversion of all dilutive potential ordinary shares			
Euro-Convertible bonds	40,735	33,343	
Employees' compensation	<u>-</u>	<u>9,146</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all shares	<u>\$ 239,055,595</u>	<u>5,287,051</u>	<u>\$ 45.22</u>
	<u>Year ended December 31, 2020</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 24,364,926</u>	<u>4,813,206</u>	<u>\$ 5.06</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	24,364,926	4,813,206	
Assumed conversion of all dilutive potential ordinary shares			
Euro-Convertible bonds	23,582	100,886	
Employees' compensation	<u>-</u>	<u>3,225</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all shares	<u>\$ 24,388,508</u>	<u>4,917,317</u>	<u>\$ 4.96</u>

(33) Supplemental cash flow information

Investing activities with partial cash payments

A. Property, plant and equipment

	Year ended December 31, 2021	Year ended December 31, 2020
Purchase of property, plant and equipment	\$ 5,727,690	\$ 2,416,037
Add: Opening balance of payable on equipment	9,771	2,500
Less: Ending balance of payable on equipment	(2,207,185)	(9,771)
Less: Reclassification as the hedged item has affected profit or loss	(4,076)	-
Cash paid during the year	<u>\$ 3,526,200</u>	<u>\$ 2,408,766</u>

B. Prepayment for equipment (recorded as other non-current assets)

	Year ended December 31, 2021	Year ended December 31, 2020
Purchase of prepayments for equipment	\$ 6,457,148	\$ 2,176,096
Add: Opening balance of payable on prepayments for equipment	4,484	-
Less: Ending balance of payable on prepayments for equipment	(17,309)	(4,484)
Capitalisation of qualifying assets	(44,927)	(18,638)
Cash paid during the year	<u>\$ 6,399,396</u>	<u>\$ 2,152,974</u>

(34) Changes in liabilities from financing activities

	Corporate bonds payable (including current portion)	Long-term borrowings (including current portion)	Guarantee deposits received	Lease liabilities and financial liabilities for hedging	Liabilities from financing activities-gross
At January 1, 2021	\$ 16,779,043	\$ 30,933,503	\$ 12,250	\$ 18,412,039	\$ 66,136,835
Changes in cash flow from financing activities	1,043,721	(12,132,148)	548	(2,422,007)	(13,509,886)
Remeasurement of lease liabilities	-	-	-	1,834,356	1,834,356
Additions to lease liabilities	-	-	-	958	-
Changes in other non-cash items	(7,049,814)	-	-	(3,802)	(7,053,616)
Impact of changes in foreign exchange rate	-	-	-	(271,565)	(271,565)
At December 31, 2021	<u>\$ 10,772,950</u>	<u>\$ 18,801,355</u>	<u>\$ 12,798</u>	<u>\$ 17,549,979</u>	<u>\$ 47,136,124</u>

	<u>Corporate bonds payable (including current portion)</u>	<u>Long-term borrowings (including current portion)</u>	<u>Guarantee deposits received</u>	<u>Lease liabilities and financial liabilities for hedging</u>	<u>Liabilities from financing activities-gross</u>
At January 1, 2020	\$ 10,000,000	\$ 38,403,804	\$ 12,190	\$ 22,228,930	\$ 70,644,924
Changes in cash flow from financing activities	8,635,118	(7,470,301)	60	(2,832,683)	(1,667,806)
Remeasurement of lease liabilities	-	-	-	(25,520)	(25,520)
Deductions to lease liabilities	-	-	-	(22,738)	(22,738)
Changes in other non-cash items	(1,856,075)	-	-	259	(1,855,816)
Impact of changes in foreign exchange rate	-	-	-	(936,209)	(936,209)
At December 31, 2020	<u>\$ 16,779,043</u>	<u>\$ 30,933,503</u>	<u>\$ 12,250</u>	<u>\$ 18,412,039</u>	<u>\$ 66,136,835</u>

7. RELATED PARTY TRANSACTIONS

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

Names of related parties	Relationship with the Company
Taiwan Terminal Services Co., Ltd. (TTSC)	Subsidiary
Peony Investment S.A. (Peony)	Subsidiary
Everport Terminal Services Inc. (ETS)	Subsidiary
Evergreen Marine (Hong Kong) Ltd. (EGH)	Subsidiary
Evergreen Shipping Agency (Israel) Ltd. (EIL)	Subsidiary
Evergreen Marine (Asia) Pte. Ltd. (EMA)	Subsidiary
Evergreen Marine Corp. (Malaysia) SDN BHD (EGM)	Indirect subsidiary
Clove Holding Ltd. (CLOVE)	Indirect subsidiary
PT. Multi Bina Transport (MBT)	Indirect subsidiary
PT. Multi Bina Pura International (MBPI)	Indirect subsidiary
Greencompass Marine S.A. (GMS)	Indirect subsidiary
Evergreen Heavy Industrial Co., (Malaysia) Berhad. (EHIC(M))	Indirect subsidiary
Evergreen Marine (UK) Limited (EMU)	Indirect subsidiary
Evergreen Shipping Agency (Europe) GmbH (EEU)	Indirect subsidiary
Evergreen Argentina S.A. (EGB)	Indirect subsidiary
Evergreen Shipping (Spain) S.L. (EES)	Indirect subsidiary
Evergreen Shipping Agency (Italy) S.p.A. (EIT)	Indirect subsidiary
Armand Investment (Netherlands) N.V. (Armand N.V.)	Indirect subsidiary (liquidation on June 30, 2020)
Evergreen Shipping Agency (Australia) Pty. Ltd. (EAU)	Indirect subsidiary
Evergreen Shipping Agency (Thailand) Co., Ltd. (EGT)	Indirect subsidiary
Evergreen Shipping Agency (India) Pvt. Ltd. (EGI)	Indirect subsidiary
Evergreen Shipping Agency (Russia) Ltd. (ERU)	Indirect subsidiary
Evergreen Agency (South Africa) (Pty) Ltd. (ESA)	Indirect subsidiary
Evergreen Shipping Agency (Korea) Corporation (EGK)	Indirect subsidiary
Armand Estate B.V. (Armand B.V.)	Indirect subsidiary (liquidation on June 25, 2020)
Whitney Equipment LLC. (Whitney)	Indirect subsidiary
Evergreen Shipping Agency (Vietnam) Corp. (EGV)	Indirect subsidiary
Evergreen Shipping Services (Cambodia) Co., Ltd. (EKH)	Indirect subsidiary

Names of related parties	Relationship with the Company
Evergreen Shipping Agency (Chile) SPA. (ECL)	Indirect subsidiary
Evergreen Shipping Agency (PERU) S.A.C. (EPE)	Indirect subsidiary
Evergreen Shipping Agency (Colombia) S.A.S. (ECO)	Indirect subsidiary
Evergreen Shipping Agency Mexico S.A. DE C.V. (EMX)	Indirect subsidiary
Evergreen Shipping Agency (Greece) Societe Anonyme (EGRC)	Indirect subsidiary
Evergreen Shipping Agency (Brazil) S.A. (EBR)	Indirect subsidiary
Evergreen Shipping Agency (Argentina) S.A. (EAR)	Indirect subsidiary
Evergreen Shipping Agency Saudi Co, (L.L.C.) (ESAU)	Indirect subsidiary
Evergreen Shipping Agency (Turkey) Corporation (ETR)	Indirect subsidiary
Evergreen Shipping Agency (China) Co., Ltd. (ECN)	Indirect subsidiary
Kingtrans International Logistics (Tianjin) Co., Ltd. (KTIL)	Indirect subsidiary
Ever Shine (Shanghai) Enterprise Management Consulting Co., Ltd. (EVSSHG)	Indirect subsidiary
Ever Shine (Ningbo) Enterprise Management Consulting Co., Ltd. (EVSNBO)	Indirect subsidiary
Ever Shine (Shenzhen) Enterprise Management Consulting Co., Ltd. (EVSXZN)	Indirect subsidiary
Ever Shine (Qingdao) Enterprise Management Consulting Co., Ltd. (EVSQND)	Indirect subsidiary
Evergreen International Storage and Transport Corporation (EITC)	Associate
EVA Airways Corporation (EVA)	Associate
Evergreen Security Corporation (ESRC)	Associate
Charng Yang Development Co., Ltd. (CYD)	Associate
Taipei Port Container Terminal Corporation (TPCT)	Associate
Ningbo Victory Container Co., Ltd. (NVC)	Associate
Qingdao Evergreen C&T Co., Ltd. (QECT)	Associate
Evergreen Marine (Latin America), S.A. (ELA)	Associate (An Indirect subsidiary since March 1, 2020)
Evergreen Shipping Agency Lanka (Private) Limited (ELK)	Associate
Greenpen Properties Sdn. Bhd. (GPP)	Associate
Luanta Investment (Netherlands) N.V. (Luanta)	Associate
Balsam Investment (Netherlands) N.V. (Balsam)	Associate
Italia Marittima S.p.A. (ITS)	Associate
Colon Container Terminal S.A. (CCT)	Associate

Names of related parties	Relationship with the Company
PT. Evergreen Shipping Agency Indonesia (EMI)	Associate
Evergreen Shipping Agency Co. (U.A.E) LLC (UAE)	Associate
VIP Greenport Joint Stock Company (VGP)	Associate
Ics Depot Services Sdn. Bhd. (IDS)	Associate
Ever Ecove Corporation (EEC)	Associate (An Associate since December 1, 2020)
Evergreen International Corporation (EIC)	Other related party
Evergreen Airline Services Corporation (EGAS)	Other related party
Chang Yung-Fa Charity Foundation (CYFC)	Other related party
Chang Yung-Fa Foundation (CYFF)	Other related party
Evergreen Steel Corp. (EGST)	Other related party
Ever Accord Construction Corporation (EAC)	Other related party
Evergreen Aviation Technologies Corporation (EGAT)	Other related party
Evergreen Sky Catering Corporation (EGSC)	Other related party
Evergreen Air Cargo Services Corporation (EGAC)	Other related party
Central Reinsurance Corporation (CRC)	Other related party
Evergreen Logistics Corp. (ELC)	Other related party
Evergreen International S.A. (EIS)	Other related party
Evergreen Marine (Singapore) Pte. Ltd. (EMS)	Other related party
Gaining Enterprise S.A. (GESA)	Other related party
Evergreen Insurance Company Ltd. (EINS)	Other related party
Evergreen Shipping Agency (America) Corporation (EGA)	Other related party
Evergreen Shipping Agency (Japan) Corporation (EGJ)	Other related party
Evergreen Shipping Agency Philippines Corporation (EGP)	Other related party (An Indirect subsidiary since July 1, 2020)
Evergreen International Myammar Co., Ltd. (EIM)	Other related party
Chestnut Estate B.V. (Chestnut)	Other related party
Advanced Business Process, Inc.(ABPI)	Other related party

Names of related parties	Relationship with the Company
Unigreen Marine S.A.(UMS)	Other related party (An Subsidiary since July 1, 2021)
Evergreen Logistics Philippines Corp. (ELCP)	Other related party
Round the World S.A.(RTW)	Other related party
Evergreen Logistics Co., Ltd.(ELCSH)	Other related party
Evergreen Logistics (HK) Ltd.(ELCHK)	Other related party
Round The Word Logistics (U.S.A.) Corp. (RTWL)	Other related party
EVERCONCORD, S.A. (ECC)	Other related party
Directors, president and vice president	Key management
Note: For information on the subsidiaries, please refer to Note 4(3) of the consolidated financial statements as of December 31, 2021.	

(2) Significant related party transactions and balances

A. Sales of services:

	<u>Year ended</u> <u>December 31, 2021</u>	<u>Year ended</u> <u>December 31, 2020</u>
Sales of services:		
Subsidiaries	\$ 4,964,759	\$ 4,440,291
Associates	387,626	483,285
Other related parties	2,615,410	1,787,942
	<u>\$ 7,967,795</u>	<u>\$ 6,711,518</u>

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

B. Purchases of services:

	<u>Year ended</u> <u>December 31, 2021</u>	<u>Year ended</u> <u>December 31, 2020</u>
Purchases of services:		
Subsidiaries	\$ 8,730,835	\$ 6,457,860
Associates	1,372,592	1,010,699
Other related parties	3,300,523	2,189,512
	<u>\$ 13,403,950</u>	<u>\$ 9,658,071</u>

Services are purchased from subsidiaries, associates and other related parties under general conditions.

C. Receivables from related parties:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Accounts receivable:		
Subsidiaries	\$ 54,105	\$ 30,555
Associates	21,995	24,107
Other related parties	22,407	14,386
	<u>\$ 98,507</u>	<u>\$ 69,048</u>

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Other receivables:		
Subsidiaries		
— GMS	\$ 22,094	\$ 29,061
— EIL	-	19,065
— EGH	14,455	18,185
— Others	38	512
Associates	4,679	2,825
Other related parties		
— EIC	3,844	10,990
— Others	102	57
	<u>\$ 45,212</u>	<u>\$ 80,695</u>

The receivables from related parties arise mainly from sale transactions. The receivables are unsecured in nature and bear no interest. There are no provisions against receivables from related parties.

D. Payables to related parties:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Accounts payable:		
Subsidiaries	\$ 120,575	\$ 286,996
Associates	19,758	19,343
Other related parties	9,640	4,449
	<u>\$ 149,973</u>	<u>\$ 310,788</u>
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Other payables:		
Subsidiaries	\$ -	\$ 4
Associates	4,348	3,519
Other related parties	24,339	7,483
	<u>\$ 28,687</u>	<u>\$ 11,006</u>

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

E. Agency accounts:

(a) Debit balance of agency accounts

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Subsidiaries		
— EEU	\$ -	\$ 27,744
— EGI	119,169	34,046
— Others	105,555	34,888
Associates	20,468	-
Other related parties		
— EIC	648,058	525,073
— EGA	254,309	524,977
	<u>\$ 1,147,559</u>	<u>\$ 1,146,728</u>

(b) Credit balance of agency accounts

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Subsidiaries		
— EGV	\$ 6,990	\$ 29,569
— EES	33,571	4,251
— EGP	38,671	12,575
— EEU	43,031	-
— Others	6,762	16,904
Associates		
— EMI	-	5,250
— Others	4,886	12,733
Other related parties		
— EGJ	14,644	248,451
	<u>\$ 148,555</u>	<u>\$ 329,733</u>

F. Shipowner's accounts:

(a) Debit balance of shipowner's accounts

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Subsidiaries		
— EMU	\$ 121,690	\$ 73,603
— GMS	18,516	-
Associates		
— ITS	14,757	893,161
Other related parties		
— EIS	-	122,329
— GESA	6,679	14,756
	<u>\$ 161,642</u>	<u>\$ 1,103,849</u>

(b) Credit balance of shipowner's accounts

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Subsidiaries		
— GMS	\$ -	\$ 74,292
— EGH	424,655	214,357
— EMA	42,544	-
Other related parties		
— EMS	274,885	1,493,995
— EIS	146,395	-
	<u>\$ 888,479</u>	<u>\$ 1,782,644</u>

G. Property transactions:

(a) Acquisition of property, plant and equipment:

	<u>Year ended December 31, 2021</u>	<u>Year ended December 31, 2020</u>
Associates	\$ 66	\$ 8,570
Other related parties	367	74,787
	<u>\$ 433</u>	<u>\$ 83,357</u>

(b) Disposal of property, plant and equipment:

	<u>Year ended December 31, 2021</u>		<u>Year ended December 31, 2020</u>	
	<u>Disposal proceeds</u>	<u>Gain on disposal</u>	<u>Disposal proceeds</u>	<u>Gain on disposal</u>
Associates	\$ 25	\$ 20	\$ -	\$ -
Subsidiaries	6	5	-	-
	<u>\$ 31</u>	<u>\$ 25</u>	<u>\$ -</u>	<u>\$ -</u>

H. Lease transactions – lessee

(a) The Company leases buildings and ships from associates and other related parties. Rental contracts are typically made for periods of 2.7 to 3 years. Rents are paid in accordance with the contract terms.

(b) Acquisition of right-of-use assets:

The Company leased buildings from other related parties for the year ended December 31, 2021 and increased 'right-of-use asset' by \$958.

(c) Lease liabilities

i Outstanding balance:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Associates	\$ -	\$ 28,583
Other related parties	39,925	204,123
	<u>\$ 39,925</u>	<u>\$ 232,706</u>

ii Interest expense

	Year ended December 31, 2021	Year ended December 31, 2020
Associates	\$ -	\$ 2,332
Other related parties	2,639	15,167
	<u>\$ 2,639</u>	<u>\$ 17,499</u>

I. Endorsements and guarantees provided to related parties:

	December 31, 2021	December 31, 2020
Subsidiaries	\$ 125,825,786	\$ 128,326,235
Associates	577,426	1,585,738
	<u>\$ 126,403,212</u>	<u>\$ 129,911,973</u>

J. To cooperate with the adjustment of the Group's organisational structure and the consideration of tax, on December 24, 2019, the Board of Directors of the Company resolved to sold 17.5% shares of the investee, ELA, which is accounted for using equity method, to the subsidiary, EGH, on March 1, 2020. The transaction price was USD1.0859 per share and the total transaction amount was USD144.

K. To simplify investment structure, on November 11, 2019, the Board of Directors of the Company resolved to acquire 35,421 thousand shares of the investee, Taipei Port, the investment accounted for using equity method, held by the sub-subsidiary, Armand B.V. The transaction amount per share is approximately \$9.941 (in dollars) and the expected transaction amount is \$352,123.

(3) Key management compensation

	Year ended December 31, 2021	Year ended December 31, 2020
Salaries and other short-term employee benefits	\$ 203,839	\$ 73,623
Post-employment benefits	2,562	2,170
	<u>\$ 206,401</u>	<u>\$ 75,793</u>

8. PLEDGED ASSETS

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

Pledged assets	Book value		Purpose
	December 31, 2021	December 31, 2020	
Financial assets at amortised cost			
- Pledged time deposits	\$ 211,315	\$ 189,651	Guarantee
Property, plant and equipment			
-Land	514,312	514,312	Long-term loan
-Buildings	158,912	166,275	"
-Ships	26,072,296	28,672,456	"
-Loading and unloading equipment	901,779	966,163	"
Investment property			
-Land	1,285,781	1,285,781	Long-term loan
-Buildings	397,281	415,688	"
	<u>\$ 29,541,676</u>	<u>\$ 32,210,326</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

- A. As of December 31, 2021 and 2020, the long-term and medium-term loan facilities granted by the financial institutions with the resolution from the Board of Directors to finance the Company's purchase of new ships and general working capital requirement amounted to \$27,558,204 and \$38,053,743, respectively, and the unutilized credits was \$8,670,457 and \$7,105,334, respectively.
- B. As of December 31, 2021 and 2020, the amount of guaranteed notes issued by the Company for loans borrowed was \$68,672,805 and \$92,037,348, respectively.
- C. To meet operational needs, the Company signed the shipbuilding contracts with Samsung Heavy Industries. As of December 31, 2021, the total price of the contracts, wherein the vessels have not yet been delivered, amounted to USD 306,000, USD 183,600 of which remain unpaid.
- D. In response to international regulations on sulfur content in shipping fuel, the Company entered into sulfur emission abatement equipment purchase contracts with Wartsila Finland Oy. As of December 31, 2021, the total price of the contract amount is USD 8,175, of which USD 4,200 remain unpaid. Moreover, the Company signed installation contracts with Huarun Dadong Dockyard Co., Ltd. and COSCO Shipping Heavy Industry (Zhoushan) Co., Ltd.. As of December 31, 2021, the total price of the contracts amounted to USD 13,420, of which USD 11,924 remain unpaid.
- E. To meet its operational needs, the Company signed the transportation equipment purchase contracts. As of December 31, 2021, the total price of the contracts, wherein the equipment have not yet been delivered, amounted to USD 506,877, of which USD 454,517 remain unpaid.

F. To meet its operational needs, the Company signed the loading and unloading equipment purchase contracts. As of December 31, 2021, the total price of the contracts, wherein the equipment have not yet been delivered, amounted to USD 237,815, of which USD166,641 remain unpaid.

G. For the Company's lease contracts which were entered into but not yet completed construction, as of December 31, 2021, the expected minimum lease payment in the future was \$14,495,000.

H. As of December 31, 2021, the Company had entered into a service contract which was not belonging to lease component. The amount of future commitment payment is provided in Note 6(10).

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

(1) For details of appropriation of earnings as proposed by the Board of Directors on March 15, 2022, please refer to Note 6(21).

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

12. OTHERS

(1) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders and issue new shares to maintain an optimal capital.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial assets</u>		
Financial assets measured at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 44,999	\$ 4,289
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	\$ 1,625,940	\$ 1,312,358
Financial assets at amortised cost		
Cash and cash equivalents	\$ 19,310,785	\$ 20,562,990
Financial assets at amortised cost	20,762,250	4,460,861
Notes receivables	136	29
Accounts receivable	6,188,148	3,344,778
Other accounts receivable	131,729	109,158
Guarantee deposits paid	17,357	17,700
	<u>\$ 46,410,405</u>	<u>\$ 28,495,516</u>
Financial assets for hedging	\$ 24,514,739	\$ -
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Accounts payable	\$ 5,791,206	\$ 5,240,713
Other accounts payable	4,669,217	1,325,992
Bonds payable (including current portion)	10,772,950	16,779,043
Lease liabilities (including current portion)	6,041,106	7,541,664
Long-term borrowings (including current portion)	18,801,356	30,933,503
Guarantee deposits received	12,798	12,250
	<u>\$ 46,088,633</u>	<u>\$ 61,833,165</u>
Financial liabilities for hedging (including current portion)	\$ 11,508,873	\$ 10,870,375

B. Financial risk management policies

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

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

	December 31, 2021		
	Foreign currency amount (In Thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,934,171	27.6545	\$ 53,488,532
EUR:NTD	9,873	31.3837	309,859
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,575,654	27.6545	\$ 43,573,924

	Foreign currency amount <u>(In Thousands)</u>	<u>Exchange rate</u>	<u>Book value (NTD)</u>
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,081,534	28.0960	\$ 30,386,779
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,336,423	28.0960	\$ 37,548,141

iv. The total net exchange gain, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2021 and 2020 amounted to \$23,772 and \$503,637, respectively.

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

	<u>Year ended December 31, 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%	\$ 289,738	\$ 245,147
EUR:NTD	1%	3,099	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 320,650	\$ 115,089

	Year ended December 31, 2020		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 303,868	\$ -
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 266,777	\$ 108,704

Price risk

- i. The Company is exposed to equity securities price risk because of investments held by the Company and classified on the balance sheet at fair value through other comprehensive income. The Company is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.
- ii. The Company's investments in equity securities comprise domestic listed and unlisted stocks. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, equity would have increased/decreased by \$16,174 and \$13,020 for the years ended December 31, 2021 and 2020, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Company's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. During the years ended December 31, 2021 and 2020, the Company's borrowings at variable rate were denominated in the NTD and USD.
- ii. At December 31, 2021 and 2020, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the years ended December 31, 2021 and 2020 would have been \$151,102 and \$247,587 lower/higher, respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- ii. The Company manages their credit risk taking into consideration the entire group's concern. According to the Company's credit policy, each local entity in the Company is responsible for managing and analysing the credit risk for each of their clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.
- iii. For banks and financial institutions, only independently rated parties with good credit rating are accepted.
- iv. The Company adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- v. The default occurs when the contract payments are past due over 30 days.
- vi. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- vii. The Company classifies customer's accounts receivable and contract assets in accordance with geographic area. The Company applies the modified approach based on the loss rate methodology to estimate expected credit loss.
- viii. The Company wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Company will continue executing the recourse procedures to secure their rights. As of December 31, 2021 and 2020, the Company has no written-off financial assets that are still under recourse procedures.

ix. The Company used the forecastability to adjust historical and timely information to assess the default possibility of notes receivable, accounts receivable (including related parties), contract assets and overdue receivables. On December 31, 2021 and 2020, the loss rate methodology is as follows:

	Notes receivable Total book value	Expected loss rate	Loss allowance
<u>At December 31, 2021</u>			
Not past due	\$ 136	0%	\$ -
	Accounts receivable (including related parties)		
	Total book value	Expected loss rate	Loss allowance
<u>At December 31, 2021</u>			
Not past due	\$ 4,846,542	0%	\$ -
Up to 30 days	1,341,606	0%	-
	<u>\$ 6,188,148</u>		<u>\$ -</u>
	Contract assets		
	Total book value	Expected loss rate	Loss allowance
<u>At December 31, 2021</u>			
Not past due	\$ 988,691	0%	\$ -
	Notes receivable		
	Total book value	Expected loss rate	Loss allowance
<u>At December 31, 2020</u>			
Not past due	\$ 29	0%	\$ -
	Accounts receivable (including related parties)		
	Total book value	Expected loss rate	Loss allowance
<u>At December 31, 2020</u>			
Not past due	\$ 2,754,129	0.0016%	\$ 44
Up to 30 days	590,199	0.0116%	69
31 to 180 days	563	0.0166%~0.0266%	-
	<u>\$ 3,344,891</u>		<u>\$ 113</u>
	Contract assets		
	Total book value	Expected loss rate	Loss allowance
<u>At December 31, 2020</u>			
Not past due	\$ 802,477	0.0016%	\$ 13

- x. Movements in relation to the Company applying the modified approach to provide loss allowance for accounts receivable (including related parties), contract assets and overdue receivables are as follows:

	2021		
	Accounts receivable	Contract assets	Overdue receivables
At January 1	(\$ 113)	(\$ 13)	\$ -
Reversal of impairment loss	113	13	-
At December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	2020		
	Accounts receivable	Contract assets	Overdue receivables
At January 1	(\$ 889)	(\$ 112)	(\$ 69,130)
Reversal of impairment loss	776	99	-
Write-offs	-	-	69,130
At December 31	<u>(\$ 113)</u>	<u>(\$ 13)</u>	<u>\$ -</u>

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company's Finance Department. Company's Finance Department monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs.
- ii. The table below analyses the Company's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities.

Non-derivative financial liabilities:

December 31, 2021	Less than 3 months	Between 3	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
		months and 1 year				
Accounts payable	\$5,153,149	\$ 488,084	\$ -	\$ -	\$ -	\$5,641,233
Accounts payable - related parties	149,973	-	-	-	-	149,973
Other payables	4,598,650	41,880	-	-	-	4,640,530
Other payables - related parties	28,687	-	-	-	-	28,687
Bonds payable	-	4,059,200	2,017,200	4,999,900	-	11,076,300
Long-term loans (including current portion)	473,867	4,512,754	5,403,539	5,684,986	3,278,169	19,353,315
Lease payable and financial liabilities for hedging(including current portion)	657,037	1,787,854	2,076,122	8,238,737	6,370,658	19,130,408

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
Accounts payable	\$ 4,799,339	\$ 130,586	\$ -	\$ -	\$ -	\$ 4,929,925
Accounts payable - related parties	310,788	-	-	-	-	310,788
Other payables	1,244,158	70,828	-	-	-	1,314,986
Other payables - related parties	11,006	-	-	-	-	11,006
Bonds payable	-	4,101,200	4,059,200	9,166,381	-	17,326,781
Long-term loans (including current portion)	742,167	5,166,624	8,648,966	15,208,352	2,038,845	31,804,954
Lease payable and financial liabilities for hedging(including current portion)	737,223	2,149,356	2,447,025	5,923,518	10,333,599	21,590,721

iii. The Company does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value estimation

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investment in listed stocks, beneficiary certificates and derivative instruments with quoted market prices is included in Level.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. Fair value information of investment property at cost is provided in Note 6(11).

C. Financial instruments not measured at fair value

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

	December 31, 2021		
	Book value	Fair value	Fair value
		Level 2	Level 3
Financial liabilities:			
Bonds payable (including current portion)	\$ 10,772,950	\$ 4,772,950	\$ 6,049,253
Long-term loans (including current portion)	18,801,356	-	19,353,315
	<u>\$ 29,574,306</u>	<u>\$ 4,772,950</u>	<u>\$ 25,402,568</u>
	December 31, 2020		
	Book value	Fair value	Fair value
		Level 2	Level 3
Financial liabilities:			
Bonds payable (including current portion)	\$ 16,779,043	\$ 6,779,043	\$ 10,155,165
Long-term loans (including current portion)	30,933,503	-	31,804,954
	<u>\$ 47,712,546</u>	<u>\$ 6,779,043</u>	<u>\$ 41,960,119</u>

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

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

December 31, 2021	Level 1	Level 2	Level 3	Total
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss	\$ -	\$ 44,999	\$ -	\$ 44,999
Derivatives instrument				
Financial assets at fair value through other comprehensive income				
Equity securities	1,478,541	-	147,399	1,625,940
	<u>\$ 1,478,541</u>	<u>\$ 44,999</u>	<u>\$ 147,399</u>	<u>\$ 1,670,939</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	\$ -	\$ 4,289	\$ -	\$ 4,289
Derivatives instrument				
Financial assets at fair value through other comprehensive income				
Equity securities	<u>1,131,969</u>	<u>-</u>	<u>180,389</u>	<u>1,312,358</u>
	<u>\$ 1,131,969</u>	<u>\$ 4,289</u>	<u>\$ 180,389</u>	<u>\$ 1,316,647</u>

(b) The methods and assumptions the Company used to measure fair value are as follows:

- i. The instruments the Company used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	<u>Listed shares</u>
Market quoted price	Closing price

- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the parent company only balance sheet date (i.e. yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters).
- iii. When assessing non-standard and low-complexity financial instruments, the Company adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- iv. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate. Structured interest derivative instruments are measured by using appropriate option pricing models (i.e. Black-Scholes model) or other valuation methods, such as Monte Carlo simulation.

- v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Company's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the parent company only balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
- vi. The Company takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Company's credit quality.

E. For the years ended December 31, 2021 and 2020, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the years ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
At January 1	\$ 180,389	\$ 166,448
Gains and losses recognised in other comprehensive income (Note)	(32,990)	13,941
At December 31	<u>\$ 147,399</u>	<u>\$ 180,389</u>

Note: Recorded as unrealised valuation gain or loss on valuation of investments in equity instruments measured at fair value through other comprehensive income.

G. For the years ended December 31, 2021 and 2020, there was no transfer into or out from Level 3.

H. The Company is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

I. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 140,627	Market comparable companies	Price to earnings ratio multiple	20.01~40.52	The higher the multiple and control premium, the higher the fair value
			Price to book ratio multiple	0.80~3.38	The higher the multiple and control premium, the higher the fair value
			Discount for lack of marketability	20%~30%	The higher the weighted average cost of capital and discount for lack of control, the lower the fair value
Venture capital shares Private equity fund investment	6,772	Net asset value	Not applicable		Not applicable
	Fair value at December 31, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 173,617	Market comparable companies	Price to earnings ratio multiple	38.99~51.52	The higher the multiple and control premium, the higher the fair value
			Price to book ratio multiple	1.01~2.55	The higher the multiple and control premium, the higher the fair value
			Discount for lack of marketability	20%~30%	The higher the weighted average cost of capital and discount for lack of control, the lower the fair value
Venture capital shares Private equity fund investment	6,772	Net asset value	Not applicable		Not applicable

J. The Company has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets categorised within Level 3 if the inputs used to valuation models have changed:

		December 31, 2021				
				Recognised in profit or loss	Recognised in other comprehensive income	
		Favourable change	Unfavourable change	Favourable change	Unfavourable change	
Financial assets	Input	Change	change	change	change	change
Equity instrument	Price to earnings ratio/ price to book ratio/ discount for lack of marketability	±1%	\$ -	\$ -	\$ 1,406	\$ 1,406

		December 31, 2020				
				Recognised in profit or loss	Recognised in other comprehensive income	
		Favourable change	Unfavourable change	Favourable change	Unfavourable change	
Financial assets	Input	Change	change	change	change	change
Equity instrument	Price to earnings ratio/ price to book ratio/ discount for lack of marketability	±1%	\$ -	\$ -	\$ 1,736	\$ 1,736

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

None.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
STATEMENT OF CASH AND CASH EQUIVALENTS(1)
DECEMBER 31, 2021

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

Item	Description	Amount	
		Subtotal	Total
Cash			\$ 26,135
	Cash on hand	\$ 126	
	Petty cash		
	TWD	1,330	
	USD 892	24,840	
	Less : Unrealised gains or losses	(161)	
Cash in banks			
Checking accounts			54,468
NTD demand deposits			5,111,228
Foreign demand deposits			1,374,827
	EUR 9,873	309,603	
	GBP 4	133	
	HKD 6	22	
	INR 1,168	432	
	JPY 66,364	16,175	
	SGD 8	164	
	USD 37,905	1,057,872	
	VND 7,080	9	
	Less : Unrealised gains or losses	(9,583)	
NTD time deposits	Interest rate:0.30%~0.41%		11,703,600
Foreign time deposits	Interest rate:0.26%~0.31%		1,040,527
	USD 37,626	1,129,007	
	Less : Unrealised gains or losses	(88,480)	
			<u>\$ 19,310,785</u>

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
STATEMENT OF ACCOUNTS RECEIVABLE(1)
DECEMBER 31, 2021

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

<u>Client Name</u>	<u>Description</u>	<u>Amount</u>	<u>Footnote</u>
Non-related parties			
	CMA CGM S.A.	\$ 403,601	1) Foreign freight are translated into the functional currency at the dates of the transactions and retranslated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon retranslation at the balance sheet date are recognised in profit or loss.
	COSCO Container Lines Co.,Ltd.	322,010	
	Others	5,368,844	
	Less : Unrealised gains or losses	(4,814)	
		<u>6,089,641</u>	
Related parties			
	Evergreen Marine (Hong Kong) Ltd.	26,090	2) The amount of individual client included in others does not exceed 5% of the account balance.
	Evergreen Marine (Asia) Pte. Ltd.	23,382	
	Evergreen Shipping Agency (America) Corporation	16,246	
	Evergreen International Storage and Transport Corporation	20,907	
	Others	11,882	
		<u>98,507</u>	
		<u>\$ 6,188,148</u>	

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.

STATEMENT OF OTHER RECEIVABLES(1)

DECEMBER 31, 2021

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

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Footnote</u>
Non-related parties			
Accrued interest	Interest income	\$ 31,782	
Tax refund receivable		51,481	
Changchun Container Corporation		2,541	
National Taxation Bureau of Taipei, Ministry of Finance		231	The amount of individual client included in others does not exceed 5% of the account balance.
Others		482	
		<u>86,517</u>	
Related parties			
Evergreen Marine (Hong Kong) Ltd.		14,455	
Greencompass Marine S.A.		22,094	
Evergreen International Storage and Transport Corporation		2,725	
Evergreen International Corporation		3,844	The amount of individual client included in others does not exceed 5% of the account balance.
Others		2,094	
		<u>45,212</u>	
		<u>\$ 131,729</u>	

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
STATEMENT OF SHIP FUEL(1)
DECEMBER 31, 2021

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

<u>Item</u>	<u>Description</u>	<u>Cost</u> <u>(in thousands)</u>	<u>Net Realisable</u> <u>Value</u>	<u>Footnote</u>
Fuel	LBRA	USD 1,978	\$ 54,706	1)Fuel inventories of each ship are recorded at cost and retranslated at the exchange rates prevailing at the balance sheet date.
	LIVN	USD 3,169	87,648	
	LOGC	USD 2,447	67,680	
	LOYL	USD 1,880	51,982	
	LUCD	USD 1,923	53,177	
	GLOR	USD 1,840	50,880	
	GREE	USD 2,870	79,380	2)The amount of individual client included in others does not exceed 5% of the account balance
	TPET	USD 1,680	46,447	
	Others	USD 15,368	424,974	
		<u>USD 33,155</u>	<u>\$ 916,874</u>	

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EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
STATEMENT OF OTHER CURRENT ASSETS(1)
DECEMBER 31, 2021

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

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Footnote</u>
Agency accounts			1) Agency accounts are translated into the functional currency at the dates of the transactions and retranslated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon retranslation at the balance sheet date are recognised in profit or loss.
	Evergreen International Corporation	\$ 648,058	
	Evergreen Shipping Agency (America) Corporation	254,309	
	Evergreen Shipping Agency (India) Private Ltd.	119,169	
	Others	<u>293,193</u>	2) The amount of individual client included in others does not exceed 5% of the account balance
		<u>1,314,729</u>	
Shipowner's accounts			
	Evergreen Marine (UK) Limited	\$ 121,690	
	Greencompass Marine S.A.	18,516	
	Italia Marittima S.p.A.	14,757	
	Gaining Enterprise S.A.	<u>6,679</u>	
		161,642	
Others	Temporary payments for others	<u>776,218</u>	
		<u>\$ 2,252,589</u>	

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
STATEMENT OF CHANGES IN INVESTMENT ACCOUNTED FOR USING EQUITY METHOD(1)
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Investees	Balance at January 1, 2021		Additions in Investment		Number of shares		Decrease in Investment		Number of shares		Ownership		Collateral	Total Amount	Price (NTD)	Market Value or Net Assets Value	Footnote
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Ownership	Amount	Price (NTD)	Amount					
Peony Investment S.A.	4,765	\$ 39,121,066	-	\$ 67,766,828	-	\$ 33,362,067	4,765	100.00	\$ 73,525,827	\$ -	\$ 73,782,780	No					
Everport Terminal Services Inc.	1	2,139,666	-	969,219	-	-	1	94.43	3,108,885	-	3,108,885	"					
Taiwan Terminal Services Co., Ltd.	5,500	66,770	-	2,140	-	5,500	55.00	63,410	63,410	-	63,410	"					
Chang Yang Development Co.,Ltd	58,542	557,549	-	65,020	-	61,400	58,542	40.00	561,169	-	794,635	"					
Evergreen International Storage and Transport Corporation	430,692	9,372,490	-	1,830,265	-	129,208	430,692	40.36	11,073,547	29.30	12,619,281	"					
Evergreen Security Corporation	6,336	114,257	-	8,331	-	9,504	6,336	31.25	113,084	-	113,084	"					
EVA Airways Corporation	776,541	11,327,144	-	1,485,071	-	-	776,541	15.11	12,812,215	27.95	21,704,324	"					
Taipei Port Container Terminal Corporation	144,799	1,523,550	-	170,801	-	-	144,799	27.85	1,694,351	-	1,692,802	"					
Ever Ecove Corporation	30,500	305,965	-	-	-	6,398	30,500	19.06	299,567	-	299,567	"					
VIP Greenport Joint Stock Company	13,750	277,982	-	55,337	-	53,626	13,750	21.74	279,693	-	279,693	"					
Evergreen Marine (Hong Kong) Ltd.	6,320	11,989,398	-	57,195,849	-	-	6,320	79.00	69,185,247	-	69,185,247	"					
Evergreen Shipping Agency (Israel) Ltd.	1,062	23,158	-	87,642	-	35,386	1,062	59.00	75,414	-	75,414	"					
Evergreen Marine (Asia) Pte. Ltd.	-	-	50,000	89,347,158	-	-	50,000	100.00	89,347,158	-	89,347,158						
		<u>\$ 76,818,995</u>		<u>\$ 218,983,661</u>		<u>\$ 33,663,089</u>			<u>\$ 262,139,567</u>								

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
STATEMENT OF CHANGES IN SHIPS(L)
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Item	Balance at January 1, 2021	Increased in this period	Transferred in this period	Decreased in this period	Balance at December 31, 2021	Footnote
Ships:						
LOYL	\$ 3,462,569	-	-	-	3,462,569	
LUCD	3,179,120	201	-	-	3,179,321	
LOGC	3,163,557	731	214,711	-	3,378,999	
LIVN	3,234,121	-	-	-	3,234,121	
LBRA	3,205,662	8,733	220,708	-	3,435,103	
LUNR	3,333,764	-	-	-	3,333,764	
LRIC	3,565,313	1,676	7,422	-	3,574,411	
PRMT	573,279	8,179	-	-	581,458	
PRBT	525,159	13,656	-	-	538,815	
PRSP	503,766	590	-	-	504,356	
BLMY	1,275,202	-	-	-	1,275,202	
BLOM	1,259,843	-	-	-	1,259,843	
BEMY	1,260,558	-	-	-	1,260,558	
BASS	1,255,693	-	-	-	1,255,693	
BEFT	1,258,000	525	-	-	1,258,525	
BORD	1,284,855	-	-	-	1,284,855	
BEDY	1,246,542	-	-	-	1,246,542	
BENG	1,281,178	529	-	-	1,281,707	
BLES	1,292,586	-	-	-	1,292,586	
BLNK	1,304,510	-	-	-	1,304,510	
CRTE	-	-	742,922	-	742,922	
COZY	-	-	732,345	-	732,345	
CONY	-	-	729,814	-	729,814	
CRER	-	-	731,449	-	731,449	
	<u>\$ 37,465,277</u>	<u>\$ 34,820</u>	<u>\$ 3,379,371</u>	<u>\$ -</u>	<u>\$ 40,879,468</u>	

STATEMENT OF CHANGES IN SHIPS(I) (Cont.)
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Item	Balance at January 1, 2021	Increased in this period	Decreased in this period	Balance at December 31, 2021	Footnote
Accumulated depreciation					
LOYL	\$ 860,140	\$ 148,787	\$ -	\$ 1,008,927	
LUCD	841,276	123,540	-	964,816	
LOGC	931,619	124,636	-	1,056,255	
LIVN	950,348	120,403	-	1,070,751	
LBRA	1,007,624	140,169	-	1,147,793	
LUNR	750,263	129,602	-	879,865	
LRIC	722,563	156,455	-	879,018	
PRMT	559,188	8,763	-	567,951	
PRBT	503,207	15,379	-	518,586	
PRSP	478,268	14,100	-	492,368	
BLMY	152,947	51,904	-	204,851	
BLOM	116,977	50,290	-	167,267	
BEMY	124,881	51,159	-	176,040	
BASS	135,776	50,959	-	186,735	
BEFT	118,730	51,345	-	170,075	
BORD	96,055	52,226	-	148,281	
BEDY	127,712	50,747	-	178,459	
BENG	107,335	52,248	-	159,583	
BLES	79,053	52,153	-	131,206	
BLNK	67,316	52,574	-	119,890	
CRTE	-	28,484	-	28,484	
COZY	-	18,570	-	18,570	
CONY	-	11,230	-	11,230	
CRER	-	5,984	-	5,984	
	<u>\$ 8,731,278</u>	<u>\$ 1,561,707</u>	<u>\$ -</u>	<u>\$ 10,292,985</u>	
Net Amount	<u>\$ 28,733,999</u>			<u>\$ 30,586,483</u>	

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
STATEMENT OF ACCOUNTS PAYABLE(1)
DECEMBER 31, 2021

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

<u>Client name</u>	<u>Description</u>	<u>Amount</u>	<u>Footnote</u>
Non-related parties			
CMA CGM S.A.		\$ 271,519	
Orient Overseas Containers Line Limited		152,603	
COSCO Shipping Lines Co., Ltd.		176,204	
Chimbusco Pan Nation Petro-Chemical Co., Ltd.		196,520	
Estimated expense payable		4,041,333	
Others		779,153	The amount of individual client included in others does not exceed 5% of the account balance.
Add: Unrealised gains or losses		<u>23,901</u>	
		<u>5,641,233</u>	
Related parties			
Taiwan Terminal Services Co., Ltd.		118,545	
Evergreen International Storage and Transport Corporation		17,732	
Others		<u>13,696</u>	The amount of individual client included in others does not exceed 5% of the account balance.
		<u>149,973</u>	
		<u>\$ 5,791,206</u>	

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
STATEMENT OF OTHER PAYABLES(1)
DECEMBER 31, 2021

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

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Footnote</u>
Non-related parties			
Other payables		\$ 730,886	
Accrued expenses		1,640,690	
Interest payable		53,404	
Business tax payable		2	
Payable on equipment		<u>2,215,548</u>	
		<u>\$ 4,640,530</u>	
Related parties			
Evergreen International Corporation		\$ 9,506	
Ever Accord Construction Corporation		12,774	
Evergreen International Storage and Transport Corporation		2,203	
Evergreen Security Corporation		2,116	
Others		<u>2,088</u>	
		<u>28,687</u>	
		<u>\$ 4,669,217</u>	

The amount of individual client included in others does not exceed 5% of the account balance.

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EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
STATEMENT OF OTHER CURRENT LIABILITIES(1)
DECEMBER 31, 2021

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

Item	Description	Amount	Footnote
Agency accounts			
	Evergreen Shipping Agency (Europe)	\$ 43,031	1) Agency accounts are translated into the functional currency at the dates of the transactions and retranslated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon retranslation at the balance sheet date are recognised in profit or loss.
	Evergreen Shipping Agency Philippines Corporation	38,671	
	Evergreen Shipping (Spain) S.L.	33,571	
	Greenpak Shipping (PRIVATE) Limited	25,564	
	Evergreen Shipping Agency (Japan) Corporation	14,644	
	Others	<u>54,186</u>	
		<u>209,667</u>	
Shipowner's accounts			
	Evergreen Marine (Hong Kong) Ltd.	424,655	
	Evergreen Marine (Singapore) Pte Ltd.	274,885	
	Evergreen International S.A.	146,395	
	Evergreen Marine (Asia) Pte Ltd.	<u>42,544</u>	
		<u>888,479</u>	
Receipts under custody	Withholding tax	295,892	
Bonds payable - current portion		4,000,000	
Long-term liabilities - current portion		<u>4,792,891</u>	
		<u>\$ 10,186,929</u>	

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
STATEMENT OF CORPORATE BONDS PAYABLE(1)

DECEMBER 31, 2021

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

Bonds Name	Trustee	Issuance Date	Interest Payment Date	Rate (%)	Total Amount	Repayment paid	Balance at December 31, 2021	Unamortised		Book Value	Repayment	Collateral	Footnote
								Premiums	(Discounts)				
Thirteenth domestic secured corporate bonds	Bank of Taiwan	106.04.25	111.04.25	1.05	\$ 8,000,000	\$ 4,000,000	\$ 4,000,000	\$ 226,950	\$ 3,773,050	Note 1	Yes	Note 2	
Fourteenth domestic secured corporate bonds	Bank of Taiwan	107.06.27	112.06.27	0.86	2,000,000	-	2,000,000	-	2,000,000	Note 3	//	Note 4	
First unsecured overseas convertible bonds		109.09.29	-	-	8,697,300	(8,697,300)	-	-	-	Note 5	None		
Fourth unsecured domestic convertible bonds		110.05.18	-	-	5,000,000	(100)	4,999,900	-	4,999,900	Note 6	None		
Less: current portion									(4,000,000)				
Non-current portion									\$ 6,772,950				

Note 1 : Half the principal of the Bond must be paid at the end of the fourth year, and another half at the maturity date.

Please refer to Note 6(15) for details of principal repayment and interest payment.

Note 2 : The Bonds are secured and are guaranteed by Hua Nan Bank, First Bank, Mega International Commercial Bank, Land Bank of Taiwan, Chang Hwa Bank, Taiwan Cooperative Bank and Bank Sinopac Co.Ltd..

Note 3 : Except for conversion, proceeds and redemption, the principal of the Bonds shall be repaid in lump sum at maturity.

Please refer to Note 6(15) for details of principal repayment and interest payment.

Note 4 : The Bonds are secured and are guaranteed by First Commercial Bank.

Note 5 : The Bonds are first unsecured overseas convertible bonds. Please refer to Note 6(15) for details of principal repayment and interest payment.

Note 6 : The Bonds are fourth unsecured domestic overseas convertible bonds. Please refer to Note 6(15) for details of principal repayment and interest payment.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
STATEMENT OF LONG-TERM LOANS(I)
DECEMBER 31, 2021

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

Creditor	Description	Amount	Term of Contract	Rate(%)	Collateral	Footnote
Long-term bank loans:						
Bank of Taiwan	Secured bank loans	\$ 458,875	102.11.19~111.11.19		Loading and unloading equipment	
Hua Nan Commercial Bank	"	1,553,414	101.01.04~115.03.20		Ships	Including USD loans
Hua Nan Commercial Bank	"	466,766	107.08.31~114.06.28		"	
Hua Nan Commercial Bank	"	715,306	109.05.18~118.05.30		"	
First Commercial Bank	"	1,029,123	102.04.22~114.04.22		"	Including USD loans
Bank of Taiwan	"	1,475,685	104.01.09~112.10.14		"	
Bank of Taiwan	"	767,921	108.12.28~116.03.28		"	
Bank of Taiwan	"	1,443,384	104.04.15~112.10.14		"	
Chang Hwa Commercial Bank	"	541,431	107.11.30~114.09.28		"	
Cathay United Bank	"	482,517	108.03.28~114.12.28		"	
Bank of China	"	594,271	108.02.28~115.06.29		"	
Bank of China	"	592,846	108.02.28~115.06.29		"	
Bank SinoPac	"	454,433	107.04.17~114.03.02		"	
Bank SinoPac	"	845,000	109.03.20~114.03.20		"	
The Export-Import Bank of the Republic of China	"	587,340	107.04.20~115.04.20		"	
BANCO SANTANDER, S.A.	"	536,173	110.11.17~120.11.16		"	Including USD loans
BANCO SANTANDER, S.A.	"	520,049	110.04.09~120.04.08		"	"

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
STATEMENT OF LONG-TERM LOANS(1) (Cont.)

DECEMBER 31, 2021

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

Creditor	Description	Amount	Term of Contract	Rate(%)	Collateral	Footnote
BANCO SANTANDER, S.A.	Unsecured bank loans	\$ 534,342	110.09.28~120.09.23		Ships	Including USD loans
BANCO SANTANDER, S.A.	"	540,615	110.07.09~120.07.08		"	"
Chang Hwa Commercial Bank	Container secured bank loans	671,022	107.02.09-114.02.09		Container	
Chang Hwa Commercial Bank	"	450,000	108.10.24-115.10.24		"	
Chang Hwa Commercial Bank	"	941,429	109.12.30-116.12.30		"	
Bank of Taiwan	"	708,333	108.01.29-115.01.29		"	
Taishin International Bank	Commercial paper	1,200,000	108.08.26-111.08.26		None	
Taishin International Bank	"	1,170,000	109.12.14-114.12.14		Ships	
		19,080,275		0.93%-1.58%		
Add: Unrealised losses		(192,527)				
Less: Deferred expenses - hosting fee credit		(86,392)				
		18,801,356				
Less: current portion		(4,792,891)				
Non-current portion		\$ 14,008,465				

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
STATEMENT OF LEASE LIABILITIES(1)
DECEMBER 31, 2021

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

<u>Item</u>	<u>Term of Contract (year)</u>	<u>Discount Rate(%)</u>	<u>Balance at December 31, 2021</u>
Land	14.7~15.3	1.4950%	\$ 619,661
Ships	3~15	0.9800%~3.5688%	5,421,445
Total			<u>\$ 6,041,106</u>

Note : Please refer to Note 6(10) for details of lease liabilities.

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EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
STATEMENT OF LABOR, DEPRECIATION AND AMORTISATION BY FUNCTION(1)
FOR THE YEAR ENDED DECEMBER 31, 2021

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

	Year ended December 31, 2021		Year ended December 31, 2020	
	Classified as Operating Costs	Classified as Operating Expenses	Classified as Operating Costs	Classified as Operating Expenses
(4) The Company has				
By nature				Total
Employee benefit expense				
Wages and salaries	\$ 1,133,244	\$ 7,026,628	\$ 845,416	\$ 2,441,303
Labor and health insurance fees	62,679	241,717	52,018	148,693
Pension costs	40,601	935,749	38,859	92,729
Directors' remuneration	-	35,175	-	22,869
Other personnel expenses	59,925	164,100	49,953	93,004
Total	1,296,449	8,403,369	986,246	2,798,598
Depreciation expenses	5,214,726	145,094	5,182,180	140,615
Amortisation expenses	-	22,051	-	17,266
			22,051	17,266
			9,699,818	3,784,844
			5,359,820	5,322,795
			22,051	17,266
			8,159,872	3,286,719
			304,396	200,711
			976,350	131,588
			35,175	22,869
			224,025	142,957
			9,699,818	3,784,844
			5,359,820	5,322,795
			22,051	17,266

Note :

1. As of December 31, 2021 and 2020, the Company had 2,269 and 2,017 employees, including 6 and 6 non-employee directors, respectively.
2. A company whose stock is listed for trading on the stock exchange or over-the-counter securities exchange shall additionally disclose the following information :
 - (1) Average employee benefit expense in current year is 4,271 (in thousands of dollars).
Average employee benefit expense in previous year is 1,871 (in thousands of dollars).
 - (2) Average employees salaries in current year is 3,606 (in thousands of dollars).
Average employees salaries in previous year is 1,634 (in thousands of dollars).
 - (3) Adjustments of average employees salaries 120.69%.
 - (4) The Company has not set up remuneration of the supervisors because it has the Audit Committee.

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.
STATEMENT OF LABOR, DEPRECIATION AND AMORTISATION BY FUNCTION(1) (Cont.)
FOR THE YEAR ENDED DECEMBER 31, 2021

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

- (5) The remuneration policies of the Company's directors, managers and employees are described as follows:
- A. General directors and independent directors
In accordance with the Articles of Incorporation and the remuneration payment regulations for directors, if the Company has distributable profit of the current year, the ratio set for directors' remuneration shall not be higher than 2% of distributable profit; and in the total amount of directors' remuneration, individual directors' remuneration shall be allocated according to the degree of each directors' participation in the operation of the Company and the value of their contributions, as well as take into account the general pay levels of the industry.
- B. Remuneration of the general manager and the vice general manager is regulated in accordance with the remuneration payment regulations for managerial officers and is paid according to the Company's overall operating situation and the results of personal performance assessment.
- C. Fixed remuneration of the Company's employees is paid in accordance with the salary standard of each position and is adjusted according to the Company's revenue status, the general pay levels of the market and whether their personal performance is good. In addition, variable remuneration such as employees' compensation and year-end bonus is paid in accordance with the Articles of Incorporation or the Company's operating situation and the results of personal performance assessment.
- D. Remuneration of the directors and managerial officers shall be reviewed by the Company's remuneration committee and approved by the Board of Directors.

Evergreen Marine Corporation (Taiwan) Ltd.
Loans to others
For the year ended December 31, 2021

Expressed in thousands of TWD/thousands of foreign currency

Table 1

Number (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2021 (Note 3)	Balance at December 31, 2021 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
													Item	Value			
1	Peony Investment S.A.	Luanta Investment (Netherlands) N.V.	Receivables from related parties	Yes	\$ 27,991	\$ -	\$ -	-	2	\$ -	Working capital requirement	\$ -	None	\$ -	14,754,479	\$ 36,886,197	
1	Peony Investment S.A.	Clove Holding Ltd.	Receivables from related parties	Yes	227,932	221,236	207,409	1.1913- 1.20350	2	-	Working capital requirement	-	None	-	29,508,958	36,886,197	
1	Peony Investment S.A.	Colon Container Terminal S.A.	Receivables from related parties	Yes	575,528	558,621	558,621	1.18863- 1.20200	2	-	Working capital requirement	-	None	-	14,754,479	36,886,197	
2	Evergreen Marine (Hong Kong) Ltd.	Colon Container Terminal S.A.	Receivables from related parties	Yes	129,494	125,690	125,690	1.18863- 1.20200	2	-	Working capital requirement	-	None	-	16,766,440	33,532,880	
3	Everport Terminal Services Inc.	Whiney Equipment LLC.	Receivables from related parties	Yes	256,424	165,927	165,927	1.35820	2	-	Working capital requirement	-	None	-	1,380,788	1,725,985	

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

(1)The Company is '0'.

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

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

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

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

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

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

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

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

PEONY : USD 2,667,645*27.6545%/20%=(14,754,479)

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

The Company held 100% voting shares directly and indirectly in foreign company, that the total amount of loans granted to a single company should not exceed 40% of the net worth stated in the latest financial statements.

PEONY : USD 2,667,645*27.6545%/40%=(29,508,958)

Everport Terminal Services Inc. : USD 1,248,252*27.6545%/40%=(1,380,788)

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

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

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

PEONY : USD 2,667,645*27.6545%/50%=(36,886,197)

Everport Terminal Services Inc. : USD 1,248,252*27.6545%/50%=(1,725,985)

Note 8: The amounts of funds to be loaned to others which have been approved by the Board of Directors of a public company in accordance with Article 14, Item 1 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", should be included in its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears, even though they have not yet been appropriated. However, this balance should exclude the loans repaid when repayments are done subsequently to reflect the risk adjustment. In addition, if the Board of Directors of a public company has authorized the Chairman to loan funds in insurances 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.

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

Expressed in thousands of TWD/thousands of foreign currency

Table 2

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

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

Expressed in thousands of TWD/thousands of foreign currency

Table 2

Number (Note 1)	Endorser/Guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2021 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2021 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
		Company name	Relationship with the endorser/ guarantor (Note 2)											
4	Evergreen Marine (Asia) Pte. Ltd.	Evergreen Shipping Agency(Japan) Corp.	2	\$ 178,692,691	\$ 2,404,006	\$ 2,404,006	\$ -	\$ -	2.69%	\$ 223,365,863	N	N	N	

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

(1) The Company is '0'.

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

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following six categories; fill in the number of category each case belongs to:

(1) Having business relationship.

(2) The endorser/guarantor parent company directly and indirectly owns more than 50% voting shares of the endorsed/guaranteed company.

(3) The endorsed/guaranteed parent company directly and indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.

(4) The parent company directly or indirectly owns more than 90% voting shares of the companies that make endorsements/guarantees for each other.

(5) The parent company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.

(6) Due to joint venture, all capital contributing shareholders make endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

(7) Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: Fill in limit on endorsements/guarantees provided for a single party and ceiling on total amount of endorsements/guarantees provided as prescribed in the endorser/guarantor company's "Procedures for Provision of Endorsements and

Guarantees", and state each individual party to which the endorsements/guarantees have been provided and the calculation for ceiling on total amount of endorsements/guarantees provided in the footnote.

The calculation is as follows:

The Company: $326,784,536 \times 25.0\% = 81,696,134$

Limit on endorsement or guarantees provided by the Company for a single entity is \$163,392,268 (Amounting to 50% of its net worth).

(When the Company owns more than 50% voting shares of the endorsed/guaranteed company, the limit on endorsement or guarantee provided by the Company should not exceed 200% of its net worth, which equals to \$653,569,072.)

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

Ceiling on total amount of endorsements/guarantees: $USD\ 3,031,413 \times 27.6545\% \times 25.0\% = 209,580,498$

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

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

Ceiling on total amount of endorsements/guarantees: $USD\ 1,499,528 \times 27.6545\% \times 25.0\% = 103,671,722$

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

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

Ceiling on total amount of endorsements/guarantees: $USD\ 99,398 \times 27.6545\% \times 25.0\% = 6,872,006$

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

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

Ceiling on total amount of endorsements/guarantees: $USD\ 3,230,807 \times 27.6545\% \times 25.0\% = 223,365,863$

Limit on endorsements or guarantees provided for a single entity: 178,692,691 (Amounting to 200% of its net worth).

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

Note 5: Fill in the amount approved by the Board of Directors or the chairman if the chairman has been authorized by the Board of Directors.

Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary, provision by subsidiary to listed parent company, and provision to the party in Mainland China.

Evergreen Marine Corporation (Taiwan) Ltd.
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
For the year ended December 31, 2021

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

Table 3

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2021				Footnote (Note 4)
				Number of shares	Book value (Note 3)	Ownership (%)	Fair value	
Evergreen Marine Corporation	Stock:							
	Power World Fund Inc.		Financial asset measured at fair value through other comprehensive income - non-current	677	\$ 6,772	5.68%	\$ 6,772	
	Linden Technologies, Inc.		"	50	21,062	1.44%	21,062	
	TopLogis, Inc.		"	2,464	21,665	17.48%	21,665	
	Ever Accord Construction Corp.	Other related party	"	10,500	97,900	17.50%	97,900	
	Central Reinsurance Corp.	"	"	49,866	1,478,541	8.45%	1,478,541	
	Financial bonds:							
	Sunny Bank 2nd Subordinate Financial Debentures-B Issue in 2015		Financial asset measured at amortised cost - current	-	50,000	-	50,000	
	Sunny Bank 3rd Subordinate Financial Debentures-B Issue in 2017		Financial asset measured at amortised cost - non-current	-	50,000	-	50,000	
	Peony Investment S.A.	Hutchison Inland Container Depots Ltd.		Financial asset measured at fair value through other comprehensive income - non-current	0.75	USD 549	5.27%	USD 549
Evergreen Shipping Agency (Europe) GmbH	South Asia Gateway Terminal (Private) Ltd.		"	18,942	USD 17,423	5.00%	USD 17,423	
	Zoll Pöhl Hafen Hamburg AG		"	10	EUR 10	2.86%	EUR 10	
	Evergreen Shipping Agency Philippines Corporation	Eagle Ridge Golf & Country Club Inc.	"	0.001	PHP 230	0.02%	PHP 230	

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

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

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

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

Evergreen Marine Corporation (Taiwan) Ltd.

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

For the year ended December 31, 2021

Expressed in thousands of TWD/thousands of foreign currency

Table 4

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Evergreen Marine Corporation	Everport Terminal Services Inc.	Subsidiary	Purchases	\$ 2,029,767	4%	30-60 days	\$ -	-	-	0%	
	Greencompass Marine S.A.	Indirect subsidiary	Purchases	772,734	1%	30-60 days	-	-	-	0%	
	Taiwan Terminal Services Co., Ltd.	Subsidiary	Sales	1,517,354	2%	30-60 days	-	-	277	0%	
	Italia Marittima S.P.A.	Subsidiary	Purchases	855,926	2%	30-60 days	-	-	(118,545)	2%	
	Evergreen International Storage and Transport Corp.	Associates	Purchases	269,145	1%	30-60 days	-	-	-	0%	
	Evergreen Shipping Agency (America) Corporation	Associates	Sales	295,600	0%	30-60 days	-	-	179	0%	
	Evergreen International Corp.	Other related parties	Purchases	670,002	1%	30-60 days	-	-	(17,732)	0%	
	Evergreen Marine (UK) Limited	Other related parties	Purchases	840,445	2%	30-60 days	-	-	-	0%	
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	118,276	0%	30-60 days	-	-	16,246	0%	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary	Purchases	1,643,420	3%	30-60 days	-	-	(4,941)	0%	
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary	Purchases	332,665	1%	30-60 days	-	-	-	0%	
	Evergreen Marine (UK) Limited	Indirect subsidiary	Sales	439,123	0%	30-60 days	-	-	11	0%	
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Purchases	280,515	1%	30-60 days	-	-	(3,510)	0%	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary	Sales	1,231,238	1%	30-60 days	-	-	730	0%	
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary	Purchases	2,870,110	5%	30-60 days	-	-	(658)	0%	
	Evergreen Marine (UK) Limited	Indirect subsidiary	Sales	1,599,136	2%	30-60 days	-	-	26,090	0%	
Evergreen Marine (Asia) Pte. Ltd.	Subsidiary	Purchases	738,648	1%	30-60 days	-	-	(1,372)	0%		
Evergreen Marine (UK) Limited	Indirect subsidiary	Sales	1,367,715	1%	30-60 days	-	-	23,382	0%		

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Evergreen Marine Corporation	Evergreen Shipping Agency (Europe) GmbH	Subsidiary	Purchases	\$ 165,619	0%	30-60 days	\$ -	-	\$ -	0%	
	Evergreen Logistics Corp.	Other related parties	Sales	413,444	0%	30-60 days	-	-	-	0%	
	Round The World Logistics (U.S.A) Corp.	Other related parties	Sales	632,555	1%	30-60 days	-	-	-	0%	
	Evergreen Logistics Co., Ltd.	Other related parties	Sales	165,121	0%	30-60 days	-	-	-	0%	
	Gaining Enterprise S.A.	Other related parties	Purchases	243,431	0%	30-60 days	-	-	-	0%	
	Evergreen Marine Corp. (Malaysia) Sdn.Bhd.	Indirect subsidiary	Purchases	146,858	0%	30-60 days	-	-	-	0%	
	Evergreen Shipping Agency (Vietnam) Corp.	Indirect subsidiary	Purchases	176,925	0%	30-60 days	-	-	-	0%	
	PT. Evergreen Shipping Agency Indonesia	Associates	Purchases	144,395	0%	30-60 days	-	-	-	0%	
	Evergreen Shipping Agency (Japan) Corporation	Other related parties	Purchases	130,269	0%	30-60 days	-	-	-	0%	
	Evergreen Insurance Company Limited	Other related parties	Purchases	109,146	0%	30-60 days	-	-	-	0%	
	Taipei Port Container Terminal Corporation	Associates	Purchases	237,012	0%	30-60 days	-	-	(90)	0%	
	Evergreen Marine Corp.	The parent	Sales	855,926	100%	30-60 days	-	-	118,545	100%	
	Evergreen Marine Corp.	The parent	Sales	72,680	16%	30-60 days	-	-	-	0%	
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	77,857	17%	30 days	-	-	-	0%	
Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	72,805	16%	30 days	-	-	-	0%		
Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	58,719	13%	30 days	-	-	-	0%		
Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	54,918	12%	30 days	-	-	-	0%		
Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Purchases	6,926	1%	30 days	-	-	-	0%		
Evergreen Shipping Agency (America) Corporation	Other related parties	Purchases	6,889	1%	30 days	-	-	(USD 189)	0%		

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction					Differences in transaction terms compared to third party transactions (Note 1)			Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)			
											Unit price	Credit term	
Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine Corp.	The parent	Sales	USD 102,770	2%	30-60 days	\$ -	-	USD 24	0%			
			Purchases	USD 57,260	3%	30-60 days	-	-	(USD 943)	0%			
	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	USD 99,525	2%	30-60 days	-	-	-	0%			
			Purchases	USD 28,200	2%	30-60 days	-	-	-	0%			
	Italia Marittima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Sales	USD 18,375	0%	30-60 days	-	-	USD 2	0%			
			Purchases	USD 37,073	2%	30-60 days	-	-	(USD 5)	0%			
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	USD 209,982	5%	30-60 days	-	-	USD 58	0%			
			Purchases	USD 11,272	1%	30-60 days	-	-	(USD 745)	0%			
	Evergreen International Corp.	Other related parties	Purchases	USD 19,694	1%	30-60 days	-	-	-	0%			
			Sales	USD 37,528	1%	30-60 days	-	-	USD 4,326	0%			
	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Purchases	USD 98,231	6%	30-60 days	-	-	(USD 689)	0%			
			Sales	USD 163,739	4%	30-60 days	-	-	USD 21	0%			
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Purchases	USD 28,540	2%	30-60 days	-	-	(USD 725)	0%			
			Purchases	USD 54,918	3%	30 days	-	-	-	0%			
	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 44,243	3%	30-60 days	-	-	-	0%			
			Purchases	USD 9,517	1%	30-60 days	-	-	-	0%			
	Evergreen Shipping Agency (America) Corporation	Other related parties	Purchases	USD 9,359	1%	30-60 days	-	-	-	0%			
			Purchases	USD 5,977	0%	30-60 days	-	-	-	0%			
	Evergreen Shipping Agency (Europe) GmbH	Indirect subsidiary of the Parent Company	Purchases	USD 7,191	0%	30-60 days	-	-	-	0%			
			Purchases	USD 39,758	1%	30-60 days	-	-	-	0%			
Evergreen Shipping Agency (Vietnam) Corp.	Indirect subsidiary of the Parent Company	Purchases	USD 18,430	0%	30-60 days	-	-	-	0%				
		Purchases	USD 18,430	0%	30-60 days	-	-	-	0%				
Evergreen Shipping Agency (Thailand) Co., Ltd	Associates	Purchases	USD 18,430	0%	30-60 days	-	-	-	0%				
		Purchases	USD 18,430	0%	30-60 days	-	-	-	0%				
Taipei Port Container Terminal Corporation	Other related parties	Purchases	USD 18,430	0%	30-60 days	-	-	-	0%				
		Purchases	USD 18,430	0%	30-60 days	-	-	-	0%				
Round The World Logistics (U.S.A) Corp.	Other related parties	Sales	USD 18,430	0%	30-60 days	-	-	-	0%				
		Sales	USD 18,430	0%	30-60 days	-	-	-	0%				
Evergreen Logistics Corp.	Other related parties	Sales	USD 18,430	0%	30-60 days	-	-	-	0%				
		Sales	USD 18,430	0%	30-60 days	-	-	-	0%				

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Evergreen Marine (Hong Kong) Ltd.	Evergreen Logistics Co., Ltd.	Other related parties	Sales	USD 4,298	0%	30-60 days	\$ -	-	\$ -	0%	
	Evergreen International Storage and Transport Corp.	Associates	Purchases	USD 9,946	1%	30-60 days	-	-	-	0%	
	Evergreen Shipping Agency (China) Co., Ltd.	Subsidiary	Purchases	USD 47,098	3%	30-60 days	-	-	(USD 13,348)	0%	
	Evergreen Shipping Agency (Japan) Corporation	Other related parties	Purchases	USD 4,728	0%	30-60 days	-	-	-	0%	
	Evergreen Marine Co. (Malaysia) SDN.BHD.	Indirect subsidiary of the Parent Company	Purchases	USD 4,270	0%	30-60 days	-	-	-	0%	
	Evergreen Marine (Asia) Pte. Ltd.	Evergreen Marine Corp.	The parent	Sales	USD 26,449	1%	30-60 days	-	-	USD 50	0%
				Purchases	USD 48,974	3%	30-60 days	-	-	(USD 845)	0%
			Indirect subsidiary of the Parent Company	Sales	USD 11,534	0%	30-60 days	-	-	-	0%
		Greencompass Marine S. A.	Indirect subsidiary of the Parent Company	Purchases	USD 146,256	8%	30-60 days	-	-	(USD 38)	0%
			Subsidiary of the Parent Company	Sales	USD 28,540	1%	30-60 days	-	-	USD 725	0%
			Purchases	USD 163,739	8%	30-60 days	-	-	(USD 21)	0%	
		Investice of Balsam Investment (NetherLands) N.V.	Sales	USD 4,890	0%	30-60 days	-	-	USD 6	0%	
			Purchases	USD 14,869	1%	30-60 days	-	-	(USD 3)	0%	
		Evergreen Logistics Co., Ltd.	Other related parties	Sales	USD 4,226	0%	30-60 days	-	-	-	0%
		Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	USD 25,382	0%	30-60 days	-	-	USD 19	0%
			Purchases	USD 13,684	1%	30-60 days	-	-	(USD 2,378)	0%	
	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	USD 4,029	0%	30-60 days	-	-	-	0%	
			Purchases	USD 94,540	5%	30-60 days	-	-	(USD 150)	0%	
	Round The World Logistics (U.S.A) Corp.	Other related parties	Sales	USD 45,046	1%	30-60 days	-	-	-	0%	
	Evergreen Logistics Corp.	Other related parties	Sales	USD 27,341	1%	30-60 days	-	-	-	0%	
	Evergreen International Corp.	Other related parties	Purchases	USD 25,942	1%	30-60 days	-	-	-	0%	

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction					Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)		
Evergreen Marine (Asia) Pte. Ltd.	Evergreen International Storage and Transport Corp.	Associates	Purchases	USD 7,843	0%	30-60 days	\$ -	-	\$ -	0%		
	Evergreen Shipping Agency (India) Pvt. Ltd.	Indirect subsidiary of the Parent Company	Purchases	USD 3,922	0%	30-60 days	-	-	(USD 801)	0%		
	Evergreen Shipping Agency (Thailand) Co., Ltd	Indirect subsidiary of the Parent Company	Purchases	USD 4,694	0%	30-60 days	-	-	-	0%		
	PT. Evergreen Shipping Agency Indonesia	Associates	Purchases	USD 5,488	0%	30-60 days	-	-	-	0%		
	Evergreen Shipping Agency (Europe) GmbH	Indirect subsidiary of the Parent Company	Purchases	USD 8,402	0%	30-60 days	-	-	-	0%		
	Evergreen Marine Co. (Malaysia) SDN.BHD.	Indirect subsidiary of the Parent Company	Purchases	USD 6,122	0%	30-60 days	-	-	-	0%		
	Evergreen Shipping Agency (Vietnam) Corp.	Indirect subsidiary of the Parent Company	Purchases	USD 9,107	0%	30-60 days	-	-	-	0%		
	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 6,926	0%	30 days	-	-	-	0%		
	Evergreen Shipping Agency (America) Corporation	Other related parties	Purchases	USD 56,319	3%	30-60 days	-	-	-	0%		
	Evergreen Shipping Agency (Japan) Corporation	Other related parties	Purchases	USD 6,239	0%	30-60 days	-	-	-	0%		
	Taipei Port Container Terminal Corporation	Associates	Purchases	USD 5,695	0%	30-60 days	-	-	-	0%		
	Greencoast Marine S.A.	Evergreen Marine (UK) Limited	Indirect subsidiary of the Parent Company	Sales	USD 14,145	0%	30-60 days	-	-	-	0%	
		Evergreen Marine Corp.	The parent	Purchases	USD 17,564	1%	30-60 days	-	-	-	0%	
				Sales	USD 27,669	1%	30-60 days	-	-	-	-	0%
Everport Terminal Services Inc.		Subsidiary of the Parent Company	Purchases	USD 54,352	3%	30-60 days	-	-	(USD 10)	0%		
			Purchases	USD 72,805	4%	30 days	-	-	-	-	0%	
Evergreen Marine (Singapore) Pte. Ltd.		Other related parties	Sales	USD 36,297	1%	30-60 days	-	-	USD 71	3%		
Italia Marittima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Other related parties	Purchases	USD 14,451	1%	30-60 days	-	-	-	0%		
			Sales	USD 15,172	0%	30-60 days	-	-	-	-	0%	
			Purchases	USD 28,299	1%	30-60 days	-	-	-	-	0%	
Evergreen Shipping Agency (America) Corporation	Other related parties	Purchases	USD 33,112	2%	30-60 days	-	-	-	0%			

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction					Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)		
Greencoast Marine S.A.	Evergreen International Corp.	Other related parties	Purchases	USD 20,644	1%	30-60 days	\$ -	-	-	0%		
	Evergreen Shipping Agency (Japan) Corporation	Other related parties	Purchases	USD 6,185	0%	30-60 days	-	-	-	0%		
	Evergreen Shipping Agency (Europe) GmbH	Indirect subsidiary of the Parent Company	Purchases	USD 9,302	0%	30-60 days	-	-	-	0%		
	Evergreen Marine Co. (Malaysia) SDN.BHD.	Indirect subsidiary of the Parent Company	Purchases	USD 7,693	0%	30-60 days	-	-	-	0%		
	PT. Evergreen Shipping Agency Indonesia	Associates	Purchases	USD 4,870	0%	30-60 days	-	-	-	0%		
	Round-the-world logistics (U.S.A) Corps	Other related parties	Sales	USD 19,952	1%	30-60 days	-	-	-	0%		
	Evergreen International Storage and Transport Corp.	Associates	Purchases	USD 11,988	1%	30-60 days	-	-	-	0%		
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	USD 28,200	1%	30-60 days	-	-	-	0%		
	Evergreen Logistics Corp.	Other related parties	Sales	USD 99,525	5%	30-60 days	-	-	-	0%		
	Evergreen Shipping Agency (Vietnam) Corp.	Indirect subsidiary of the Parent Company	Purchases	USD 10,190	0%	30-60 days	-	-	-	0%		
	Taipei Port Container Terminal Corporation	Associates	Purchases	USD 9,450	0%	30-60 days	-	-	-	0%		
	Evergreen logistics Co., Ltd.	Other related parties	Sales	USD 7,389	0%	30-60 days	-	-	-	0%		
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Sales	USD 4,652	0%	30-60 days	-	-	-	0%		
	Greencoast Marine S.A.	Subsidiary of the Parent Company	Sales	USD 146,256	0%	30-60 days	-	-	USD 38	2%		
Evergreen Marine (UK) Limited	Greencoast Marine S.A.	Indirect subsidiary of the Parent Company	Purchases	USD 11,534	0%	30-60 days	-	-	-	0%		
	Evergreen Marine Corp.	The Parent	Sales	USD 17,564	1%	30-60 days	-	-	-	0%		
	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 14,145	2%	30-60 days	-	-	-	0%		
	Evergreen Marine Corp.	The Parent	Sales	USD 11,912	1%	30-60 days	-	-	-	0%		
	Evergreen Marine Corp.	The Parent	Purchases	USD 15,724	2%	30-60 days	-	-	-	0%		
	Everport Terminal Services Inc.	Subsidiary of the Parent Company	Purchases	USD 58,719	6%	30 days	-	-	-	0%		

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction						Differences in transaction terms compared to third party transactions (Note 1)			Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)				
Evergreen Marine (UK) Limited	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	USD 27,198	2%	30-60 days	\$ -	-	USD 249	0%				
			Purchases	USD 5,105	1%	30-60 days	-	-	-	0%				
	Evergreen Shipping Agency (America) Corporation	Other related parties	Purchases	USD 20,747	2%	30-60 days	-	-	-	0%				
			Sales	USD 98,231	6%	30-60 days	-	-	USD 689	1%				
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Purchases	USD 37,528	4%	30-60 days	-	-	(USD 4,326)	20%				
			Purchases	USD 4,415	0%	30-60 days	-	-	-	0%				
	Italia Marittima S.p.A.	Investee of Balsam Investment (NetherLands) N.V.	Purchases	USD 6,455	1%	30-60 days	-	-	-	0%				
			Purchases	USD 94,540	6%	30-60 days	-	-	USD 150	0%				
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Purchases	USD 4,029	0%	30-60 days	-	-	-	0%				
			Sales	USD 9,829	1%	30-60 days	-	-	-	0%				
	Round The World Logistics (U.S.A) Corp.	Other related parties	Purchases	USD 3,667	0%	30-60 days	-	-	-	0%				
			Sales	USD 3,804	0%	30-60 days	-	-	-	0%				
	Evergreen Heavy Industrial Corp.(Malaysia) Berhad	Other related parties	Sales	MYR 246,145	100%	45 days	-	-	MYR 60,632	100%				
			Sales	EUR 8,047	17%	30-60 days	-	-	-	0%				
Evergreen Shipping Agency (Europe) GmbH	Gaining Enterprise S.A.	Other related parties	Sales	EUR 15,288	33%	30-60 days	-	-	EUR 3,292	2%				
			Sales	EUR 5,014	11%	30-60 days	-	-	-	0%				
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	EUR 7,865	17%	30-60 days	-	-	-	0%				
			Sales	EUR 7,104	15%	30-60 days	-	-	-	0%				
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	THB 191,487	21%	30-60 days	-	-	-	0%				
			Sales	THB 150,378	17%	30-60 days	-	-	-	0%				
	Evergreen Marine Corp.	The Parent	Sales	THB 215,097	24%	30-60 days	-	-	THB 26,283	3%				
			Sales											
	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales											
			Sales											
Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Sales												
		Sales												

Purchaser/Seller	Counterparty	Relationship with the counterparty	Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote (Note 2)
			Purchases/sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Evergreen Marine Co. (Malaysia) SDN.BHD.	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	MYR 31,903	18%	30-60 days	\$ -	-	-	0%	
	Evergreen Marine Corp.	The Parent	Sales	MYR 21,808	13%	30-60 days	-	-	-	0%	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	MYR 17,707	10%	30-60 days	-	-	-	0%	
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Sales	MYR 25,389	15%	30-60 days	-	-	-	0%	
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	MYR 28,500	16%	30-60 days	-	-	MYR 3,486	4%	
	Greencompass Marine S.A.	Indirect subsidiary of the Parent Company	Sales	VND 216,745,863	19%	30-60 days	-	-	-	0%	
Evergreen Shipping Agency (Vietnam) Corp.	Evergreen Marine Corp.	The Parent	Sales	VND 145,302,762	13%	30-60 days	-	-	-	0%	
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	VND 228,321,352	20%	30-60 days	-	-	VND 31,314,903	4%	
	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	VND 214,645,096	19%	30-60 days	-	-	-	0%	
	Evergreen Marine (Asia) Pte. Ltd.	Subsidiary of the Parent Company	Sales	VND 208,875,076	18%	30-60 days	-	-	-	0%	
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	KRW 5,052,170	27%	30-60 days	-	-	KRW 608,988	1%	
	Evergreen Shipping Agency (India) Private Ltd.	Other related parties	Sales	INR 340,563	26%	30-60 days	-	-	-	0%	
Evergreen Shipping (Spain) S.L.	Evergreen Marine (Singapore) Pte. Ltd.	Subsidiary of the Parent Company	Sales	INR 290,053	22%	30-60 days	-	-	INR 59,736	1.4%	
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	EUR 3,051	12%	30-60 days	-	-	EUR 666	2%	
	Evergreen Marine (Singapore) Pte. Ltd.	Other related parties	Sales	AUD 4,865	31%	30-60 days	-	-	AUD 359	5%	
Evergreen Shipping Agency (China) Co., Ltd.	Evergreen Marine (Hong Kong) Ltd.	Subsidiary of the Parent Company	Sales	CNY 303,803	100%	30-60 days	-	-	CNY 85,005	100%	

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

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

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

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

Expressed in thousands of TWD/thousands of foreign currency

Table 5

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

Note 1: Fill in separately the balances of accounts receivable-related parties, notes receivable-related parties, other receivables-related parties, etc.

Note 2: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20% of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Evergreen Marine Corporation (Taiwan) Ltd.
Significant inter-company transactions during the reporting periods
For the year ended December 31, 2021

Expressed in thousands of TWD

Table 6

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

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

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
4	Evergreen Marine (Hong Kong) Ltd.	Everport Terminal Services Inc.	3	Operating cost	\$ 1,533,715	Note 4	0.31
4	Evergreen Marine (Hong Kong) Ltd.	Evergreen Marine Corp. (Malaysia) SDN BHD	3	Operating cost	119,241	"	0.02
4	Evergreen Marine (Hong Kong) Ltd.	Evergreen Shipping Agency (China) Co., Ltd.	3	Operating cost	1,315,314	"	0.27
4	Evergreen Marine (Hong Kong) Ltd.	Evergreen Shipping Agency (Europe) GmbH	3	Operating cost	265,797	"	0.05
4	Evergreen Marine (Hong Kong) Ltd.	Evergreen Shipping Agency (Vietnam) Corp.	3	Operating cost	261,359	"	0.05
4	Evergreen Marine (Hong Kong) Ltd.	Evergreen Shipping Agency (China) Co., Ltd.	3	Accounts payable	369,132	"	0.06
4	Evergreen Marine (Hong Kong) Ltd.	Evergreen Shipping Agency (China) Co., Ltd.	3	Agency's account - debit	216,673	"	0.04
5	Peony Investment S.A.	Clove Holding Ltd.	3	Other receivables	207,478	"	0.03

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is '0'.

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

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; Fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1) Parent company to subsidiary.

(2) Subsidiary to parent company

(3) Subsidiary to subsidiary

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Terms are approximately the same as for general transactions.

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

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

Expressed in thousands of shares/thousands of TWD

Table 7

Investor	Investee (Note 1 - Note 2)	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2021			Net profit (loss) of the investee For the year ended December 31, 2021 (Note 2(2))	Investment income (loss) recognised by the Company For the year ended December 31, 2021 (Note 2(3))	Footnote	
				Balance as of December 31, 2021	Balance as of December 31, 2020	Number of shares	Ownership (%)	Book value				
Evergreen Marine Corp.	Peony Investment S.A.	Republic of Panama	Investment activities	\$ 13,177,369	\$ 13,177,369	4,765	100.00	\$ 73,662,703	\$ 69,049,485	69,009,811	Subsidiary of the Company	
	Taiwan Terminal Services Co., Ltd.	Taiwan	Loading and discharging operations of container yards	55,000	55,000	5,500	55.00	63,410	35,370	19,454	"	
	Everport Terminal Services Inc.	U.S.A.	Terminal services	2,765	2,765	1	94.43	3,108,885	1,075,024	1,015,131	"	
	Evergreen Marine (Hong Kong) Ltd.	Hong Kong	Marine transportation and shipping agency	5,789,470	5,789,470	6,320	79.00	69,185,247	73,421,692	57,925,168	"	
	Evergreen Shipping Agency (Israel) Ltd.	Israel	Shipping agency	9,406	9,406	1,062	59.00	75,414	146,437	86,398	"	
	Evergreen Marine (Asia) Pre. Ltd.	Singapore	Marine transportation	1,382,725	-	50,000	100.00	89,347,158	88,544,370	88,545,188	"	
	Chang Yang Development Co., Ltd.	Taiwan	Development, rental, sale of residential and commercial buildings	320,000	320,000	58,542	40.00	561,169	162,548	65,019	Investee accounted for using equity method	
	Evergreen International Storage and Transport Corporation	Taiwan	Container transportation and gas stations	4,840,408	4,840,408	430,692	40.36	10,956,116	1,064,544	397,122	"	
	Evergreen Security Corporation	Taiwan	General security guards services	25,000	25,000	6,336	31.25	113,084	35,223	11,007	"	
	EVA Airways Corporation	Taiwan	International passengers and cargo transportation	11,276,823	11,276,823	776,541	15.11	12,812,215	6,608,496	982,506	"	
	Taipei Port Container Terminal Corporation	Taiwan	Container distribution and cargo stevedoring	1,446,196	1,446,196	144,799	27.85	1,694,351	613,379	170,802	"	
	Ever Ecove Corporation	Taiwan	Waste treatment and combined heat and power	305,000	305,000	30,500	19.06	299,567	(33,444)	(6,375)	"	
	VIP Greenport Joint Stock Company	Vietnam	Terminal services	165,000	165,000	13,750	21.74	279,693	235,566	51,210	"	
	Clove Holding Ltd.	British Virgin Islands	Investment holding company	1,453,224	1,453,224	10	100.00	2,748,803	209,542	209,542	Indirect subsidiary of the Company	
	Peony Investment S.A.	Evergreen Shipping Agency (Europe) GmbH	Germany	Shipping agency	229,975	229,975	-	100.00	122,016	19,894	19,894	"
		Evergreen Shipping Agency (Korea) Corporation	South Korea	Shipping agency	67,090	67,090	121	100.00	142,475	239,575	239,575	"
Greencoast Marine S.A.		Republic of Panama	Marine transportation	9,775,866	9,775,866	3,535	100.00	41,468,689	52,063,669	52,063,669	"	

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

Investor	Investee (Note 1 - Note 2)	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2021			Net profit (loss) of the investee For the year ended December 31, 2021 (Note 2(2))	Investment income (loss) recognised by the Company For the year ended December 31, 2021 (Note 2(3))	Footnote
				Balance as of December 31, 2021	Balance as of December 31, 2020	Number of shares	Ownership (%)	Book value			
Peony Investment S.A.	Evergreen Marine (Hong Kong) Ltd.	Hong Kong	Marine transportation and shipping agency	\$ 73,284	\$ 73,284	80	1.00	\$ 875,763	\$ 73,421,692	\$ 733,230	Subsidiary of the Company
	Ies Depot Services Snd. Bhd.	Malaysia	Depot services	30,807	30,807	286	28.65	62,888	6,130	1,756	Investee company of Peony accounted for using equity method
Clove Holding Ltd.	Colon Container Terminal, S.A.	Republic of Panama	Inland container storage and loading	632,182	632,182	22,860	40.00	2,529,462	382,419	152,967	Investee company of Clove Holding Ltd. accounted for using equity method
	Everport Terminal Services Inc.	U.S.A	Terminal services	179,864	179,864	0,059	5.57	343,085	1,075,024	59,893	Indirect subsidiary of the Company
Everport Terminal Services Inc.	Whitney Equipment LLC.	U.S.A	Equipment Leasing Company	5,531	5,531	-	100.00	276,961	51,508	51,508	"
PT. Multi Bina Pura International	PT. Multi Bina Transport	Indonesia	Container repair cleaning and inland transportation	91,299	91,299	7,55	72.95	56,416	2,485	1,813	"
Evergreen Marine (Hong Kong) Limited	Colon Container Terminal S.A.	Republic of Panama	Inland container storage and loading	431,410	431,410	5,144	9.00	589,564	382,419	34,418	Investee company of Evergreen Marine (Hong Kong) Limited accounted for using equity method
	Evergreen Marine (Latin America), S.A.	Republic of Panama	Management consultancy	18,018	18,018	600	100.00	17,332	1,334	1,334	Indirect subsidiary of the Company
	Evergreen Shipping Service (Cambodia) Co., Ltd.	Cambodia	Shipping agency	5,531	5,531	200	100.00	104,769	60,703	60,703	"
	Evergreen Shipping Agency (Peru) S.A.C.	Peru	Shipping agency	7,677	7,677	900	60.00	73,766	178,630	107,178	"
	Evergreen Shipping Agency (Colombia) S.A.S	Colombia	Shipping agency	9,708	9,708	80	75.00	96,322	173,611	130,208	"
	Evergreen Shipping Agency Mexico S.A. de C.V.	Mexico	Shipping agency	6,339	6,339	44	60.00	148,685	241,499	144,899	"
	Evergreen Shipping Agency (Chile) SPA.	Chile	Shipping agency	8,817	8,817	2	60.00	73,104	173,137	103,882	"
	Evergreen Shipping Agency (Greece) Societe Anonyme.	Greece	Shipping agency	7,475	7,475	2	60.00	125,227	186,237	111,742	"
	Evergreen Shipping Agency (Israel) Ltd.	Israel	Shipping agency	141	141	18	1.00	1,278	146,437	1,464	"

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

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

(1) The columns of 'Investee', 'Location', 'Main business activities', 'Initial investment amount' and 'Shares held as at December 31, 2021' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column.

(2) The 'Net profit (loss) of the investee for the year ended December 31, 2021' column should fill in amount of net profit (loss) of the investee for this period.

(3) The 'Investment income (loss) recognised by the Company for the year ended December 31, 2021' column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

Evergreen Marine Corporation (Taiwan) Ltd.
Information on investments in Mainland China

For the year ended December 31, 2021

Table 8

Expressed in thousands of TWD

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

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2021	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2021		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2021	Net income (loss) of the investee for the year ended December 31, 2021	Ownership held by the Company (direct or indirect) (%)	Investment income (loss) recognised by the Company for the year ended December 31, 2021 (Note 2(2)(B))	Book value of investments in Mainland China as of December 31, 2021	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2021	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Evergreen Shipping Agency (China) Co., Ltd.	Agency services dealing with port formalities	\$ 29,777	(2)	\$ 81,853	\$ -	\$ -	\$ 81,853	\$ 62,587	52.00	\$ 32,545	\$ 43,355	\$ -	

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

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company, Peony Investment S.A. and Evergreen Marine (Hong Kong) Ltd., in the third area, which then invested in the investee in Mainland China.
- (3) Others

Note 2: In the 'Investment income (loss) recognised by the Company for the year ended December 31, 2021' column:

- (1) It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.
- (2) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:
 - A. The financial statements that are audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.
 - B. The financial statements that are audited and attested by R.O.C. parent company's CPA.
 - C. Others.

Note 3: The numbers in this table are expressed in New Taiwan Dollars.

Evergreen Marine Corporation (Taiwan) Ltd.
Major shareholders information
For the year ended December 31, 2021

Table 9

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

Note 1: The major shareholders information was from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded in the financial statements may differ from the actual number of shares issued in dematerialised form because of a different calculation basis.

Note 2: If the aforementioned data contains shares which were kept in trust by the shareholders, the data disclosed was the settlor's separate account for the fund set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act, the shareholding ratio includes the self-owned shares and trusted shares, at the same time, persons who have power to decide how to allocate the trust assets. For the information of reported share equity of insider, please refer to Market Observation Post System.



I. Comparison of Financial Positions in the Last Two Years

Unit: TWD thousand

Item	Year	2020	2021	Difference	
				Amount	%
Current Assets		85,837,891	283,114,993	197,277,102	229.83%
Non-current assets		248,382,949	327,911,127	79,528,178	32.02%
Total Assets		334,220,840	611,026,120	276,805,280	82.82%
Current Liabilities		72,490,805	109,092,860	36,602,055	50.49%
Non-current liabilities		160,235,742	144,611,670	(15,624,072)	-9.75%
Total Liabilities		232,726,547	253,704,530	20,977,983	9.01%
Common stock		48,980,353	52,908,484	3,928,131	8.02%
Capital surplus		12,433,364	15,762,185	3,328,821	26.77%
Retained Earnings		33,449,400	259,259,637	225,810,237	675.08%
Other equity interest		(581,406)	(1,145,770)	(564,364)	97.07%
Equity attributable to owners of the parent		94,281,711	326,784,536	232,502,825	246.60%
Non-controlling interest		7,212,582	30,537,054	23,324,472	323.39%
Total equity		101,494,293	357,321,590	255,827,297	252.06%

The main reasons for the major changes (those with a change of more than 20% and a change of TWD300 million) in the Company's assets, liabilities and shareholders' equity in the last two years, their impacts and future corresponding plans:

- (1) The increase in current assets was due to the increase in net cash inflows and accounts receivable from operating revenue.
- (2) The increase in non-current assets was due to the increase in property, plant and equipment and right-of-use assets.
- (3) The increase in current liabilities was due to the increase in accounts payable and current tax liabilities.
- (4) The increase in capital surplus was due to ECB conversion.
- (5) The increase of retained earnings was due to the net income of the parent company.
- (6) The decrease in other equity was mainly due to the depreciation of the exchange rate of USD:TWD, and the recognition of exchange differences on translation of foreign financial statements.
- (7) The increase in non-controlling interests was mainly due to the increase in the net income of investee companies, EMU (holding 51% shares) and EGH (holding 80% shares).

II. Comparison of Financial Performance in the Last Two Years

Unit: TWD thousand

Item	Year	2020	2021	Difference	
				Amount	%
Operating revenue		207,077,912	489,406,832	282,328,920	136.34%
Operating costs		161,590,726	187,412,073	25,821,347	15.98%
Gross profit		45,487,186	301,994,759	256,507,573	563.91%
Unrealized profit from sales		(9,216)	(76,729)	(67,513)	732.56%
Realized profit on from sales		11,123	16,407	5,284	47.51%
Gross profit		45,489,093	301,934,437	256,445,344	563.75%
Operating expenses		10,875,169	17,310,529	6,435,360	59.17%
Other gains - net		53,940	238,289	184,349	341.77%
Operating profit (loss)		34,667,864	284,862,197	250,194,333	721.69%
non-operating income and expenses		(2,828,035)	3,372,379	6,200,414	-219.25%
Profit (loss) before income tax		31,839,829	288,234,576	256,394,747	805.26%
Income tax expense		3,072,519	25,124,517	22,051,998	717.72%
Profit (loss)		28,767,310	263,110,059	234,342,749	814.61%
Owners of the parent		24,364,926	239,014,860	214,649,934	880.98%
Non-controlling interest		4,402,384	24,095,199	19,692,815	447.32%
Other comprehensive income (loss)		(2,359,806)	(991,351)	1,368,455	-57.99%
Comprehensive income (loss)		26,407,504	262,118,708	235,711,204	892.59%
Owners of the parent		22,359,390	238,402,107	216,042,717	966.23%
Non-controlling interest		4,048,114	23,716,601	19,668,487	485.87%

The main reasons for the major changes in gross profit, net unrealized profit, operating expenses, the net amount of other gains or losses, and non-operating income and expenses:

- (1) The increase in operating revenue was mainly due to the temporary imbalance between supply and demand caused by the COVID-19, which led to an increase in freight rates and resulted in an 136.34% increase compared to last year. In addition, average fuel cost increased, which caused operating costs to rise by 15.98 % compared to last year.
- (2) The increase in unrealized sales benefits was due to the fact that the sales of Peony's container manufacturing companies in 2021, and were re-recognized as unrealized sales benefits.
- (3) The increase in operating expenses was mainly due to higher year-on-year salary and employee benefit costs.

(4) The increase in other gains and loss was due to an increase of net gain on disposal of property, plant and equipment.

(5) The increase in net non-operating income was due to the increase of share of gain of associates and joint ventures accounted for using equity method.

III. Analysis of Cash Flow

1. Cash Flow Analysis for the Current Year

Unit: TWD thousand

Cash and Cash Equivalents, Beginning of Year (1)	Net Cash Flow from Operating Activities (2)	Net Cash Inflow (Outflow) from Investment and Financing (3)	Cash Surplus (Deficit) (1)+(2)+(3)	Leverage of Cash Deficit	
				Investment Plans	Financing Plans
44,096,485	301,058,324	(237,362,413)	107,792,396	-	-

Analysis of deviation:

A. Operating activities: Net cash inflow from operating activities throughout the year.

B. Investing activities: The net cash outflow is due to the acquisition of the financial asset and the purchase of the vessels, containers and equipment.

C. Financing activities: The net cash outflow from repayment of borrowing.

Remedy Measures of Inadequate Liquidity: None.

2. Cash Flow Analysis for the Coming Year

Unit: TWD thousand

Estimated Cash and Cash Equivalents, Beginning of Year (1)	Estimated Net Cash Flow from Operating Activities (2)	Estimated Net Cash Inflow (Outflow) from Investment and Financing (3)	Estimated Cash Surplus (Deficit) (1)+(2)+(3)	Leverage of Cash Deficit	
				Investment Plans	Financing Plans
107,792,396	311,197,141	(155,075,273)	263,914,264	-	-

Analysis of cash flow deviation:

A. Cash balance at the beginning of the period: Cash and cash equivalents for Dec. 31, 2021.

B. Net cash flow from operating activities throughout the year: Estimated cash flow from operating activities.

C. Net cash flow from investment and financing throughout the year: Repayment of bank borrowing, purchase of fixed assets and distribution of cash dividend.

IV. Effects of Major Capital Expenditure on Finance and Business Operations

1. Major Capital Expenditure Items and Source of Capital

(1) Vessels and scrubbers Procurement: The actual or expected source of funds is self-owned funds and mortgages after obtaining ownership of the assets. The following table shows the delivery date of both new shipbuilding and the ship which underwent improvement program, the total amount of funds required, and the use of funds.

Unit: USD thousand

Actual or Planned Date of Completion	Total Capital	Actual or Expected Capital Expenditure					
		2021	2022	2023	2024	2025	2026
2021	1,149,496	835,953	69				
2022	916,568	150,032	611,776				
2023	540,230	83,256	108,046	348,928			
2024	2,095,324	228,682	148,755	388,777	1,329,110		
2025	1,190,455	163,721		124,537	191,971	710,226	
2026	219,172	43,834			12,982	52,770	109,586

(2) Machinery: The Company purchased eleven units of ship to shore container gantry cranes and forty units of automated rail mounted gantry cranes from Shanghai Zhenhua Heavy Industries Co., Ltd. in 2020. The total transaction price was USD 236,105 thousand.

(3) Containers Procurement: The Company purchased 42,000 containers from Dong Fang International Container (Hong Kong) Ltd. in 2021. The total transaction price was USD 236,222 thousand. The Company purchased 14,250 containers from CIXC Group Container Company Limited in 2021. The total transaction price is USD 79,005 thousand. The Company purchased 16,000 containers from Guangdong FUWA Equipment Manufacturing Co., Ltd. in 2021. The total transaction price is USD 88,000 thousand. The Company purchased 11,500 containers from Singamas Management Services Limited in 2021. The total transaction price is USD 68,235 thousand.

The Company will purchase 67,050 containers from Dong Fang International Container (Hong Kong) Ltd., CIXC Group Container Company Limited., Guangdong FUWA Equipment Manufacturing Co., Ltd. Singamas Management

Services Limited and Evergreen Heavy Industrial Corp (M) Berhad in 2022. The total transaction price is USD 441,690 thousand.

2. Expected Benefits

As new energy-efficient vessels and new containers join the operation, this will not only optimize fleet capacity, increase slot supply and provide customers with a wider range of services, but also reduce the Company's operating costs.

V. Investment Policy in the Last Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year

In order to seek the best interests for the Company and its shareholders, the Company has undergone careful evaluation in investment and focused on the vertical integration of the shipping business. The Company continues to require indirect investees to seize market opportunities and increase profits. The profit of investment accounted for using equity method is TWD 218,272,441 thousand in Parent company only balance sheet of 2021.

VI. Analysis of Risk Management

1. Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures

(1) Interest rate

A. The impact of interest fluctuation on the consolidated company:

Item	2021 (TWD thousand, %)
Net interest	(2,850,371)
Net interest represented percentage of annual revenue	0.58%
Net interest represented percentage of earnings before tax	0.99%

The Group's interest rate risk arises from long-term borrowings at variable rates, which expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

At December 31, 2021, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the years ended December 31, 2021 would have been \$439,418 lower/higher, respectively, mainly as a result of

higher/lower interest expense on floating rate borrowings.

B. Corresponding measure

For the purpose of improve financial structure, increase long term working capital and decrease interest risk. EMC issued 8 billions secured corporate bonds with 5 years tenor on April 25, 2017, and issued 2 billions secured corporate bonds with 5 years tenor on June 27, 2018 with fixed rate. Also issued 5 billions domestic unsecured convertible bonds (coupon rate 0%) with 5 years tenor on May 18, 2021. It can fix long term capital cost and avoid the risk of increase in market rate. The conditions of issue secured corporate bonds are as following:

Content	Secured Corporate Bonds
Total price	TWD 8,000,000,000
Coupon rate	Fixed rate
Tenor	5 years
Repayment method	Repayment of 50% of the principal in the fourth year and the remaining 50% in the fifth year
Issue date	April 25, 2017
Fundraising situation	Completed

Content	Secured Corporate Bonds
Total price	TWD 2,000,000,000
Coupon rate	Fixed rate
Tenor	5 years
Repayment method	Repayment in lump sum upon maturity
Issue date	June 27, 2018
Fundraising situation	Completed

Content	Domestic Unsecured Convertible Corporate Bonds
Total price	NT\$5,000,000,000
Coupon rate	0.00%
Tenor	5 years (May 18, 2021~ May 18, 2026)
Repayment method	Unless previously redeemed, repurchased and cancelled or converted, the Bonds will be redeemed in lump sum by cash at their principal amount upon maturity.
Issue date	May 18, 2021
Fundraising situation	Completed

(2) Foreign exchange rates

A. The impact of exchange rates fluctuation to net income :

Item	2021 (TWD thousand, %)
Net foreign currency exchange gains	307,200
Ratio of net foreign exchange gains and operating revenue and net currency exchange gains	0.06%
Ratio of net foreign exchange gains and profit (loss) before income tax and net currency exchange gains	0.11%

For the year ended December 31, 2021, net foreign exchange gains was TWD 307,200 thousand, accounting for 0.06% of operating revenue and 0.11% of profit before tax.

The information on assets and liabilities denominated in certain subsidiaries' functional currency whose values would be materially affected by the exchange rate fluctuations held by the Group for the year ended December 31, 2021 amounted to TWD 53,707,704 thousand and TWD 40,074,127 thousand, respectively. In terms of monetary items of financial assets, if the exchange rate of USD:NTD increases/decreases by 1%, foreign exchange gains will increase/decrease by TWD 288,832 thousand, if the exchange rate of EUR:NTD increases/decreases by 1%, foreign exchange gains will increase/decrease by TWD 3,099 thousand; monetary items of financial liabilities, if the exchange rate of USD:NTD in terms of increases/decreases by 1%, foreign exchange gains will increase/decrease by TWD 265,182

thousand; if the exchange rate of HKD:USD increases/decreases by 1%, foreign exchange gains will increase/decrease by TWD 4,130 thousand; if the exchange rate of GBP:USD increases/decreases by 1%, foreign exchange gains will increase/decrease by TWD 2,091 thousand; if the exchange rate of EUR:USD increases/decreases by 1%, foreign exchange gains will increase/decrease by TWD 1,287 thousand; if the exchange rate of RMB:USD increase/decrease by 1%, foreign exchange gains will increase/decrease by TWD 12,963 thousand.

B. Corresponding measure

As the freight income is mainly in USD, therefore we pay attention to the exchange rate fluctuation all the time and continue to implement the following measures:

- a. Use a professional financial information system to monitor the international exchange rate fluctuations. The financial department maintains close contact with financial institutions and request them to provide the information on foreign exchange market, so as to get the most updated exchange rate information and act proactively.
- b. Use the same currency of revenue to pay the expenses if possible in order to perform natural hedging to prevent exchange rate risks. Whereas, the freight revenue in foreign currency is used to meet foreign currency payables generated in various countries to avoid most of the foreign exchange risks by taking advantage of natural hedging.
- c. Open foreign currency savings accounts to buy or sell the foreign currencies according to the actual fund demand and the exchange rate trends.

(3) Inflation

The global economy has gradually recovered along with the advent of vaccines and the higher rate of vaccination in 2021. According to IHS Markit's projection in December 2021, global economic growth in 2021 will be 5.59%, which is much higher than -3.39% in 2020.

Looking ahead for 2022, It's still being affected by impact of COVID-19. However, although the Omicron variant appears to be menacing, the impact on the economy should gradually fade. According to a survey from OECD, the impact of the pandemic on the supply chain, such as production and delivery delays and material shortages, has gradually diminished. OECD, IMF and IHS Markit have predicted that global economic growth rate will be around 4.28% to 4.9% in 2022, which is lower than that in 2021. As the economy will face new challenges in the post-pandemic period, such as high inflation pressure, the normalization of monetary policies of major central banks, new changes in U.S.-China relations, and the rearrangement of global supply chains.

The IMF has predicted that inflation rate of developed economies and emerging and developing economies in 2022 will be 3.9% and 5.9% respectively. Omicron caused economic disruptions, worsened supply chain, adversely affected the climate, and weakened long-term economic growth. Overall inflation is rising rapidly. The Russia-Ukraine conflict has caused fluctuations in raw materials prices, especially in the oil market. The EIA forecasts oil prices will be \$105 per barrel in 2022. Russia supplies 10% of the world's energy. If Russia stops supplying, energy supply will be restricted, leading to rising energy prices and further accelerating inflation. Central banks around the globe are expected to conduct monetary tightening gradually in 2022 to curb inflation.

Since our service routes span all over the world, such as port charges, steredoring and cargo claims, we have regularly signed contracts with our suppliers to reduce the volatility of main operational costs. Furthermore, we charge fuel surcharges from customers and regularly review market conditions so as to reduce the risk of fuel-price volatility.

2. Policies, Main Causes of Gain or Loss with Respect to High-risk Investments, High-leveraged Investments, Lending, Endorsement, and Derivatives Transactions, and Future Corresponding Measures:

All lending and endorsements are provided to the subsidiaries and affiliates. All related transactions are handled according to the Company's guidelines of providing loans and endorsements to other parties.

All derivatives transactions are dealt with for hedging purposes. Interest rates and fuel swaps agreements are to hedge risk derived from market volatilities. All related transactions are handled according to the Company's guidelines of engaging in derivatives transactions.

3. Future Research & Development Projects and Corresponding Budget:

- (1) Vessel Voyage Space Allocation Control System Web Project
- (2) Evergreen Line Bill of lading Review & Error Auditing Web Project
- (3) Improvement of Vessel Sailing Schedule Operation System
- (4) Development of a New Smart Terminal Operating System
- (5) Information Security Incident Identification Service

The company is expected to invest about TWD 42.09 million in related services expenditure on the above projects.

4. Effects of Major Policy at Home and Abroad and Legal Changes on the Corporate Finance and Business Operations, and Corresponding Measures:

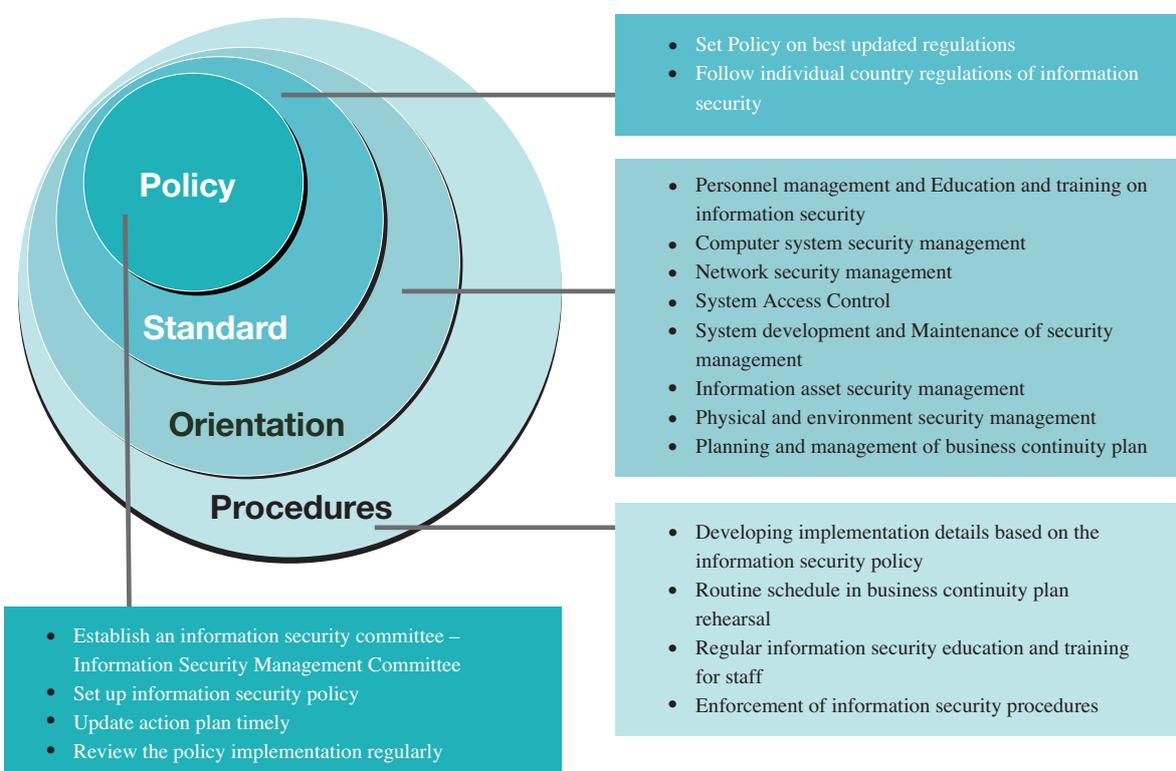
The Company has complied with the relevant laws and regulations set by the competent authorities, and is always aware of the adjustments and changes of the relevant laws and regulations. The information disclosed by the Company and its reporting operations are in compliance with the laws and regulations. Changes in the relevant laws and regulations had no significant impact on finance and business operations of the Company in 2021.

5. The Impacts of Changes in Technology (including Information and Communication Security Risk) and the Industry on Corporate Finance and Business Operations, and Corresponding Measures:

Information and Communication Security Risk Assessment and Corresponding Countermeasures

To enhance information security management, the Company has established "Information Security Committee" and formulates information security policies and specific management programs, including information security policies, information security organizations and responsibilities, security classification of information assets, personnel management and education and training, computer system security management, network security management, system access control, system development and maintenance of security management, physical and environmental security management, planning, management and internal audit of business continuity plan, and regularly reports to the Board of Directors. The implementation and devoted resources of Information Security Committee, please refer to page 179~page 182.

The Information Security Architecture of the Company is shown below:



6. The Impacts of Changes in Corporate Image on Corporate Risk Management, and Corresponding Measures:

Evergreen has formulated comprehensive emergency management plans and drilled in response to any unexpected accidents, avoiding reputational risk.

Since the outbreak of COVID-19, Evergreen has initiated emergency management procedure. Online meetings were scheduled regularly to continually update the latest situation of epidemic and our business around the world. The distribution of anti-epidemic supplies was put in place to ensure the safety of staff at worldwide service locations and within the Group's fleet, in order that reliable and uninterrupted transportation services could be maintained.

In response to the incident involving the chartered vessel Ever Given that resulted in the blockage of the Suez Canal, the Company demanded the vessel's owners maintain a constant line of communication to report any and all developments immediately. The Company also disclosed detailed information on the company's official website to providing transparency on the issue. On-going internal meetings are held involving all relevant departments, to plan for all possible scenarios, including resourcing potential implantation, in order to minimize the impact of any eventuality.

In 2022, Ever Forward ran aground after leaving Baltimore, MD in the United States. Right after the incident, Evergreen activated the emergency response system and appointed salvage experts for designing refloating plans. Upon approval by the competent authorities, dredging was conducted to increase the ship's buoyance and some containers were off-loaded to reduce weight. After continuous efforts by the rescue team, Ever Forward successfully refloated and resumed her voyage after completing inspection of seaworthiness.

7. Expected Benefits and Potential Risks Relating to Mergers and Acquisitions:

None.

8. Expected Benefits and Potential Risks Relating to Factory Expansion: N/A

9. Risks Relating to Excessive Concentration of Purchasing Goods and Excessive Customer Concentration: None.

10. The Impacts and Risks Relating to Massive Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%: : None.

11. The Impacts and Risks Relating to the Changes in Management Rights: None.

12. Litigation or Non-litigation Matters, shall list the material litigation, non-litigation and administrative litigation cases which have been decided

or are still pending of the Company, its subsidiary companies, and the directors, supervisors, senior executive, person in charge, shareholders with Shareholdings of over 10%; for cases of which may have a significant impact on shareholders' equity or securities prices, shall disclose the facts, amount, and the major parties involved, the commencement date of the litigation, and the settlement as of the date of publication of the annual report: None.

13. Other Major Risks and Corresponding Measures

(1) Strategies and operational risks assessment and corresponding measures

The company's "Risk Management Policy" was approved by the board of directors on March 24, 2020. The Project Department is assigned to consolidate operating strategies and risks management to plan and coordinate the implementation of relevant strategies. The relevant departments have to report to the board of directors at least once a year. The recent report on the implementation of risk management was held by the board of directors on December 27, 2021.

(2) Evaluation of market risks and corresponding measures

A. Risks of market management

In running each service string, the Company pays attention to territorial economic changes, customer demand for service quality, and business impact from industry competitions. Its headquarters keeps close contact with each overseas branch and agencies on market info. In addition, a Line Manager is specially assigned to regulate operations of each service string. Based on the changes of business volume, the Manager orderly adjusts the service route, port and bay, flexibly adjusts the slots of each port, timely adjust the quotation to optimize the cargo structure, so as to improve the utilization of shipping space, maximize the best operating performance of each service route and reduce operational risks.

B. Risks of cost variation

In running each service string, the Company pays attention to flexibly managing diversified fixed and variable costs. It has set up a dedicated Cost Control Team and Fuel Purchase Team across departments to coordinate with the Line Manager in enhancing operation performance to quickly fine-tune cost variations.

C. Risks of operation

In running each service string, the Company's ensures stability, safety, and international regulatory compliance of sailing schedules and ship and shipping operations. Aside from personnel dedicated to individual ship operations in operation departments, it also sets up a Schedule Coordination Center to work closely with the Fleet Deployment Team to keep its fleet safe and agile.

(3) Legal risk assessment and corresponding countermeasures

The Legal Department, under its jurisdiction, conducts the risk assessment by identifying and managing the legal risks which the Company may encounter, such as the risks related to violating domestic and international regulatory compliance programs, and the contract risks. The Department arranges training and education courses regularly and requests to review the contract before executing to effectively manage domestic and international regulatory compliance and contractual liability assignment, so as to mitigate the possible legal risks which Company may have.

(4) Financial risks assessment and corresponding countermeasures

A. Foreign exchange risk

The Group operates internationally and the relevant foreign exchange risks mainly come from transaction risk and accounting risk. The corresponding countermeasures are money market hedging, forward foreign exchange hedging, centralized fund management, risk positions offsetting, and exchange rate information controlling.

B. Interest rate risk

The Company has undertaken floating rate loans, and the interest rate risk comes from the possible increase in interest expenses. The corresponding countermeasures are the issuance of fixed-rate corporate bonds or fixed-rate bank borrowings to lock in the medium and long-term cost of capital; undertake interest rate swap timely to avoid the interest rate risk of long-term liabilities with floating interest rates; and use floating rate loans to offset part of the risks arising from interest rate changes through the time deposits undertaken.

C. Credit Risk

Credit risk refers to the risk of financial loss to the Company arising from accounts receivable of clients who could not repay in full based on the agreed collection terms; and default by counterparties to a financial instruments for not fulfilling their contractual obligations. The corresponding countermeasures are to establish a system of credit risk management, evaluate the credit worthiness of clients, and financial instruments only accept financial institutions with good credit ratings as trading partners.

D. Liquidity Risk

The Company has financial liabilities maturing on different dates. If it is not easy to realize the assets or there is insufficient liquidity to meet the financial liabilities due, the Company will be exposed to liquidity risk. The corresponding countermeasures are to only use surplus funds as time deposits of less than 3 months tenure to improve liquidity; prepare monthly cash flow projections for the coming

year to ensure that sufficient funds are available to meet operational needs and to cover against maturing financial liabilities; apply for credit line from financial institutions to cope with various temporary conditions; and increase capital by subscriptions in cash or issue convertible bonds to raise the required funds in the capital market according to market conditions.

(5) Hazard risk assessment and corresponding countermeasures

The Operations Department, under its jurisdiction, conducts the training and propaganda of Company personnel for the misdeclaration and concealment of dangerous goods, including any omission of the goods which are actually dangerous goods but are not declared, any concealment of the goods which are actually dangerous goods but are declared as non-dangerous goods, concealment of the dangerous goods classes and the concealment, omission and misstatement of UN numbers, etc. At the same time, the Department strengthens the clients awareness on the standards and responsibilities of dangerous goods cargo shipping and improves the quality and vigilance of the operating personnel as a whole.

The Maritech Department, under its jurisdiction, uses the Fleet Safety Management System (FMS safety) provided by WNI, a meteorological navigation company, to monitor the dynamic information of tropical disturbances on a daily basis for extreme climates such as hurricanes and typhoons; and study the typhoon formation probability and its future trends. Each typhoon is examined based on three sections: transoceanic section, coastal section, and berth ships. In the daily interdepartmental meeting, the Department will respond in accordance with the sequential order of impact, in order to prevent typhoon damage to fleet's vessels under the condition of navigating safety and minimizing shipping delays as well as the fuel consumption cost.

The Occupational Safety & Health Department, under its jurisdiction, organizes Emergency Response Team in response to emergency needs such as fire accident, earthquake, emergency treatment, etc. The Team members attend the training courses at least once every half year. The Company organizes First Aid Team and all first aid personnel have completed the trainings and refresher trainings pursuant to the regulations. Meanwhile, the facilities maintenance suppliers and mechanics conduct regular maintenance and repair for all kinds of the emergency equipment and facilities in the building.

14. Organizational Structure of Risk Management and In-charge Departments

An Auditing Department is set up to schedule annual auditing plans, in order to inspect and evaluate the implementation of various control measures in each department to ensure effective implementation of risk management policies. The organizational structure of the Company's risk management is as follows:

Risk Management	In-charge Department	Functions
Strategies & Operational Risks	Project Department	To formulate the Company's operating policies, evaluate the cost effectiveness, design service strings and fleet, supervise business operations, etc.
Market Risks	Project Department Line Manager Cost Control Team Fuel Purchase Team Schedule Coordination Center All Department Heads	Specific to the scope of business, plan strategies and evaluate risks within and across each in-charge department.
Legal Risks	Legal Division (Competition Compliance Team Included)	Responsible for the study of laws and regulations related to global competition laws, establish the Company's principles of regulatory compliance, provide education and training and monitor each execution of business processes to ensure compliance with competition regulations.
Financial risks	Finance Department	Responsible for foreign exchange risk, interest rate risk, credit risk or liquidity risk which may cause losses to the Company.
Information security risk	Information Security Management Committee	Responsible for risks caused by improper security control, operation, and backup of information systems.

Risk Management	In-charge Department	Functions
Hazard risk	Operations Department Maritech Department Occupational Safety & Health Department	Responsible for risks caused by natural disasters, global/regional financial crises, terrorist attack, or major communicable diseases which may cause losses to the Company.

15. The Implementation of Intellectual Property Management and In-charge Organizer

The Company has set up an Intellectual Property Management Committee to formulate a management plan centered on Intellectual Property Rights (IPR) in accordance with intellectual property management policies and goals to promote the implementation of the plan efficiently, and reported the situation to the board of directors every year.

The management plans and implementations of our Intellectual Property Management Committee in 2021 are as follows:

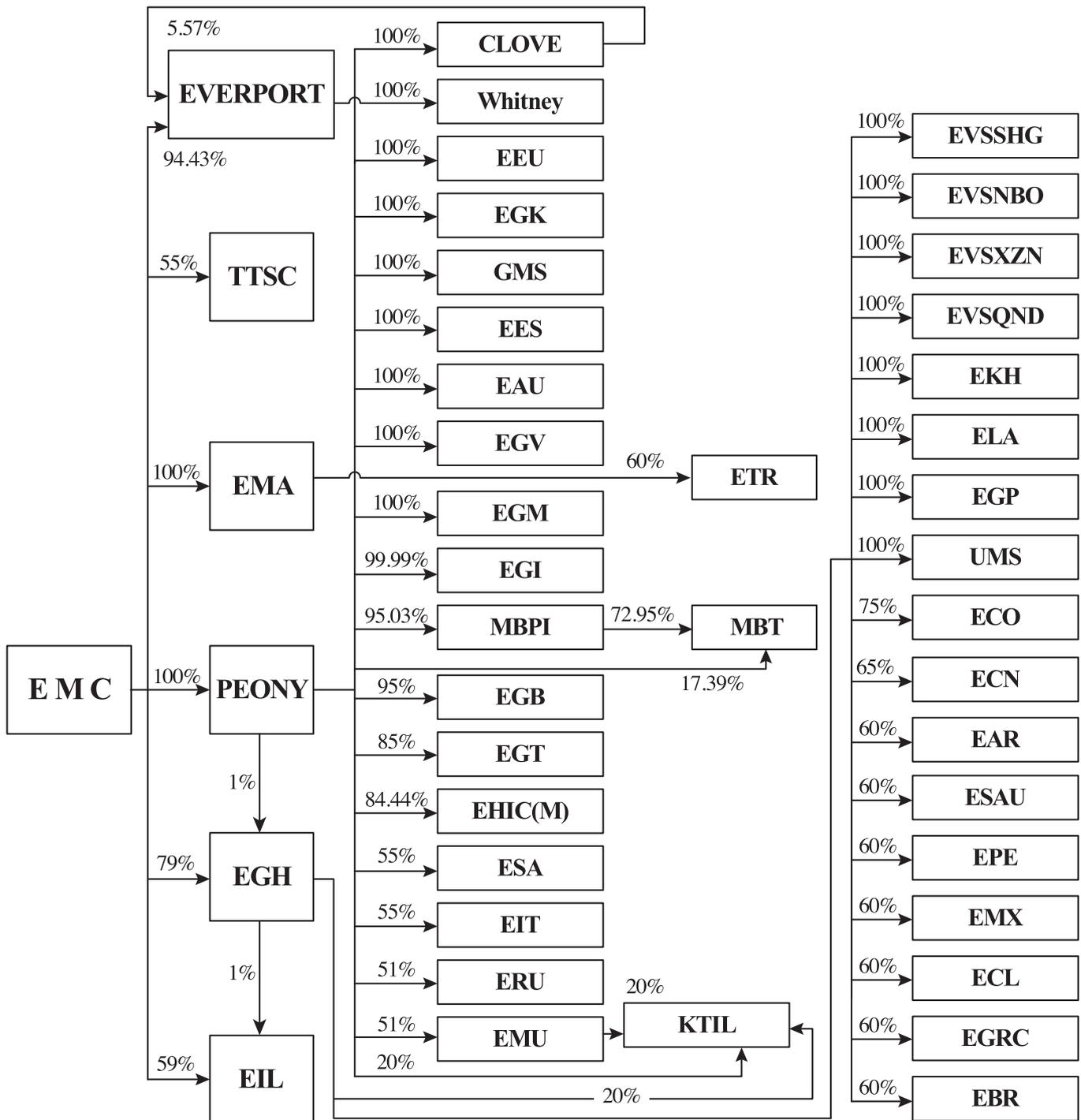
Management plan	Implementation
Trade Secrets and Copyrights	<ol style="list-style-type: none"> 1. Discussing and formulating the Trade Secrets Management Plan 2. Keeping tracking and improving the Trade Secrets Management System of PDCA (Plan-Do-Check-Action) 3. Encouraging knowledge management and the outputs of relevant business of the departments.
Trademarks	<ol style="list-style-type: none"> 1. Applying and protecting the trademarks in the countries and regions where the service is provided or will be provided in the future. 2. Selecting the excellent suppliers to represent and to protect the company's trademarks. 3. Reporting the cases of trademarks.
Patents	<ol style="list-style-type: none"> 1. Applying the patents of business-related innovations, designs, and inventions in the countries and regions where our service is provided. 2. Reporting the cases of patents.

VII. Other important issues: None.

I Summary of Affiliated Companies

1. Subsidiaries business report

(1) EMC Subsidiaries Chart



EMC	: Evergreen Marine Corporation (TAIWAN) Ltd.
PEONY	: Peony Investment S.A.
EMA	: Evergreen Marine (Asia) Pte. Ltd.
EVERPORT	: Everport Terminal Services Inc.
EGH	: Evergreen Marine (Hong Kong) Ltd.
EIL	: Evergreen Shipping Agency (Israel) Ltd.
TTSC	: Taiwan Terminal Services Corp. LTD
CLOVE	: Clove Holding Ltd.
Whitney	: Whitney Equipment LLC.
EEU	: Evergreen Shipping Agency (Europe) GmbH
EGK	: Evergreen Shipping Agency (Korea) Corporation
GMS	: Greencompass Marine S.A.
EES	: Evergreen Shipping (Spain) S.L .
EAU	: Evergreen Shipping Agency (Australia) Pty. Ltd.
EGV	: Evergreen Shipping Agency (Vietnam) Corp.
EGM	: Evergreen Marine Co. (Malaysia) SDN. BHD.
EGI	: Evergreen Shipping Agency (India) Pvt. Ltd.
MBPI	: PT. Multi Bina Pura International
MBT	: PT. Multi Bina Transport
EGB	: Evergreen Argentina S.A.
EGT	: Evergreen Shipping Agency (Thailand) Co., Ltd.
EHIC (M)	: Evergreen Heavy Industrial Corp. (Malaysia) Berhad
ETR	: Evergreen Shipping Agency (Turkey) Corporation
ESA	: Evergreen Agency (South Africa) (Pty) Ltd.
EIT	: Evergreen Shipping Agency (Italy) S.p.A.
ERU	: Evergreen Shipping Agency (Russia) Ltd.
EMU	: Evergreen Marine (UK) Limited
KTIL	: Kingtrans Intl. Logistics (Tianjin) Co., Ltd.
EVSSHG	: Ever Shine (Shanghai) Enterprise Management Consulting Co., Ltd.
EVSNBO	: Ever Shine (Ningbo) Enterprise Management Consulting Co.,Ltd.
EVSXZN	: Ever Shine (Shenzhen) Enterprise Management Consulting Co., Ltd.
EVSQND	: Ever Shine (Qingdao) Enterprise Management Consulting Co., Ltd.
EKH	: Evergreen Shipping Services (Cambodia) Co., Ltd.
ELA	: Evergreen Marine (Latin America), S. A.

EGP : Evergreen Shipping Agency Philippines Corporation
UMS : Unigreen Marine, S. A.
ECO : Evergreen Shipping Agency (Colombia) S.A.S.
ECN : Evergreen Shipping Agency (China) Co., Ltd.
EAR : Evergreen Shipping Agency (Argentina) S.A.
ESAU : Evergreen Shipping Agency Saudi Co. (L.L.C.)
EPE : Evergreen Shipping Agency (Peru) S.A.C.
EMX : Evergreen Shipping Agency (Mexico) S.A. de C.V.
ECL : Evergreen Shipping Agency (Chile) SPA.
EGRC : Evergreen Shipping Agency (Greece) Anonimi Eteria
EBR : Evergreen Shipping Agency (Brazil) S. A.

(2) Basic information of Subsidiaries (As of DEC. 31, 2021)

				Expressed in thousands of local currency	
Company	Date Founded	Location	Capital	Main Business Activities	
Peony Investment S.A.	04/01/1993	2 nd Floor, Humboldt Tower, East 53rd Street, Marbella, Panama City, Republic of Panama	USD 476,500	Investment holding company	
Evergreen Marine (Asia) Pte. Ltd.	22/03/2021	200 CANTONMENT ROAD #12-01 SOUTHPOINT SINGAPORE 089763	USD 50,000	Container shipping	
Everport Terminal Services Inc.	29/04/2011	1209 Orange Street in the City of Wilmington, County of New Castle.	USD 105.9	Terminal services	
Evergreen Marine (Hong Kong) Limited	31/10/1991	22-23/F., Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong.	HKD 8,000	Container shipping	
Evergreen Shipping Agency (Israel) Ltd.	24/06/2019	Habankim 8 street, HAIFA, 3326301	ILS 1,800	Shipping agency	
Taiwan Terminal Services Corp. Ltd.	27/11/1997	No. 6, Qijin 1 st Rd., Qijin Dist., Kaohsiung City 805, Taiwan (R.O.C.)	TWD 100,000	Cargo loading and discharging	
Clove Holding Ltd.	16/11/2000	Craigmuir Chambers, P. O. Box71, Road Town, Tortola, B. V. I.	USD 10	Investment holding company	
Whitney Equipment LLC.	15/03/2005	23868 HAWTHORNE BLVD., SUITE 200	USD 200	Equipment Leasing Company	
Evergreen Shipping Agency (Europe) GmbH	02/10/1986	Amsinckstrasse 55, 20097 Hamburg, Germany	EUR 61	Shipping agency	
Evergreen Shipping Agency (Korea) Corporation	01/01/2001	12F, 19, SAEMUNAN-RO 5-GIL, JONGNO-GU, SEOUL, REPUBLIC OF KOREA	KRW 606,000	Shipping agency	
Greencompass Marine S.A.	16/08/1993	2 nd Floor, Humboldt Tower, East 53rd Street, Marbella, Panama City, Republic of Panama	USD 353,500	Container shipping	

Company	Date Founded	Location	Capital	Main Business Activities
Evergreen Shipping (Spain) S.L.	01/01/2007	Calle Siete Aguas, 11-entlo., Valencia 46023, Spain	EUR 600	Shipping agency
Evergreen Shipping Agency (Australia) Pty. Ltd.	27/05/2002	SUITE 1101 , LEVEL 11, 77 PACIFIC HIGHWAY , NORTH SYDNEY , NEW SOUTH WALES 2060 , AUSTRALIA.	AUD 1	Shipping agency
Evergreen Shipping Agency (Vietnam) Company Limited	01/01/2003	561A, Dien Bien Phu St., Ward 25, Binh Thanh Dist., HCMC, Vietnam	USD 1,120	Shipping agency
Evergreen Marine Co. (Malaysia) SDN.BHD.	24/06/2000	NO.7, JALAN JURUTERA U1/23, SECTION U1, HICOM GLENMARIE INDUSTRIAL PARK, 40150 SHAH ALAM, SELANGOR DARUL EHSAN, MALAYSIA.	MYR 500	Shipping agency
Evergreen Shipping Agency (India) Pvt. Ltd.	19/01/2004	Marathon Nextgen Innova 'A' G-01, Opp. Peninsula Corporate Park, Off G. K. Marg, Lower Parel (W) , Mumbai - 400013, India	INR 1,000	Shipping agency
PT. Multi Bina Pura International	10/09/1992	Raya Cakung Cilincing Km 4, Underpass Rorotan Kirana, Jakarta Utara (14140)	RP 50,013,120	Cargo loading and discharging, inland transportation
PT. Multi Bina Transport	01/01/1994	Raya Cakung Cilincing Km 4, Underpass Rorotan Kirana, Jakarta Utara (14140)	RP 10,350,000	Repairs and cleaning of containers, inland transportation
Evergreen Argentina S.A.	31/10/1997	CARABELAS 344 (ZIP CODE: C1009AAD), BUENOS AIRES, ARGENTINA	ARS 1,580	Leasing
Evergreen Shipping Agency (Thailand) Co., Ltd.	14/02/2001	Green Tower, 24-25th Floor, 3656/81 Rama 4 Road, Klongton, Klongtoey, Bangkok 10110	THB 40,000	Shipping agency
Evergreen Heavy Industrial Corp. (Malaysia) Berhad	06/06/1989	Lot 139, Jalan Cecair, Phase 2, Free Trade Zone, Johor Port Authority, 81700 Pasir Gudang, Johor, Malaysia	MYR 65,641	Container manufacturing

Company	Date Founded	Location	Capital	Main Business Activities
Evergreen Shipping Agency (Turkey) Corporation	12/10/2021	Esentepe, Kore Şehitleri Cad. & Yüzbaşı Kaya Aldogan Sokak No:8, 34394 Şişli/İstanbul	TRY 1,000	Shipping agency
Evergreen Agency (South Africa) (Pty) Ltd.	01/04/2009	9B Riley Road, Bedfordview, Johannesburg 2007, South Africa	ZAR 10,000	Shipping agency
Evergreen Shipping Agency (Italy) S.p.A.	09/11/2005	Scali Cerere 9 - 57122 Livorno, Italy	EUR 2,000	Shipping agency
Evergreen Shipping Agency (Russia) Ltd.	01/09/2005	Business Centre Atrium, 3rd floor, office 316-B No. 1/25 litera A, Kazanskaya Street Saint-Petersburg, 191186 Russia	RUB 6,000	Shipping agency
Evergreen Marine (UK) Limited	30/04/2001	160 Euston Road, London NW1 2DX,U.K.	GBP 1,500	Container shipping
Kingtrans Intl. Logistics (Tianjin) Co., Ltd.	23/11/2006	NO.295, JI YUN EAST ROAD, TIANJIN PORT CONTAINER LOGISTICS CENTER,BINHAI NEW DISTRICT, TIANJIN, CHINA	USD 10,000	Loading, discharging, storage, repairs and cleaning of containers
Ever Shine (Shanghai) Enterprise Management Consulting Co., Ltd.	22/05/2007	Room 1205, Floor 12, No. 2, 1199 Alley, Minsheng Road, Pudongxin District, Shanghai City	USD 58,850	Management consultancy, self-owned property leasing
Ever Shine (Ningbo) Enterprise Management Consulting Co.,Ltd.	05/04/2016	32-6, No. 269, Ningdong Road, Yinzhou District, Ningbo City, China	RMB 43,000	Management consultancy, self-owned property leasing
Ever Shine (Shenzhen) Enterprise Management Consulting Co., Ltd.	27/03/2008	16F, GOLDEN CENTURY BUILDING, NO.6033 SHENNAN ROAD, FUTIAN DISTRICT, SHENZHEN	USD 8,800	Management consultancy, self-owned property leasing
Ever Shine (Qingdao) Enterprise Management Consulting Co., Ltd.	15/05/2008	5/F B.S.J BUILDING, NO.31 DONGHAI WEST ROAD, SHINAN DISTRICT, QINGDAO ZIP CODE: 266071	USD 7,300	Management consultancy, self-owned property leasing

Company	Date Founded	Location	Capital	Main Business Activities
Evergreen Shipping Agency (Cambodia) Co., Ltd.	18/10/2017	#292CD E2,street. Mao Tse Young (245) corner street. 205, Sangkat Tumnub Teuk, Khan Chamkarmorn, Phnom Penh, Cambodia.	USD 200	Shipping agency
Evergreen Marine (Latin America), S. A.	18/07/2012	EVERGREEN BUILDING 10TH FLOOR, 5TH B AVE AND 78 EAST STREET, SAN FRANCISCO,PANAMA CITY, PANAMA	USD 600	Management consultant
Evergreen Shipping Agency Philippines Corporation	05/02/1997	6/F BDO Equitable Tower Condominium, 8751 Paseo de Roxas, Makati City, Philippines 1226	PHP 100,000	Shipping agency
Unigreen Marine, S.A.	17/04/1995	EVERGREEN BUILDING 11TH FLOOR, 5TH B AVE AND 78 EAST STREET, SAN FRANCISCO, PANAMA CITY, PANAMA	USD 300	Shipping agency
Evergreen Shipping Agency (Colombia) S.A.S.	18/05/2018	Calle 97 AN° 9A - 50 Piso 4to, Bogota, Colombia	COP 106,668	Shipping agency
Evergreen Shipping Agency (China) Co., Ltd	31/01/2005	16F, GOLDEN CENTURY BUILDING, NO.6033 SHENNAN ROAD, FUTIAN DISTRICT, SHENZHEN	RMB 6,857	Shipping agency
Evergreen Shipping Agency (Argentina) S.A.	07/10/2020	PERU 359, 13 FLOOR (ZIP CODE: C1067AAG), BUENOS AIRES, ARGENTINA	ARS 15,000	Shipping agency
Evergreen Shipping Agency Saudi CO. (L.L.C.)	24/05/2021	Building No: 5220. Najd Street, Al Mazruiyah Dist. P O Box : 1008, Dammam 31431 Saudi Arabia	SAR 3,000	Shipping agency
Evergreen Shipping Agency (Peru) S.A.C.	23/08/2018	AV Javier Prado Este No. 480-488-492, Oficina 502 San Isidro, Lima, Peru Lima 27	PEN 1,500	Shipping agency

Company	Date Founded	Location	Capital	Main Business Activities
Evergreen Shipping Agency Mexico, S.A. De C.V.	21/05/2018	AV. BENJAMIN FRANKLIN, 204, ESCANDON, MIGUEL HIDALGO, 11800, CIUDAD DE MEXICO, MEXICO	MXN 7,400	Shipping agency
Evergreen Shipping Agency (Chile) Spa	01/10/2018	Avenida Américo Vespucio Sur 100, Piso 8, Las Condes, Santiago, Chile	CLP 350,000	Shipping agency
Evergreen Shipping Agency (Greece) Anonimi Eteria	13/02/2019	3, K. Paleologou Str, GR 18535 Piraeus, Greece	EUR 400	Shipping agency
Evergreen Shipping Agency (Brazil) S. A.	21/01/2020	Rua Augusto Severo , no 07- 1 andar- Centro CEP:11010919 – Santos – SP - Brazil	BRL 2,000	Shipping agency

Note : The middle rate and annual average rate on December 31 2021.

USD : TWD=1:27.6545	1:27.9274	IDR : TWD=1:0.0019	1:0.0020	RMB : TWD=1:4.3425	1:4.3295
MYR : TWD=1:6.6302	1:6.7342	GBP : TWD=1:37.3256	1:38.4040	EUR : TWD=1:31.3223	1:33.0306
KRW : TWD=1:0.0234	1:0.0244	INR : TWD=1:0.3709	1:0.3776	ARS : TWD=1:0.2694	1:0.2933
AUD : TWD=1:20.0613	1:20.9508	RUB : TWD=1:0.3739	1:0.3789	SGD : TWD=1:20.4712	1:20.7762
THB : TWD=1:0.8254	1:0.8718	VND : TWD=1:0.0012	1:0.0012	ZAR : TWD=1:1.7341	1:1.8879
PLN : TWD=1:6.8295	1:7.2270	CHF : TWD=1:30.2367	1:30.5351	ILS : TWD=1:8.8572	1:8.6461
PEN : TWD=1:6.9503	1:7.1830	COP : TWD=1:0.0068	1:0.0074	MXN : TWD=1:1.3442	1:1.3762
CLP : TWD=1:0.0326	1:0.0367	HKD : TWD=1:3.5466	1:3.5928	BRL : TWD=1:4.8485	1:5.1778
PHP : TWD=1:0.5418	1:0.5664	SAR : TWD=1:7.3661	1:7.4453	TRY : TWD=1:2.1845	1:2.5193

(3) The EMC's shareholders representing both the holding company and subordinates: None.

(4) The affiliates scope of labor and division of labor. Among the overall affiliated companies are mostly in transportation service industry. These affiliated companies aims at increasing overall revenue through working in the worldwide transportation network. The companies operates supporting services to maximize performance and provide global customers with the best service.

Among the overall affiliated companies are mostly in transportation service industry. These affiliated companies aims at increasing overall revenue through working in the worldwide transportation network. The companies operates supporting services to maximize performance and provide global customers with the best service.

(5) The Directors, Supervisors and President of Subsidiaries (As of Dec. 31, 2021)

Expressed in local currency

Country	Company	Director	President and Supervisor	Capital
United States	Whitney Equipment LLC.	Ko, Lee-Ching Wu, Kuang-Hui Kuo, Feng-Yi	President: Ko, Lee-Ching	USD 200,000
	Everport Terminal Services Inc.	Chang, Yen-I Hsieh, Huey-Chuan Wang, Jiing-Heui	President: George Lang	USD 105,900
British Virgin Islands	Clove Holding Ltd.	Chang, Yen-I Ko, Lee-Ching		USD 10,000
China	Kingtrans Intl. Logistics (Tianjin) Co., Ltd.	Chang, Yen-I Tsai, Bein-Hui Yu, Ming-Jiang Chao, Chien-Hsin Chen, Wei-Hsun	President: Lin, Chao-Liang Supervisor: Chang, Shin-Yie	USD 10,000,000
	Ever Shine (Ningbo) Enterprise Management Consulting Co., Ltd.	Chang, Yen-I Hsieh, Huey-Chuan Chang, Shin-Yie	President: Hsieh, Huey-Chuan Supervisor: Ko, Lee-Ching	RMB 43,000,000
	Ever Shine (Shanghai) Enterprise Management Consulting Co., Ltd.	Chang, Yen-I Hsieh, Huey-Chuan Chang, Shin-Yie	President: Hsieh, Huey-Chuan Supervisor: Ko, Lee-Ching	USD 58,850,000
	Ever Shine (Shenzhen) Enterprise Management Consulting Co., Ltd.	Chang, Cheng-Yung Hsieh, Huey-Chuan Chang, Shin-Yie	President: Hsieh, Huey-Chuan Supervisor: Ko, Lee-Ching	USD 8,800,000

Country	Company	Director	President and Supervisor	Capital
China	Ever Shine (Qingdao) Enterprise Management Consulting Co., Ltd.	Chang, Yen-I Hsieh, Huey-Chuan Chang, Shin-Yie	President: Hsieh, Huey-Chuan Supervisor: Ko, Lee-Ching	USD 7,300,000
	Evergreen Shipping Agency (China) Co., Ltd.	Chang, Shin-Yie Chao, Chien-Hsin Liu, Jeng-Chung Huang, Jian Han, Yu-Sen	President: Chang, Shin-Yie Supervisor: Wu, Kuang-Hui	RMB 6,857,143
Indonesia	PT. Multi Bina Pura International	Chang, Yen-I Hsieh, Huey-Chuan Wu, Mao-Lin Chan, Cheng-Chi Yang, Tsung Yu Ossin Dicky Widjaja	President: Yang, Tsung Yu Supervisor: Wu, Kuang-Hui, Gunadi Widjaja	IDR 50,013,120,000
	PT. Multi Bina Transport	Chang, Yen-I Hsieh, Huey-Chuan Wu, Mao-Lin Chan, Cheng-Chi Yang, Tsung Yu Ossin Dicky Widjaja	President: Yang, Tsung Yu Supervisor: Gunadi Widjaja	IDR 10,350,000,000
Malaysia	Evergreen Heavy Industrial Corp. (Malaysia) Berhad	Chang, Yen-I Wu, Kuang-Hui Wang, Kuo-Chin Lee, Ting-Ming Dato' Dr. Kenny Ong Kean Lee	President: Lee, Ting-Ming Supervisor: Tan Meng Huat	MYR 65,640,550
	Evergreen Marine Corp. (Malaysia) SDN. BHD.	Chang, Yen-I Yen, Chia-Cheng Lin, Hung-Yu	President: Yen, Chia-Cheng	MYR 500,000
Panama	Peony Investment S.A.	Chang, Kuo-Hua Chang, Yen-I Wu, Kuang-Hui	President: Chang, Kuo-Hua	USD 476,500,000
	Greencompass Marine S.A.	Chang, Yen-I Hsieh, Huey-Chuan Ko, Lee-Ching	President: Chang, Yen-I	USD 353,500,000
	Unigreen Marine, S. A.	Chang, Yen-I Hsieh, Huey-Chuan	President: LO, YU-LIN	USD 300,000

Country	Company	Director	President and Supervisor	Capital
United Kingdom	Evergreen Marine (UK) Limited	Chang, Kuo-Cheng Chen, Wei-Hsun Maurice Storey	President: Chen, Wei-Hsun	GBP 1,500,000
Germany	Evergreen Shipping Agency (Europe) GmbH	Chang, Yen-I Hsieh, Huey-Chuan	President: Lin, Sheng-Chia	EUR 61,335.03
South Korea	Evergreen Shipping Agency (Korea) Corporation	Chang, Yen-I Hsieh, Huey-Chuan Wu, Yaw-Hwang	President: Wu, Yaw-Hwang Supervisor: Wu, Kuang-Hui	KRW 606,000,000
India	Evergreen Shipping Agency (India) Pvt. Ltd.	Chang, Yen-I Chuang, Chao-Wei Lin, Hsin-Tsung	President: Chuang, Chao-Wei	INR 1,000,000
Argentina	Evergreen Argentina S.A.	Tsai, Chi-Sheng (Alternate Director: Cheng, Ming-Feng)		ARS 1,580,000
	Evergreen Shipping Agency (Argentina) S.A.	Chang, Yen-I Tsai, Chi-Sheng (Alternate Director: Jao, Chao-Chi) Pedro Luis Kelly (Alternate Director: Perez Fernandes, Fabian Eduardo)	President: Tsai, Chi-Sheng	ARS 1,500,000
Spain	Evergreen Shipping (Spain) S.L.	Chang, Yen-I Hsieh, Huey-Chuan Ko, Ching-Lin	President: Ko, Ching-Lin	EUR 600,000
Italy	Evergreen Shipping Agency (Italy) S.P.A.	Chang, Yen-I Hsieh, Huey-Chuan Huang, Wei Alessandro Andreani Antonio Maneschi	President: Huang, Wei	EUR 2,000,000
Australia	Evergreen Shipping Agency (Australia) Pty. Ltd.	Chang, Yen-I Hsieh, Huey-Chuan Hung, Tsu-Li	President: Hung, Tsu-Li	AUD 1,000

Country	Company	Director	President and Supervisor	Capital
Russia	Evergreen Shipping Agency (Russia) Ltd.	Chang, Yen-I Hsieh, Huey-Chuan Liu, Day-Tzong Komarov Alexander Ivanovitch Laitinen Jouni Olli-Pekka	President: Liu, Day-Tzong	RUB 6,000,000
Thailand	Evergreen Shipping Agency (Thailand) Co., Ltd.	Chang, Yen-I Tsai, Wen-Jung Nivat Changariyavong	President: Tsai, Wen-Jung	THB 40,000,000
South Africa	Evergreen Agency (South Africa) (Pty) Ltd.	Chang, Yen-I Hsieh, Huey-Chuan Tsai, Ming-Feng Wu, Kuang-Hui Chen, Chih-Yi Chen, Lee-Chun Moegamat Zain Davids	President: Tsai, Ming-Feng	ZAR 10,000,000
Taiwan	Taiwan Terminal Services Corp. Ltd.	Kuo, Feng-Yi Chen, Yih-Jong Huang, Ming-Ling	President: Huang, Ming-Ling Supervisor: Wu, Kuang-Hui	TWD 100,000,000
Vietnam	Evergreen Shipping Agency (Vietnam) Corp.	Chang, Yen-I Hsieh, Huey-Chuan Lin, Chien-Nan	President: Lin, Chien-Nan	USD 1,120,000
Hong Kong	Evergreen Marine (Hong Kong) Ltd.	Chang, Yen-I Hsieh, Huey-Chuan Chang, Shin-Yie Wu, Kuang-Hui Chao, Chien-Hsin	President: Chang, Shin-Yie	HKD 8,000,000
Chile	Evergreen Shipping Agency (Chile) Spa	Chang, Yen-I (Alternate Director: Yang, Chin-Chung) Hsieh, Huey-Chuan (Alternate Director: Wu, Chung-En) Pedro Pablo Rioja Garrido-Lecca (Alternate Director: María Loreto Giacaman Von Der Weth)	President: Yang, Chin-Chung	CLP 350,000,000

Country	Company	Director	President and Supervisor	Capital
Colombia	Evergreen Shipping Agency (Colombia) S.A.S.	Chang, Yen-I Hsieh, Huey-Chuan Huang, Pao-Jen Carlos Leano	President: Huang, Pao-Jen	CAPITAL- COP 106,668,000 PREMIUM- COP 1,333,332,000
Mexico	Evergreen Shipping Agency Mexico, S.A. de C.V.	Chang, Yen-I (Alternate Director: Wu, Chun-Yi) Hsieh, Huey-Chuan (Alternate Director: Wang, Wen-Tai) Jesus Cutberto Parra Mendoza (Alternate Director: Otoniel Cutberto Parra Nicolin)	President: Wu, Chun-Yi Supervisor: Isaac Martinez Cortina	MXN 7,400,000
Peru	Evergreen Shipping Agency (Peru) S.A.C.	Chang, Yen-I (Alternate Director: Lin, Ching-Yi) Hsieh, Huey-Chuan (Alternate Director: Liang, Kai-Wei) Moises Jose Woll Aste	President: Lin, Ching-Yi	PEN 1,500,000
Cambodia	Evergreen Shipping Services (Cambodia) Co., Ltd.	Chang, Yen-I Hsieh, Huey-Chuan Chi, Ping-Ze	President: Chi, Ping-Ze	KHR 800,000,000
Greece	Evergreen Shipping Agency (Greece) Anonimi Eteria	Chang, Yen-I Hsieh, Huey-Chuan Chen-Jui Chen Constantinos Mouskos Georgios Ioannidis	President: Chen-Jui Chen	EUR 400,000
Israel	Evergreen Shipping Agency (Israel) Ltd.	Chang, Yen-I Hsieh, Huey-Chuan Huang, Teng-Wei Jacob Ben Shushan Ohad Vered	President: Huang, Teng-Wei	ILS 1,800,000
Latin America	Evergreen Marine (Latin America), S. A.	Chang, Yen-I Hsieh, Huey-Chuan	President: Lo, Yu-Ling	USD 600,000
Brazil	Evergreen Shipping Agency (Brazil) S. A.	Chang, Yen-I Tseng, Yen-Hsun Fredrik Pitta Engelhart	President: Tseng, Yen-Hsun	BRL 2,000,000

Country	Company	Director	President and Supervisor	Capital
Philippines	Evergreen Shipping Agency Philippines Corporation	Chang, Hsueh-Chih Chang, Cheng-Yung Lin, Yu-Cheng Hsieh, Huey-Chuan Maria Antonia Oliva I.Lacsamana	President: Chang, Hsueh-Chih	PHP 100,000,000
Singapore	Evergreen Marine (Asia) Pte. Ltd.	Mok, Choon Lan	President: Chiu, Shih Ming	USD 50,000,000
Turkey	Evergreen Shipping Agency (Turkey) Corporation	Chang, Yen-I Chien, Shen-Tai Aldo Guido Enrico Rossi	President: Chien, Shen-Tai	TRY 1,000,000
Saudi Arabia	Evergreen Shipping Agency Saudi CO. (L.L.C.)	Chang, Yen-I Ho, Chung-Hsing Barrak Ibrahim B. Alomani	President: Ho, Chung-Hsing	SAR 3,000,000

(6) The Operating Overviews of Subsidiaries

Unit: NT\$ thousands, except EPS (NT\$)
As of 12/31/2021

Company	Capital	Total Assets	Total Liabilities	Total Equity	Operating Revenue	Operating Income (Loss)	Net Income (Loss)	Basic Earning (Loss) Per Share
Peony Investment S. A.	13,177,369	73,778,558	6,164	73,772,394	69,259,679	69,002,134	69,049,485	14,491
Evergreen Marine (Asia) Pte. Ltd.	1,382,725	142,599,357	53,253,011	89,346,345	142,560,275	88,467,363	88,544,370	1,771
Everport Terminal Services Inc.	2,929	13,604,949	10,152,979	3,451,970	13,001,115	1,875,769	1,075,024	1,015,131
Evergreen Marine (Hong Kong) Ltd.	28,373	143,191,232	59,359,033	83,832,199	123,456,053	75,110,701	73,421,692	9,178
Evergreen Shipping Agency (Israel) Ltd.	15,943	642,542	514,720	127,821	293,451	185,016	146,437	81
Taiwan Terminal Services Corp. Ltd.	100,000	412,560	297,269	115,291	855,926	43,355	35,370	4
Clove Holding Ltd.	277	2,956,511	207,709	2,748,803	212,860	212,087	209,542	20,954
Whitney Equipment LLC.	5,531	459,383	182,421	276,961	152,997	66,576	51,508	-
Evergreen Shipping Agency (Europe) GmbH	1,922	8,836,956	8,714,940	122,016	1,540,220	37,183	19,894	-
Evergreen Shipping Agency (Korea) Corporation	14,159	1,380,128	1,237,654	142,475	457,201	306,317	239,575	1,977

Company	Capital	Total Assets	Total Liabilities	Total Equity	Operating Revenue	Operating Income (Loss)	Net Income (Loss)	Basic Earning (Loss) Per Share
Greencompass Marine S.A.	9,775,866	107,156,233	65,687,544	41,468,689	106,347,337	52,752,863	52,063,669	14,728
Evergreen Shipping (Spain) S.L.	18,793	1,134,154	871,866	262,288	828,955	432,687	331,399	55,233
Evergreen Shipping Agency (Australia) Pty Ltd.	20	443,073	269,230	173,843	329,150	225,728	175,245	175,245
Evergreen Shipping Agency (Vietnam) Corp.	30,973	2,955,099	1,367,901	1,587,198	1,377,622	1,187,112	992,331	-
Evergreen Marine Corp. (Malaysia) SDN. BHD.	3,315	1,879,968	1,030,795	849,172	1,168,805	864,122	666,807	1,334
Evergreen Shipping Agency (India) Pvt. Ltd.	371	1,004,658	724,599	280,059	499,014	378,102	285,892	2,859
PT. Multi Bina Pura International	97,042	567,973	58,638	509,335	238,158	81,133	77,717	4,179
PT. Multi Bina Transport	20,082	101,257	23,922	77,336	53,489	735	2,485	240
Evergreen Argentina S.A.	426	47,007	10,406	36,601	1,985	(1,304)	(2,656)	(17)
Evergreen Shipping Agency (Thailand) Co., Ltd.	33,015	1,454,985	1,165,825	289,160	789,412	558,015	449,013	561
Evergreen Heavy Industrial Corp. (Malaysia) Berhad	435,209	1,542,004	361,436	1,180,568	1,657,590	149,114	147,377	3
Evergreen Shipping Agency (Turkey) Corporation	2,185	295	156	139	0	(490)	(490)	(49)

Company	Capital	Total Assets	Total Liabilities	Total Equity	Operating Revenue	Operating Income (Loss)	Net Income (Loss)	Basic Earning (Loss) Per Share
Evergreen Agency (South Africa) (Pty) Ltd.	17,341	264,677	157,331	107,345	216,664	89,692	67,343	7
Evergreen Shipping Agency (Italy) S.p.A.	62,645	1,658,844	1,378,540	280,304	573,922	277,656	195,903	195,903
Evergreen Shipping Agency (Russia) Ltd.	2,243	139,044	72,446	66,599	203,757	157,266	126,457	-
Evergreen Marine (UK) Limited	41,482	40,478,388	16,373,491	24,104,897	44,282,230	18,100,000	17,455,939	11,637
Kingtrans International Logistics (Tianjin) Co., Ltd.	276,545	521,930	48,664	473,266	239,724	76,692	57,876	-
Ever Shine (Shanghai) Enterprise Management Consulting Co., Ltd."	1,627,467	1,809,903	12,530	1,797,374	144,434	46,963	6,813	-
Ever Shine (Ningbo) Enterprise Management Consulting Co., Ltd."	186,726	226,065	38,518	187,547	13,484	10,050	616	-
Ever Shine (Shenzhen) Enterprise Management Consulting Co., Ltd."	243,360	301,095	31,881	269,215	24,306	16,659	3,097	-
Ever Shine (Qingdao) Enterprise Management Consulting Co., Ltd."	201,878	245,877	22,864	223,013	17,442	15,009	4,308	-

Company	Capital	Total Assets	Total Liabilities	Total Equity	Operating Revenue	Operating Income (Loss)	Net Income (Loss)	Basic Earning (Loss) Per Share
Evergreen Shipping Service (Cambodia) Co., Ltd.	5,433	143,249	38,480	104,769	156,682	76,382	60,703	202
Evergreen Marine (Latin America), S.A.	16,593	30,371	13,039	17,332	48,213	1,824	1,334	2
Evergreen Shipping Agency Philippines Corporation	54,182	1,191,019	987,859	203,160	292,891	204,375	149,927	16
Unigreen Marine, S. A.	8,296	654,927	575,685	79,242	121,073	69,567	71,447	23,816
Evergreen Shipping Agency (Colombia) S.A.S.	730	384,447	256,018	128,429	347,905	251,669	173,611	1,628
Evergreen Shipping Agency (China) Co., LTD.	29,777	1,801,020	1,717,645	83,375	1,310,665	92,419	62,587	-
Evergreen Shipping Agency (Argentina) S.A.	4,041	697,461	565,424	132,037	188,527	114,184	132,389	9
Evergreen Shipping Agency Saudi Co. (L.L.C.)	22,098	267,686	199,995	67,691	86,630	53,165	46,100	154
Evergreen Shipping Agency (Peru) S.A.C.	10,425	207,061	84,117	122,944	347,884	251,382	178,630	119
Evergreen Shipping Agency (Mexico) S.A. DE C.V.	9,947	561,596	313,787	247,809	426,047	338,860	241,499	3,263

Company	Capital	Total Assets	Total Liabilities	Total Equity	Operating Revenue	Operating Income (Loss)	Net Income (Loss)	Basic Earning (Loss) Per Share
Evergreen Shipping Agency (Chile) Spa	11,396	495,796	373,956	121,840	339,908	231,550	173,137	69,255
Evergreen Shipping Agency (Greece) Anonimi Eteria	12,529	640,631	431,920	208,712	598,177	233,724	186,237	46,559
Evergreen Shipping Agency (Brazil) Ltd.	9,697	292,489	169,876	122,612	287,126	186,590	163,255	82

Note 1 : All affiliated companies should be exposed, regardless of size.

Note 2: If the affiliated company is a foreign company, the relevant numbers should be exchanged into New Taiwan Dollars on the reporting date. The middle rate and annual average rate on December 31 2021.

Financial Position	Income	Financial Position	Income	Financial Position	Income
USD : TWD=1:27.6545	1:27.9274	IDR : TWD=1:0.0019	1:0.0020	RMB : TWD=1:4.3425	1:4.3295
MYR : TWD=1:6.6302	1:6.7342	GBP : TWD=1:37.3256	1:38.4040	EUR : TWD=1:31.3223	1:33.0306
KRW : TWD=1:0.0234	1:0.0244	INR : TWD=1:0.3709	1:0.3776	ARS : TWD=1:0.2694	1:0.2933
AUD : TWD=1:20.0613	1:20.9508	RUB : TWD=1:0.3739	1:0.3789	SGD : TWD=1:20.4712	1:20.7762
THB : TWD=1:0.8254	1:0.8718	VND : TWD=1:0.0012	1:0.0012	ZAR : TWD=1:1.7341	1:1.8879
PLN : TWD=1:6.8295	1:7.2270	CHF : TWD=1:30.2367	1:30.5351	ILS : TWD=1:8.8572	1:8.6461
PEN : TWD=1:6.9503	1:7.1830	COP : TWD=1:0.0068	1:0.0074	MXN : TWD=1:1.3442	1:1.3762
CLP : TWD=1:0.0326	1:0.0367	HKD : TWD=1:3.5466	1:3.5928	BRL : TWD=1:4.8485	1:5.1778
PHP : TWD=1:0.5418	1:0.5664	SAR : TWD=1:7.3661	1:7.4453	BRL : TWD=1:2.1845	1:2.5193

2. Consolidated Financial Statement of Subsidiaries

REPRESENTATION LETTER

In connection with the Consolidated Financial Statements of Affiliated Enterprises of EVERGREEN MARINE CORPORATION (TAIWAN) LTD. (the “Consolidated FS of the Affiliates”), we represent to you that, the entities required to be included in the Consolidated FS of the Affiliates as of and for the year ended December 31, 2021 in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those required to be included in the Consolidated Financial Statements of EVERGREEN MARINE CORPORATION (TAIWAN) LTD. and its subsidiaries (the “Consolidated FS of the Group”) in accordance with International Financial Reporting Standard 10, as well as that, the information required to be disclosed in the Consolidated FS of Affiliates is disclosed in the Consolidated FS of the Group. Consequently, EVERGREEN MARINE CORPORATION (TAIWAN) LTD. does not prepare a separate set of Consolidated FS of Affiliates.

Very truly yours,

EVERGREEN MARINE CORPORATION (TAIWAN) LTD.

By

CHANG, YEN-I

Chairman

March 15, 2022

3. Affiliated Companies Report: None.

II. Securities issuance through private placement: None.

III. Holdings and sale of shares by subsidiaries: None.

IV. Other necessary supplementary information: None.

V. Any events in 2021 and as of the date of this annual report had significant impacts on shareholders' right or security prices as stated in item 3 paragraph 2 of Article 36: None.





長 榮 海 運 股 份 有 限 公 司
EVERGREEN MARINE CORP. (TAIWAN) LTD.