

**Yang Ming Marine Transport Corporation
and Subsidiaries**

**Consolidated Financial Statements for the
Three Months Ended March 31, 2021 and 2020 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Yang Ming Marine Transport Corporation

Introduction

We have reviewed the accompanying consolidated financial statements of Yang Ming Marine Transport Corporation (hereinafter referred to as YMTC) and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of March 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the three-month periods then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies. 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 International Accounting Standards (IAS) 34, "Interim Financial Reporting" endorsed by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As disclosed in Note 13 to the accompanying consolidated financial statements, the financial statements of some non-significant subsidiaries were not reviewed. As of March 31, 2021 and 2020, the combined total assets of these non-significant subsidiaries were NT\$ 29,836,047 thousand and NT\$ 28,371,690 thousand, respectively, representing 14.29% and 14.97%, respectively, of the consolidated total assets and the combined total liabilities of these non-significant subsidiaries were NT\$ 13,882,952 thousand and NT\$ 17,530,307 thousand, respectively, representing 9.48% and 10.07%, respectively, of the consolidated total liabilities; for the three-month periods ended March 31, 2021 and 2020, the amounts of the combined comprehensive income of these non-significant subsidiaries were NT\$421,491 thousand and NT\$ (1,191,667) thousand, respectively, representing 1.72% and 74.39% respectively, of the consolidated total comprehensive income. As also disclosed in Note 14, as of March 31, 2021 and 2020, the investments accounted for using the equity method were NT\$7,206,917 thousand and NT\$7,941,452 thousand, respectively; and for the three-month periods ended March 31, 2021 and 2020, the amounts of the Group's share of the profit of such investments accounted for using the equity method were NT\$268,535 thousand and NT\$20,508 thousand, respectively. The information about investees disclosed in Note 38 and aforementioned in Note 14 were based on the subsidiaries', associates' and joint ventures' financial statements which have not been reviewed.

Qualified Conclusion

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and investments accounted for by using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2021 and 2020 and its consolidated financial performance and its consolidated cash flows for the three-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ report are Chen-Hsiu Yang and Yu-Mei Hung.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 12, 2021

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors’ review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors’ review report and consolidated financial statements shall prevail.

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2021 (Reviewed)		December 31, 2020 (Audited)		March 31, 2020 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 6 and 33)	\$ 38,149,969	18	\$ 24,518,721	13	\$ 18,250,726	10
Financial assets at fair value through profit or loss (FVTPL) - current (Note 7)	287,475	-	1,743,413	1	721,102	1
Financial assets at amortized cost – current (Notes 9, 23, 33 and 34)	967,253	1	2,191,233	1	542,539	-
Contract assets, net (Notes 26 and 33)	3,588,194	2	2,890,274	1	2,255,222	1
Notes receivable, net (Notes 10 and 33)	6,224	-	8,245	-	26,435	-
Trade receivables net (Notes 10 and 26)	14,388,849	7	11,004,046	6	10,200,224	5
Trade receivables from related parties (Notes 10, 26 and 33)	182,080	-	173,823	-	178,945	-
Finance lease receivables, net (Note 11)	20,004	-	19,938	-	19,740	-
Shipping fuel (Note 12)	2,775,886	1	2,189,744	1	3,595,473	2
Prepayments (Note 33)	528,677	-	412,350	-	652,341	-
Prepayments to shipping agents (Note 33)	137,727	-	102,610	-	8,700	-
Other current assets (Note 33)	1,130,194	1	1,006,822	1	1,129,319	1
Total current assets	<u>62,162,532</u>	<u>30</u>	<u>46,261,219</u>	<u>24</u>	<u>37,580,766</u>	<u>20</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Note 8)	2,195,484	1	1,998,531	1	1,412,208	1
Financial assets at amortized cost – non-current (Notes 9, 23, 33 and 34)	53,533	-	103,439	-	2,750,607	2
Investments accounted for using equity method (Note 14)	7,206,917	4	6,972,400	3	7,941,452	4
Property, plant and equipment (Notes 15, 23 and 34)	73,757,000	35	73,663,236	38	71,884,833	38
Right-of-use assets (Note 16)	55,727,150	27	55,853,713	29	55,524,823	29
Investment properties (Notes 17 and 34)	6,317,181	3	6,317,219	3	6,313,282	3
Other intangible assets	80,939	-	88,268	-	116,928	-
Deferred tax assets (Note 4)	768,003	-	3,162,100	2	5,589,185	3
Prepayments for equipment (Note 33)	166,278	-	127,805	-	70,237	-
Refundable deposits	204,560	-	199,452	-	149,866	-
Finance lease receivables – non-current (Note 11)	142,194	-	147,220	-	162,198	-
Other financial assets – non-current	59,061	-	63,202	-	72,114	-
Other non-current assets	13,281	-	18,181	-	16,671	-
Total non-current assets	<u>146,691,581</u>	<u>70</u>	<u>148,714,766</u>	<u>76</u>	<u>152,004,404</u>	<u>80</u>
TOTAL	<u>\$208,854,113</u>	<u>100</u>	<u>\$194,975,985</u>	<u>100</u>	<u>\$189,585,170</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 18 and 33)	\$ 1,651,240	1	\$ 2,072,156	1	\$ 4,933,867	3
Short-term bills payable (Notes 18 and 33)	8,654,587	4	12,113,626	6	12,491,603	7
Financial liabilities at FVTPL - current (Note 7)	-	-	-	-	62,943	-
Financial liabilities for hedging - current (Notes 16 and 32)	7,676,977	4	7,370,742	4	6,868,251	4
Contract liabilities - current (Notes 26 and 33)	440,300	-	134,998	-	96,431	-
Notes payable	27,955	-	25,404	-	21,795	-
Trade payables (Note 20)	17,921,133	9	15,677,632	8	13,111,657	7
Trade payables to related parties (Notes 20 and 33)	332,576	-	425,388	-	435,460	-
Other payables (Notes 21 and 33)	5,912,476	3	4,328,266	2	3,944,401	2
Current tax liabilities (Note 4)	260,837	-	264,165	-	117,531	-
Provisions - current (Note 22)	-	-	-	-	1,053,898	-
Lease liabilities - current (Notes 16 and 33)	1,925,655	1	2,146,472	1	2,954,481	1
Current portion of long-term liabilities (Notes 18, 19, 23, 33 and 34)	12,480,043	6	14,315,643	8	12,721,349	7
Other advance account	223,211	-	217,218	-	198,767	-
Other current liabilities	616,573	-	657,644	-	445,944	-
Total current liabilities	<u>58,123,563</u>	<u>28</u>	<u>59,749,354</u>	<u>30</u>	<u>59,458,378</u>	<u>31</u>
NON-CURRENT LIABILITIES						
Financial liabilities for hedging – non-current (Notes 16 and 32)	40,803,916	20	40,383,562	21	40,960,286	22
Bonds payable (Notes 19, 33 and 34)	4,958,977	2	4,945,877	3	12,221,107	7
Long-term borrowings (Notes 18, 33 and 34)	29,044,407	14	41,096,387	21	47,559,185	25
Provisions - non-current (Note 22)	1,373	-	1,396	-	1,375	-
Deferred tax liabilities (Note 4)	4,141,850	2	2,573,337	1	1,772,320	1
Lease liabilities - non-current (Notes 16 and 33)	5,681,102	3	6,089,430	3	7,017,396	4
Other advance account - non-current	144,064	-	163,942	-	125,464	-
Other financial liabilities - non-current (Note 23)	-	-	-	-	2,257,632	1
Net defined benefit liabilities – non-current (Notes 4 and 24)	2,883,135	1	3,027,709	2	2,476,893	1
Other non-current liabilities	621,892	-	610,139	-	261,297	-
Total non-current liabilities	<u>88,280,716</u>	<u>42</u>	<u>98,891,779</u>	<u>51</u>	<u>114,652,955</u>	<u>61</u>
Total liabilities	<u>146,404,279</u>	<u>70</u>	<u>158,641,133</u>	<u>81</u>	<u>174,111,333</u>	<u>92</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Share capital – ordinary shares	33,321,043	16	31,676,622	16	26,013,357	14
Capital surplus	403,657	-	384,106	-	1,939,381	1
Retained earnings (accumulated deficits)	-	-	-	-	-	-
Unappropriated earnings (deficit to be compensated)	26,177,970	13	1,660,919	1	(12,280,877)	(7)
Other equity	1,925,227	1	1,956,585	1	(839,632)	-
Total equity attributable to owners of the Company	<u>61,827,897</u>	<u>30</u>	<u>35,678,232</u>	<u>18</u>	<u>14,832,229</u>	<u>8</u>
NON-CONTROLLING INTERESTS						
	<u>621,937</u>	<u>-</u>	<u>656,620</u>	<u>1</u>	<u>641,608</u>	<u>-</u>
Total equity	<u>62,449,834</u>	<u>30</u>	<u>36,334,852</u>	<u>19</u>	<u>15,473,837</u>	<u>8</u>
TOTAL	<u>\$208,854,113</u>	<u>100</u>	<u>\$194,975,985</u>	<u>100</u>	<u>\$189,585,170</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' review report dated May 12, 2021)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share) (Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 16, 26 and 33)	\$ 62,282,455	100	\$ 34,642,179	100
OPERATING COSTS (Notes 12, 16, 27 and 33)	<u>30,551,829</u>	<u>49</u>	<u>32,997,026</u>	<u>95</u>
GROSS PROFIT	<u>31,730,626</u>	<u>51</u>	<u>1,645,153</u>	<u>5</u>
OPERATING EXPENSES (Notes 27 and 33)				
Selling and marketing expenses	2,009,552	3	1,375,587	4
General and administrative expenses	688,985	1	194,350	1
Expected credit loss	<u>19,085</u>	<u>-</u>	<u>5,689</u>	<u>-</u>
Total operating expenses	<u>2,717,622</u>	<u>4</u>	<u>1,575,626</u>	<u>5</u>
OTHER OPERATING INCOME AND EXPENSES (Notes 16 and 27)	<u>74,254</u>	<u>-</u>	<u>164,064</u>	<u>1</u>
PROFIT (LOSS) FROM OPERATIONS	<u>29,087,258</u>	<u>47</u>	<u>233,591</u>	<u>1</u>
NON-OPERATING INCOME AND EXPENSES (Notes 16, 23, 27 and 33)				
Interest income	24,904	-	40,783	-
Other income	23,223	-	21,543	-
Other gains and losses	(6,816)	-	(54,490)	-

(Continued)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share) (Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2021		2020	
	Amount	%	Amount	%
Finance costs	(\$ 691,979)	(1)	(\$ 917,118)	(3)
Share of profit or loss of associates and joint ventures	<u>249,363</u>	<u>-</u>	<u>38,309</u>	<u>-</u>
Total non- operating income and expenses	(<u>401,305</u>)	(<u>1</u>)	(<u>870,973</u>)	(<u>3</u>)
PROFIT (LOSS) BEFORE INCOME TAX	28,685,953	46	(637,382)	(2)
INCOME TAX EXPENSE (Notes 4 and 28)	(<u>4,099,009</u>)	(<u>7</u>)	(<u>117,953</u>)	<u>-</u>
NET PROFIT (LOSS) FOR THE PERIOD	<u>24,586,944</u>	<u>39</u>	(<u>755,335</u>)	(<u>2</u>)
OTHER COMPREHENSIVE INCOME(LOSS)(Notes 4, 16, 25 and 28)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain on investments in equity instruments at FVTOCI	176,953	-	(360,685)	(1)

(Continued)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share) (Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2021		2020	
	Amount	%	Amount	%
Share of the other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	\$ 17,818	-	(\$ 21,311)	-
	<u>194,771</u>	<u>-</u>	<u>(381,996)</u>	<u>(1)</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	21,759	-	(25,499)	-
Loss on hedging instruments	(241,673)	-	(439,047)	(2)
	<u>(219,914)</u>	<u>-</u>	<u>(464,546)</u>	<u>(2)</u>
Other comprehensive income for the period, net of income tax	(25,143)	-	(846,542)	(3)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>\$ 24,561,801</u>	<u>39</u>	<u>(\$ 1,601,877)</u>	<u>(5)</u>

(Continued)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share) (Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2021		2020	
	Amount	%	Amount	%
NET PROFIT (LOSS)				
ATTRIBUTABLE TO :				
Owners of the Company	\$ 24,517,051	39	(\$ 818,363)	(2)
Non-controlling interests	<u>69,893</u>	<u>-</u>	<u>63,028</u>	<u>-</u>
	<u>\$ 24,586,944</u>	<u>39</u>	<u>(\$ 755,335)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME (LOSS)				
ATTRIBUTABLE TO :				
Owners of the Company	\$ 24,485,693	39	(\$ 1,631,305)	(5)
Non-controlling interests	<u>76,108</u>	<u>-</u>	<u>29,428</u>	<u>-</u>
	<u>\$ 24,561,801</u>	<u>39</u>	<u>(\$ 1,601,877)</u>	<u>(5)</u>
EARNINGS (LOSS) PER SHARE (Note 29)				
Basic	<u>\$ 7.49</u>		<u>(\$ 0.31)</u>	
Diluted	<u>\$ 7.34</u>		<u>(\$ 0.31)</u>	

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

(With Deloitte & Touche auditors' review report dated May 12, 2021) (Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Company									
	Share Capital (Note 25)		Capital Surplus (Note 25)	Retained Earnings (Accumulated Deficits) (Note 25) Unappropriated Earnings (Deficit to be Compensated)	Other Equity			Total	Non-controlling Interests (Note 25)	Total Equity
	Shares (In Thousands)	Amount			Exchange Differences on Translating the Financial Statements of Foreign Operations (Notes 4 and 25)	Unrealized Valuation Gain/Loss on Financial Assets at Fair Value Through Other Comprehensive Income (Note 25)	Gain on Hedging Instruments (Note 25)			
BALANCE AT JANUARY 1, 2020	2,601,336	\$ 26,013,357	\$ 1,939,381	(\$ 11,462,514)	(\$ 205,946)	(\$ 1,039,266)	\$ 1,218,522	\$ 16,463,534	\$ 618,665	\$ 17,082,199
Net profit (loss) for the three months ended March 31, 2020	-	-	-	(818,363)	-	-	-	(818,363)	63,028	(755,335)
Other comprehensive income (loss) for the three months ended March 31, 2020, net of income tax	-	-	-	-	8,101	(381,996)	(439,047)	(812,942)	(33,600)	(846,542)
Total comprehensive income (loss) for the three months ended March 31, 2020	-	-	-	(818,363)	8,101	(381,996)	(439,047)	(1,631,305)	29,428	(1,601,877)
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	(6,485)	(6,485)
BALANCE AT MARCH 31, 2020	2,601,336	\$ 26,013,357	\$ 1,939,381	(\$ 12,280,877)	(\$ 197,845)	(\$ 1,421,262)	\$ 779,475	\$ 14,832,229	\$ 641,608	\$ 15,473,837
BALANCE AT JANUARY 1, 2021	3,167,662	\$ 31,676,622	\$ 384,106	\$ 1,660,919	(\$ 713,510)	(\$ 785,730)	\$ 3,455,825	\$ 35,678,232	\$ 656,620	\$ 36,334,852
Net profit for the three months ended March 31, 2021	-	-	-	24,517,051	-	-	-	24,517,051	69,893	24,586,944
Other comprehensive income (loss) for the three months ended March 31, 2021, net of income tax	-	-	-	-	15,544	194,771	(241,673)	(31,358)	6,215	(25,143)
Total comprehensive income (loss) for the three months ended March 31, 2021	-	-	-	24,517,051	15,544	194,771	(241,673)	24,485,693	76,108	24,561,801
Convertible bonds converted to ordinary shares	164,442	1,644,421	19,551	-	-	-	-	1,663,972	-	1,663,972
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	(110,791)	(110,791)
BALANCE AT MARCH 31, 2021	3,332,104	\$ 33,321,043	\$ 403,657	\$ 26,177,970	(\$ 697,966)	(\$ 590,959)	\$ 3,214,152	\$ 61,827,897	\$ 621,937	\$ 62,449,834

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

(With Deloitte & Touche auditors' review report dated May 12, 2021)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	For the Three Months Ended	
	March 31	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	\$ 28,685,953	(\$ 637,382)
Adjustments for:		
Depreciation expenses	4,230,916	4,314,033
Amortization expenses	13,256	13,386
Expected credit loss recognized	19,085	5,689
Net loss (gain) on fair value change of financial assets/liabilities at FVTPL	(11,874)	39,161
Finance costs	691,979	917,118
Interest income	(24,904)	(40,783)
Dividend income	(65)	(150)
Share of profit of associates and joint ventures	(249,363)	(38,309)
Gain on disposal of property, plant and equipment	(66,224)	(152,749)
Reversal of shipping fuel	(10,476)	(643)
Net loss (gain) on foreign currency exchange	(128,074)	46,320
Loss on changes in fair value of investment properties	38	38
Gain on right-of-use assets sublease	(7,640)	-
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at FVTPL	1,456,616	(437,418)
Contract assets	(703,053)	(466,270)
Notes receivable	2,021	(21,643)
Trade receivables	(3,397,763)	(240,414)
Trade receivables from related parties	(8,257)	(33,204)
Shipping fuel	(575,647)	195,266

(Continued)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	For the Three Months Ended	
	March 31	
	2021	2020
Prepayments	(\$ 113,334)	(\$ 65,818)
Prepayments to shipping agents	(35,117)	72,615
Other current assets	(76,847)	154,429
Notes payable	2,551	3,402
Trade payables	2,243,501	845,148
Trade payables to related parties	(92,812)	(35,965)
Other payables	940,528	244,134
Contract liabilities	305,302	(25,395)
Other advance account	(13,885)	(19,628)
Other current liabilities	(63,413)	(31,404)
Net defined benefit liabilities	(<u>144,574</u>)	(<u>26,778</u>)
Cash generated from operations	32,868,424	4,576,786
Interest received	26,523	46,598
Dividends received	1,719	10,575
Interest paid	(647,917)	(885,724)
Income tax paid	(<u>155,718</u>)	(<u>118,719</u>)
Net cash generated from operating activities	<u>32,093,031</u>	<u>3,629,516</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of shares of financial asset at FVTOCI	(20,000)	-
Purchase of financial assets at amortized cost	(551,766)	(47,984)
Proceeds from sale of financial assets at amortized cost	1,829,866	305,616
Payments for property, plant and equipment	(1,038,919)	(1,433,834)
Proceeds from disposal of property, plant and equipment	120,183	508,363

(Continued)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	For the Three Months Ended	
	March 31	
	2021	2020
Increase in refundable deposits	(\$ 5,108)	(\$ 8,129)
Payments for intangible assets	(7,353)	(9,999)
Decrease in financial lease receivables	4,960	4,895
Decrease (increase) in other financial assets	4,141	(791)
Decrease in other non-current assets	4,560	319
Increase in prepayments for equipment	(50,203)	(30,838)
Net cash used in investing activities	<u>290,361</u>	<u>(712,382)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayments of) proceeds from short-term borrowings	(420,916)	312,833
Repayments of short-term bills payable	(3,477,500)	(990,000)
Proceeds from long-term borrowings	653,000	10,728,540
Repayments of long-term borrowings	(12,896,231)	(9,119,619)
Repayments of the principal portion of lease liabilities	(2,536,242)	(2,658,970)
Decrease in other financial liabilities	-	(59,421)
Increase (decrease) in other non-current liabilities	11,753	(24,729)
Net change in non-controlling interests	(110,791)	(6,485)
Net cash used in financing activities	<u>(18,776,927)</u>	<u>(1,817,851)</u>

(Continued)

**YANG MING MARINE TRANSPORT CORPORATION AND
SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Three Months Ended	
	March 31	
	2021	2020
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	\$ <u>24,783</u>	(\$ <u>25,896</u>)
NET INCREASE IN CASH AND CASH EQUIVALENTS	13,631,248	1,073,387
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>24,518,721</u>	<u>17,177,339</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 38,149,969</u>	<u>\$ 18,250,726</u>

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

(With Deloitte & Touche auditors' review report dated May 12, 2021) (Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

1. GENERAL INFORMATION

Yang Ming Marine Transport Corporation (the “Company” or YMTC), established in December 1972, was majority-owned by the Ministry of Transportation and Communications (MOTC) of the Republic of China (ROC) until February 15, 1996 when the MOTC began reducing its holdings in the Company following the Company’s listing of its shares on the Taiwan Stock Exchange.

YMTC mainly engages in the shipping, repair, chartering, sale and purchase of ships, containers and chassis and operates as a shipping agency.

YMTC’s shares have been listed on the Taiwan Stock Exchange since April 1992. YMTC issued global depositary receipts (GDRs), which have been listed on the London Stock Exchange (ticker symbol: YMTD) since November 1996. The GDRs listed on the London Stock Exchange were delisted on December 5, 2019.

The consolidated financial statements of the Company and its subsidiaries (collectively, the “Group”) are presented in YMTC’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by YMTC’s board of directors on May 12, 2021.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Amendment to IFRS 16 “Covid-19-Related Rent Concessions after June 30, 2021”

The Group elected to apply the amendment and extended the practical expedient provided in the amendment to IFRS 16 for the payments expired before June 30, 2022. The related accounting policies for the practical expedient are stated in the summary of significant accounting policies in the consolidated financial statements for the year ended December 31, 2020.

The Group applied the amendment from January 1, 2021.

- b. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note 2)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 3)
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 IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	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 (Note 6)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 7)
Amendments to IAS 12 “Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction”	January 1, 2023 (Note 8)
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 4)
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022 (Note 5)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 “Agriculture” will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoptions of IFRSs” will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 3: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 4: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 5: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

Note 6: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 7: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 8: Unless recognized deferred tax for the temporary difference of the lease and decommissioning obligations on January 1, 2022, the amendments are applicable to transactions occurred on or after January 1, 2022.

1) Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”

The amendments clarify that for a liability to be classified as non-current, the Group shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Group will exercise that right. The amendments also clarify that, if the right to defer settlement is subject to compliance with specified conditions, the Group must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date.

The amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Group’s own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by a transfer of the Group’s own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32 “Financial Instruments: Presentation”, the aforementioned terms would not affect the classification of the liability.

2) Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”

The amendments specify that when assessing whether a contract is onerous, the “cost of fulfilling a contract” includes both the incremental costs of fulfilling that contract (for example, direct labor and materials) and an allocation of other costs that relate directly to fulfilling contracts (for example, an allocation of depreciation for an item of property, plant and equipment used in fulfilling the contract).

The Group will recognize the cumulative effect of the initial application of the amendments in the retained earnings at the date of the initial application.

3) Amendments to IAS 1 “Disclosure of Accounting Policies”

The amendments specify that the Group should refer to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments also clarify that:

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;
- The Group may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and
- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments also illustrate that accounting policy information is likely to be considered as material to the financial statements if that information relates to material transactions, other events or conditions and:

- a) The Group changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;
 - b) The Group chose the accounting policy from options permitted by the standards;
 - c) The accounting policy was developed in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” in the absence of an IFRS that specifically applies;
 - d) The accounting policy relates to an area for which the Group is required to make significant judgements or assumptions in applying an accounting policy, and the Group discloses those judgements or assumptions; or
 - e) The accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.
- 4) Amendments to IAS 8 “Definition of Accounting Estimates”

The amendments define that accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. In applying accounting policies, the Group may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Group uses measurement techniques and inputs to develop accounting estimates to achieve the objective. The effects on an accounting estimate of a change in a measurement technique or a change in an input are changes in accounting estimates unless they result from the correction of prior period errors.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosures required in a full set of annual consolidated financial statements.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments and investment properties which are measured at fair value, and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to

the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Group (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective dates of acquisitions up to the effective dates of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 13 and Tables G and H for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other significant accounting policies

Unless the below mentioned, the summary of significant accounting policies for these interim consolidated financial statements are the same as those applied for the consolidated financial statements for the year ended December 31, 2020.

1) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

2) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim

period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The critical accounting judgments and key sources of estimation uncertainty for these interim consolidated financial statements are the same as those applied for the consolidated financial statements for the year ended December 31, 2020.

6. CASH AND CASH EQUIVALENTS

	March 31, 2021	December 31, 2020	March 31, 2020
Cash on hand	\$ 148,100	\$ 202,651	\$ 180,423
Checking accounts and demand deposits	21,902,529	14,658,750	13,261,172
Cash equivalents			
Time deposits with original maturities of less than three months	11,705,270	8,022,568	4,001,590
Repurchase agreements collateralized by bonds	<u>4,394,070</u>	<u>1,634,752</u>	<u>807,541</u>
	<u>\$ 38,149,969</u>	<u>\$ 24,518,721</u>	<u>\$ 18,250,726</u>

The market rate intervals of time deposits and repurchase agreements at the end of the reporting period were as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Times deposits	0.10%-5.80%	0.10%-6.30%	0.06%-8.50%
Repurchase agreements	0.33%-0.52%	0.38%-0.55%	1.95%-2.07%

7. FINANCIAL INSTRUMENTS AT FVTPL - CURRENT

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Financial assets at FVTPL - current</u>			
Financial assets mandatorily classified as at FVTPL			
Derivative financial assets (not under hedge accounting)			
— Call option of bonds payable	\$ -	\$ 8,636	\$ -
Non-derivative financial assets			
— Domestic listed shares	94,845	23,923	23,752
— Foreign listed shares	1,876	-	-
— Mutual funds	<u>190,754</u>	<u>1,710,854</u>	<u>697,350</u>
	<u>\$ 287,475</u>	<u>\$ 1,743,413</u>	<u>\$ 721,102</u>
<u>Financial liabilities at FVTPL - current</u>			
Financial liabilities held for trading			
Derivative financial liabilities (not under hedge accounting)			
— Put option of bonds payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,943</u>

8. FINANCIAL ASSETS AT FVTOCI - NON-CURRENT

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Domestic investments in equity instruments</u>			
Listed shares and emerging market shares			
Ordinary shares – Taiwan Navigation Co., Ltd.	\$ 1,698,198	\$ 1,492,999	\$ 955,237
Unlisted shares			
Ordinary shares – Taipei Port Container	476,493	496,702	446,041

Terminal Co., Ltd.			
Ordinary shares – United Stevedoring Corp.	5,825	6,024	5,733
Ordinary shares – United Raw Material Solutions Inc.	1,564	1,564	1,136
Ordinary shares – Ascentek Venture Capital Corporation	1,242	1,242	4,061
Ordinary shares – Pro-Ascentek Investment Corporation	<u>12,162</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,195,484</u>	<u>\$ 1,998,531</u>	<u>\$ 1,412,208</u>

These investments in equity instruments are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2021	December 31, 2020	March 31, 2020
Time deposits with original maturity of more than 3 months	\$ 434,169	\$ 468,391	\$ 372,817
Deposits of stand-by letter of credit (Notes 23 and 34)	-	-	2,609,781
Restricted bank balance(Note 34)	138,517	271,779	290,548
Repurchase agreements	428,100	1,534,502	-
Corporate bonds	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
	<u>\$ 1,020,786</u>	<u>\$ 2,294,672</u>	<u>\$ 3,293,146</u>
Current	<u>\$ 967,253</u>	<u>\$ 2,191,233</u>	<u>\$ 542,539</u>
Non-current	<u>\$ 53,533</u>	<u>\$ 103,439</u>	<u>\$ 2,750,607</u>

10. NOTES RECEIVABLE AND TRADE RECEIVABLES

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Notes receivable - operating</u>	<u>\$ 6,224</u>	<u>\$ 8,245</u>	<u>\$ 26,435</u>
<u>Trade receivables</u>			
At amortized cost			
Trade receivable — non-related parties	\$ 14,451,333	\$ 11,055,284	\$ 10,255,426
Trade receivable — related parties	182,080	173,823	178,945
Less : Allowance for impairment loss	(<u>62,484</u>)	(<u>51,238</u>)	(<u>55,202</u>)
	<u>\$ 14,570,929</u>	<u>\$ 11,177,869</u>	<u>\$ 10,379,169</u>

The average credit period of notes receivable and trade receivables from cargo business is 14 to 28 days. For logistics, terminal, and warehousing services, the average credit period is within 90 days.

The Group measures the loss allowance for notes receivable, trade receivable, and contract assets at an amount equals to lifetime ECLs. The expected credit losses on notes receivable, trade receivables and contract assets are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, and the Group's customers are scattered around the world and not related to each other. The management believes there is no significant concentration of credit risk for trade receivables. The provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base. The Group recognize contract assets by completion ratio of transportation. According to historical experience, the completion of transportation period is within 60 days. The recognition method of the Group to assess contract assets which have expected credit loss is same as the trade receivables, and to assess within 60 days after invoice date.

The Group writes off notes receivable, trade receivables and contract assets when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables, notes receivables and contract asset that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

For the notes receivable and trade receivables balances that were past due at the end of the reporting period, the Group did not recognize an allowance for impairment loss, because there was not a significant change in credit quality and the amounts were still considered recoverable. The Group acquired bank's guaranteed letter from agencies or received security deposit from clients; for the rest of the receivables, the Group did not hold any collateral or other credit enhancements for these balances.

The following table details the loss allowance of notes receivable and trade receivables based on the Group's provision matrix.

March 31, 2021

	No Signs of Default By Client					Signs of Default By Client	Total
	Less than 60 Days	61 to 90 days	91 to 180 days	181 to 365 days	Over 365 days		
Expected credit loss rate	0%-0.63%	0.50%-1.63%	0.50%-5.13%	0.50%-10.13%	0.50%-20.13%	100.00%	
Gross carrying amount	\$ 14,307,464	\$ 224,569	\$ 64,913	\$ 29,776	\$ 8,832	\$ 4,083	\$ 14,639,637
Loss allowance (Lifetime ECLs)	(<u>52,510</u>)	(<u>2,796</u>)	(<u>2,182</u>)	(<u>441</u>)	(<u>472</u>)	(<u>4,083</u>)	(<u>62,484</u>)
Amortized cost	<u>\$ 14,254,954</u>	<u>\$ 221,773</u>	<u>\$ 62,731</u>	<u>\$ 29,335</u>	<u>\$ 8,360</u>	<u>\$ -</u>	<u>\$ 14,577,153</u>

December 31, 2020

	No Signs of Default By Client					Signs of Default By Client	Total
	Less than 60 Days	61 to 90 days	91 to 180 days	181 to 365 days	Over 365 days		
Expected credit loss rate	0%-0.63%	0.50%-1.63%	0.50%-5.13%	0.50%-10.13%	0.50%-20.13%	100.00%	
Gross carrying amount	\$ 10,956,011	\$ 175,532	\$ 78,726	\$ 15,262	\$ 7,504	\$ 4,317	\$ 11,237,352
Loss allowance (Lifetime ECLs)	(<u>41,598</u>)	(<u>2,239</u>)	(<u>1,786</u>)	(<u>128</u>)	(<u>1,170</u>)	(<u>4,317</u>)	(<u>51,238</u>)
Amortized cost	<u>\$ 10,914,413</u>	<u>\$ 173,293</u>	<u>\$ 76,940</u>	<u>\$ 15,134</u>	<u>\$ 6,334</u>	<u>\$ -</u>	<u>\$ 11,186,114</u>

March 31, 2020

	No Signs of Default By Client					Signs of Default By Client	Total
	Less than 60 Days	61 to 90 days	91 to 180 days	181 to 365 days	Over 365 days		
Expected credit loss rate	0%-0.50%	0.50%-1.59%	0.50%-5.09%	0.50%-10.09%	0.50%-20.09%	100.00%	
Gross carrying amount	\$ 10,162,356	\$ 167,981	\$ 86,332	\$ 19,721	\$ 12,314	\$ 12,102	\$ 10,460,806
Loss allowance (Lifetime ECLs)	(<u>38,758</u>)	(<u>1,981</u>)	(<u>1,899</u>)	(<u>371</u>)	(<u>91</u>)	(<u>12,102</u>)	(<u>55,202</u>)
Amortized cost	<u>\$ 10,123,598</u>	<u>\$ 166,000</u>	<u>\$ 84,433</u>	<u>\$ 19,350</u>	<u>\$ 12,223</u>	<u>\$ -</u>	<u>\$ 10,405,604</u>

The movements of the loss allowance of notes receivable and trade receivables were as follows:

	For the Three Months Ended March 31	
	2021	2020
Balance at January 1	\$ 51,238	\$ 50,419
Add : Net remeasurement of loss allowance	13,979	6,474
Less : Amounts written off	(1,714)	(1,013)
Foreign exchange gains and losses	(<u>1,019</u>)	(<u>678</u>)
Balance at March 31	<u>\$ 62,484</u>	<u>\$ 55,202</u>

11. FINANCE LEASE RECEIVABLES

	March 31, 2021	December 31, 2020	March 31, 2020
Undiscounted lease payments			
Year 1	\$ 22,011	\$ 22,011	\$ 22,011
Year 2	22,011	22,011	22,011
Year 3	22,011	22,011	22,011
Year 4	22,011	22,011	22,011
Year 5	22,011	22,011	22,011
Year 6 onwards	<u>60,527</u>	<u>66,030</u>	<u>82,538</u>

	170,582	176,085	192,593
Less : Unearned finance income	(<u>8,384</u>)	(<u>8,927</u>)	(<u>10,655</u>)
Net investment in leases presented as finance lease receivables	<u>\$ 162,198</u>	<u>\$ 167,158</u>	<u>\$ 181,938</u>
Current	<u>\$ 20,004</u>	<u>\$ 19,938</u>	<u>\$ 19,740</u>
Non-current	<u>\$ 142,194</u>	<u>\$ 147,220</u>	<u>\$ 162,198</u>

The Group has been subleasing its container yard located in Keelung with monthly fixed lease payments of \$1,834 thousand. As the Group subleases the container yard for all the remaining lease term of the main lease to the sublessee, the sublease contract is classified as a finance lease.

The interest rates inherent in leases are fixed at the contract dates for the entire term of the lease. The interest rate inherent in the finance lease was approximately 1.33% as of March 31, 2021, December 31, 2020 and March 31, 2020.

The Group measures the loss allowance for finance lease receivables at an amount equal to lifetime ECLs. The respective leased equipment served as collateral for the finance lease receivables. As of December 31, 2020, no finance lease receivable was past due. The Group has not recognized a loss allowance for finance lease receivables after taking into consideration the historical default experience and the future prospects of the industries in which the lessees operate, together with the value of collateral held over these finance lease receivables.

12. SHIPPING FUEL

	March 31, 2021	December 31, 2020	March 31, 2020
Shipping fuel	<u>\$ 2,775,886</u>	<u>\$ 2,189,744</u>	<u>\$ 3,595,473</u>

The cost of shipping fuel recognized as operating cost for the three months ended March 31, 2021 and 2020 was \$3,578,456 thousand and \$5,616,553 thousand, respectively.

The cost of shipping fuel recognized as operating cost for the three months ended March 31, 2021 and 2020 included reversals of shipping fuel write-downs of \$10,476 thousand and 643 thousand, respectively. Previous write-downs were reversed as a result of increased profit from marine operations.

13. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Note
			March 31, 2021	December 31, 2020	March 31, 2020	
Yang Ming Marine Transport Corporation	Yang Ming Line (B.V.I.) Holding Co., Ltd. (YML-BVI)	Investment, shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	
"	Yang Ming Line B.V. (YML-BV)	Investment, shipping agency, forwarding agency and shipping managers	100.00	100.00	-	Note a
"	Yang Ming Line (Singapore) Pte. Ltd. (YML-Singapore)	Investment, shipping service, chartering, sale and purchase of ships, and forwarding agency	100.00	100.00	100.00	
"	Ching Ming Investment Corp. (Ching Ming)	Investment	100.00	100.00	100.00	
"	All Oceans Transportation Inc. (AOT)	Shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	Note b
"	Yes Logistics Corp. (Yes Logistics)	Warehouse operation and forwarding agency	50.00	50.00	50.00	
"	Kuang Ming Shipping Corp. (Kuang Ming)	Shipping service, shipping agency and forwarding agency	98.88	98.88	98.88	Note c
"	Honming Terminal & Stevedoring Co., Ltd. (Honming)	Terminal operation and stevedoring	79.17	79.17	79.17	
"	Jing Ming Transportation Co., Ltd. (Jing Ming)	Container transportation	50.98	50.98	50.98	
"	Yang Ming Line Holding Co. (YML Holding)	Investment, shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	
Ching Ming	Honming	Terminal operation and stevedoring	20.83	20.83	20.83	
"	Yes Logistics	Warehouse operation and forwarding agency	46.36	46.36	46.36	
YML Holding	Yang Ming (America) Co. (Yang Ming-America)	Shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	
"	Triumph Logistics, Inc.	Container transportation	100.00	100.00	100.00	Note d
"	Topline Transportation, Inc.	Container transportation	100.00	100.00	100.00	Note d
"	Transcont Intermodal Logistics, Inc.	Inland forwarding agency	100.00	100.00	100.00	
"	Yang Ming Shipping (Canada) Ltd.	Shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	
YML-BVI	Yang Ming Line N.V. (YML-NV)	Investment, shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	
"	Yang Ming (UK) Ltd. (Yangming-UK)	Shipping agency, forwarding agency and shipping managers	97.84	-	-	Note e
YML-NV	Yang Ming Line B.V. (YML-BV)	Investment, shipping agency, forwarding agency and shipping managers	-	-	100.00	Note a
YML-BV	Yangming-UK	Shipping agency, forwarding agency and shipping managers	2.16	100.00	100.00	Note e
"	Yang Ming Shipping Europe GmbH	Shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	
"	Yang Ming Italy S.p.A. (Yang Ming-Italy)	Shipping agency	50.00	50.00	50.00	
"	Yang Ming (Netherlands) B.V.	Shipping agency	100.00	100.00	100.00	

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Note
			March 31, 2021	December 31, 2020	March 31, 2020	
YML-BV	Yang Ming (Belgium) N.V.	Shipping agency	89.92	89.92	89.92	
"	Yang Ming (Russia) LLC.	Shipping agency	60.00	60.00	60.00	
"	Yang Ming (Spain), S.L.	Shipping agency	60.00	60.00	60.00	
"	Yang Ming (MEDITERRANEAN) Marine Services Single-Member Limited Liability Company	Shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	
Yang Ming (Netherlands) B.V.	Yang Ming (Belgium) N.V.	Shipping agency	10.08	10.08	10.08	
Yang Ming-Italy	Yang Ming Naples S.r.l.	Forwarding agency	60.00	60.00	60.00	
YML-Singapore	Young-Carrier Company Ltd.	Investment, shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	
"	Yang Ming Shipping (B.V.I.) Inc.	Forwarding agency and shipping agency	100.00	100.00	100.00	
"	Yangming (Japan) Co., Ltd. (Yangming-Japan)	Shipping services, chartering, sale and purchase of ships, and forwarding agency	100.00	100.00	100.00	
"	Sunbright Insurance Pte. Ltd.	Insurance	100.00	100.00	100.00	Note f
"	Yang Ming Line (Hong Kong) Ltd. (YML-HK)	Forwarding agency and shipping agency	1.44	100.00	100.00	Note g
"	Yangming Shipping (Singapore) Pte. Ltd.	Shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	
"	Yang Ming Line (M) Sdn. Bhd.	Shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	
"	Yang Ming Line (India) Pvt. Ltd.	Shipping agency, forwarding agency and shipping managers	60.00	60.00	60.00	
"	Yang Ming (Korea) Co., Ltd.	Shipping agency, forwarding agency and shipping managers	60.00	60.00	60.00	
"	Yang Ming Anatolia Shipping Agency S.A. (Yang Ming Anatolia)	Shipping agency, forwarding agency and shipping managers	50.00	50.00	50.00	
"	Yang Ming Shipping (Vietnam) Co., Ltd.	Forwarding agency and shipping managers	100.00	100.00	100.00	
"	Yang Ming Shipping Philippines, Inc. (Yang Ming Philippines)	Forwarding agency and shipping managers	100.00	100.00	100.00	
"	Yang Ming (Latin America) Corp.	Shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	
"	Yang Ming Line (Thailand) Co., Ltd. (YML-Thailand)	Shipping agency, forwarding agency and shipping managers	49.00	49.00	49.00	
"	Yang Ming Line shipping (Thailand) Co., Ltd.	Shipping agency	49.00	49.00	49.00	
"	Yang Ming Insurance Co., Ltd.	Insurance	100.00	100.00	100.00	
"	PT Yang Ming Shipping Indonesia (PT Yang Ming Indonesia)	Shipping agency, forwarding agency and shipping managers	49.00	49.00	49.00	
"	Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	Shipping agency, forwarding agency and shipping managers	51.00	51.00	51.00	
"	Yang Ming (France) SAS	Shipping agency, forwarding agency and shipping managers	60.00	60.00	60.00	Note h
YML-Thailand	Yang Ming Line shipping (Thailand) Co., Ltd.	Shipping agency	50.00	50.00	50.00	
Yang Ming Line shipping (Thailand) Co., Ltd.	YML-Thailand	Shipping agency, forwarding agency and shipping managers	49.00	49.00	49.00	

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Note
			March 31, 2021	December 31, 2020	March 31, 2020	
Yangming (Japan)	Manwa & Co., Ltd.	Forwarding agency and shipping agency	100.00	100.00	100.00	
YMS-BVI	Karlman Properties Limited	Property agency	100.00	100.00	100.00	
"	YML-HK	Forwarding agency and shipping agency	98.56	-	-	Note g
Kuang Ming	Kuang Ming (Liberia) Corp.	Forwarding agency	100.00	100.00	100.00	Note i
Yes Logistics	Yes Logistics Corp. USA (Yes-USA)	Shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	
"	Yes Yangming Logistics (Singapore) Pte. Ltd. (Yes-Singapore)	Investment and subsidiaries management	100.00	100.00	100.00	
"	Yes Logistics (Shanghai) Corp. (Yes-Shanghai)	Forwarding agency	69.80	69.80	69.80	
"	PT. YES Logistics Indonesia	Forwarding agency	51.00	51.00	51.00	
Yes-USA	Yes Logistics (Shanghai) Corp. (Yes-Shanghai)	Forwarding agency	30.20	30.20	30.20	
"	Golden Logistics USA Corporation	Container transportation	100.00	100.00	100.00	
"	Yes Logistics Europe GmbH (Yes-ERO)	Forwarding agency	100.00	100.00	100.00	
Yes-Singapore	Yes Logistics Company Ltd.	Forwarding agency	100.00	100.00	100.00	
"	Yes Logistics Benelux B.V.	Forwarding agency	70.00	70.00	70.00	
Yes-ERO	YES MLC GmbH	Import and export, storage and delivery, and other warehousing related business	100.00	100.00	100.00	
YES MLC GmbH	Merlin Logistics GmbH	Warehouse operation and logistics	100.00	100.00	100.00	
Merlin Logistics GmbH	YES Logistics Bulgaria Ltd.	Cargo consolidation service and forwarding agency	100.00	100.00	100.00	

(Concluded)

- Note a: The Group reorganized the organization in December 2020 and adjusted the holding structure of the Group in Europe. YMTC acquired equity of YML-BV from YML-NV.
- Note b: The Group's board of directors resolved in January 2021 to apply for the capital increase by cash of All Ocean Transportation and completed the registration in March 2021.
- Note c: The Group's board of directors resolved in March 2021 to apply for a capital reduction to offset deficits in the amount of \$3,000,000 thousand, and the ratio of capital reduction is about 75%.
- Note d: The Group's board of directors resolved in March 2020 to liquidate Triumph Logistics, Inc. and Topline Transportation, Inc. The liquidation was completed in April and May 2021, respectively.
- Note e: The Group's board of directors resolved in January 2021 to apply for capital increase of YM (UK) by the accounts receivable of YML-BVI to YM (UK). YML-BVI acquired about 68,098 thousand shares of YM (UK) in the amount of GBP68,098 thousand and completed the registration in March 2021.
- Note f: The Group's board of directors resolved in January 2020 to liquidate Sunbright Insurance Co., Ltd.
- Note g: The Group's board of directors resolved in December 2020 to apply for capital increase of Yang Ming Line (Hong Kong) Ltd. by the accounts receivable of Yang Ming Shipping (B.V.I.) Inc. to Yang Ming Line (Hong Kong) Ltd. Yang Ming Shipping (B.V.I.) Inc acquired about 68,556 thousand shares of Yang Ming Line (Hong Kong) Ltd. in the amount of HK\$68,556 thousand and completed the registration in March 2021.

Note h: The Group's board of directors resolved to establish Yang Ming (France) SAS in August 2018 and had completed registration in January 2020.

Note i: The Group's board of directors resolved to apply for capital increase by cash of Kuang Ming, the Group's subsidiary, in the amount of US \$2,000 thousand in November 2020 and had completed registration in December 2020.

Although YMTC directly or indirectly owns less than 50% of shares with voting rights of Yang Ming-Italy, Yang Ming Anatolia Shipping Agency S.A. and PT Yang Ming Shipping Indonesia, it should regard the investees as its subsidiaries and incorporate the investees into the consolidated group under certain premises which are as follows:

- a. The Company has the right of control through owning more than 50% of the voting rights of the boards of directors of the investees, and the boards of directors have control over the Company, or
- b. The Company has the right of control over the investees' finances, operations or human resources.

Except for the accompanying consolidated financial statements of YML-BVI, ALL Ocean Transportation, YM (UK) and YML-Singapore for the three-month periods ended March 31, 2021 and the financial statements of YML-BVI, ALL Ocean Transportation and YM (UK) for the three-month periods ended March 31, 2020, the financial statements of other non-significant subsidiaries were not reviewed.

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	March 31, 2021	December 31, 2020	March 31, 2020
Investment in associates	\$ 6,829,148	\$ 6,602,649	\$ 7,581,784
Investments in joint ventures	<u>377,769</u>	<u>369,751</u>	<u>359,668</u>
	<u>\$ 7,206,917</u>	<u>\$ 6,972,400</u>	<u>\$ 7,941,452</u>

a. Investment in associates

	March 31, 2021	December 31, 2020	March 31, 2020
Associates that are not individually material			
Kao Ming Container Terminal Corp.	\$ 4,771,430	\$ 4,759,757	\$ 5,859,026
West Basin Container Terminal LLC	1,264,007	1,049,619	972,341
United Terminal Leasing LLC	272,894	271,175	285,581
Sino Trans PFS Cold Chain Logistics Co., Ltd.	104,293	108,384	110,151
Yunn Wang Investment Co., Ltd.	150,681	132,962	88,091
Taiwan Foundation International Pte. Ltd.	98,422	98,219	104,433
Shanghai United Cold Chain logistics Co., Ltd.	56,098	51,882	45,054
Yang Ming Shipping (Egypt) S.A.E.	18,061	49,170	21,543
Yang Ming (U.A.E.) LLC	50,359	43,616	55,149
Yang Ming (Australia) Pty. Ltd.	27,766	23,938	25,420
Corstor Ltd.	9,897	8,513	5,657
PT. Formosa Sejati Logistics	5,240	5,414	4,969
Yang Ming(Vietnam) Corp. (Note)	-	-	4,369
Formosa International Development Corporation	-	-	-
	<u>\$ 6,829,148</u>	<u>\$ 6,602,649</u>	<u>\$ 7,581,784</u>

Note: Yang Ming (Vietnam) Corp had been liquidated in May 2020.

The investments accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were based on the associates' financial statements which have not been reviewed.

All the associates are accounted for using the equity method.

b. Investments in joint ventures

	March 31, 2021	December 31, 2020	March 31, 2020
Joint ventures that are not individually material			
Chang Ming Logistics Company Limited	\$ 278,013	\$ 273,663	\$ 267,766
YES LIBERAL Logistics Corp.	75,347	74,430	71,220
LogiTrans Technology Private Limited	21,012	18,886	19,282
Jambatan MerahFormosa Depot Sdn Bhd. (Note)	2,133	1,733	-
Yes And HQL Logistics Company	<u>1,264</u>	<u>1,039</u>	<u>1,400</u>
	<u>\$ 377,769</u>	<u>\$ 369,751</u>	<u>\$ 359,668</u>

Note: The Group's board of directors resolved to establish Jambatan Merah Formosa Depot Sdn Bhd. in March 2019 and had completed registration in July 2020.

The investments accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were based on the joint ventures' financial statements which have not been reviewed

All the joint ventures are accounted for using the equity method.

15. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2021	December 31, 2020	March 31, 2020
Assets used by the Group	\$ 66,904,583	\$ 66,746,767	\$ 64,411,992
Assets leased under operating leases	<u>6,852,417</u>	<u>6,916,469</u>	<u>7,472,841</u>
	<u>\$ 73,757,000</u>	<u>\$ 73,663,236</u>	<u>\$ 71,884,833</u>

a. Assets used by the Group

	<u>Land</u>	<u>Buildings</u>	<u>Container and Chassis</u>	<u>Ships</u>	<u>Leasehold Improvements</u>	<u>Miscellaneous Equipment</u>	<u>Property under Construction</u>	<u>Total</u>
Cost								
Balance at January 1, 2021	\$ 697,586	\$ 1,511,544	\$ 24,866,453	\$ 88,649,976	\$ 285,249	\$ 3,221,794	\$ 1,591,930	\$ 120,824,532
Additions	-	-	-	38,186	1,098	8,917	1,604,060	1,652,261
Disposals	-	-	(241,637)	(24,426)	-	(16,073)	-	(282,136)
Transfers from assets leased under operating leases	-	-	-	-	-	7,445	-	7,445
Transfer to assets leased under operating leases	-	-	(3,819)	-	-	-	(3,819)	(3,819)
Reclassification	-	-	-	1,210,156	-	525	(1,201,770)	8,911
Effects of foreign currency exchange differences	(434)	(3,656)	3	4,080	(827)	(6,915)	-	(7,749)
Balance at March 31, 2021	<u>\$ 697,152</u>	<u>\$ 1,507,888</u>	<u>\$ 24,624,819</u>	<u>\$ 89,874,153</u>	<u>\$ 285,520</u>	<u>\$ 3,215,693</u>	<u>\$ 1,994,220</u>	<u>\$ 122,199,445</u>
Accumulated depreciation and impairment								
Balance at January 1, 2021	\$ -	\$ 568,553	\$ 14,095,711	\$ 36,424,426	\$ 248,339	\$ 2,740,736	\$ -	\$ 54,077,765
Disposals	-	(212,836)	(24,426)	-	(13,257)	-	(250,519)	(250,519)
Transfers from assets leased under operating leases	-	-	-	-	-	7,445	-	7,445
Transfer to assets leased under operating leases	-	-	-	-	-	-	-	-
Depreciation expenses	-	7,919	405,954	1,017,885	2,937	31,660	-	1,466,355
Effects of foreign currency exchange differences	-	(253)	-	107	(595)	(5,443)	-	(6,184)
Balance at March 31, 2021	<u>\$ -</u>	<u>\$ 576,219</u>	<u>\$ 14,288,829</u>	<u>\$ 37,417,992</u>	<u>\$ 250,681</u>	<u>\$ 2,761,141</u>	<u>\$ -</u>	<u>\$ 55,294,862</u>
Balance at March 31, 2021, net value	<u>\$ 697,152</u>	<u>\$ 931,669</u>	<u>\$ 10,335,990</u>	<u>\$ 52,456,161</u>	<u>\$ 34,839</u>	<u>\$ 454,552</u>	<u>\$ 1,994,220</u>	<u>\$ 66,904,583</u>
Balance at December 31, 2020 and January 1, 2021, net value	<u>\$ 697,586</u>	<u>\$ 942,991</u>	<u>\$ 10,770,742</u>	<u>\$ 52,225,550</u>	<u>\$ 36,910</u>	<u>\$ 481,058</u>	<u>\$ 1,591,930</u>	<u>\$ 66,746,767</u>
Cost								
Balance at January 1, 2020	\$ 697,331	\$ 1,529,835	\$ 23,773,568	\$ 87,389,224	\$ 566,091	\$ 3,384,184	\$ 2,851,888	\$ 120,192,121
Additions	-	2,116	607,521	112,066	1,185	42,878	460,954	1,226,720
Disposals	-	-	(229,843)	(2,996,236)	(67,407)	(40,749)	-	(3,334,235)
Transfer to assets leased under operating leases	-	-	-	(75,685)	-	-	-	(75,685)
Reclassification	-	-	193,004	45,687	-	639	113,262	352,592
Effects of foreign currency exchange differences	(37)	(5,126)	15	43,250	(716)	(4,425)	1	32,962
Balance at March 31, 2020	<u>\$ 697,294</u>	<u>\$ 1,526,825</u>	<u>\$ 24,344,265</u>	<u>\$ 84,518,306</u>	<u>\$ 499,153</u>	<u>\$ 3,382,527</u>	<u>\$ 3,426,105</u>	<u>\$ 118,394,475</u>
Accumulated depreciation and impairment								
Balance at January 1, 2020	\$ -	\$ 547,236	\$ 13,239,912	\$ 38,300,508	\$ 486,100	\$ 2,854,325	\$ -	\$ 55,428,081
Disposals	-	-	(203,492)	(2,603,771)	(67,407)	(33,357)	-	(2,908,027)
Transfer to assets leased under operating leases	-	-	-	(7,884)	-	-	-	(7,884)
Depreciation expenses	-	7,170	394,418	1,005,002	2,903	30,020	-	1,439,513
Effects of foreign currency exchange differences	-	1,602	-	32,321	(272)	(2,851)	-	30,800
Balance at March 31, 2020	<u>\$ -</u>	<u>\$ 556,008</u>	<u>\$ 13,430,838</u>	<u>\$ 36,726,176</u>	<u>\$ 421,324</u>	<u>\$ 2,848,137</u>	<u>\$ -</u>	<u>\$ 53,982,483</u>
Balance at March 31, 2020, net value	<u>\$ 697,294</u>	<u>\$ 970,817</u>	<u>\$ 10,913,427</u>	<u>\$ 47,792,130</u>	<u>\$ 77,829</u>	<u>\$ 534,390</u>	<u>\$ 3,426,105</u>	<u>\$ 64,411,992</u>

The above items of property, plant and equipment used by the Group are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	53-56 years
Container and chassis	6-10 years
Ships	20-25 years
Dry dock	2.5-5 years
Leasehold improvements	2-10 years

Miscellaneous equipment

3-18 years

The dry dock is a significant component of ships.

Property, plant and equipment used by the Group and pledged as collateral for bank borrowings are set out in Note 34.

b. Assets leased under operating leases

	<u>Ship</u>	<u>Miscellaneous Equipment</u>	<u>Total</u>
<u>Cost</u>			
Balance at January 1, 2021	\$ 10,144,723	\$ 7,445	\$ 10,152,168
Additions	37,751	-	37,751
Transfers from assets used by the Group	3,819	-	3,819
Transfers to assets used by the Group	-	(7,445)	(7,445)
Reclassification	2,811	-	2,811
Effects of foreign currency exchange differences	5,892	-	5,892
Balance at March 31, 2021	<u>\$ 10,194,996</u>	<u>\$ -</u>	<u>\$ 10,194,996</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2021	\$ 3,228,254	\$ 7,445	\$ 3,235,699
Transfers from assets used by the Group	-	-	-
Transfers to assets used by the Group	-	(7,445)	(7,445)
Depreciation expenses	109,608	-	109,608
Effects of foreign currency exchange differences	4,717	-	4,717
Balance at March 31, 2021	<u>\$ 3,342,579</u>	<u>\$ -</u>	<u>\$ 3,342,579</u>
Balance at March 31, 2021, net value	<u>\$ 6,852,417</u>	<u>\$ -</u>	<u>\$ 6,852,417</u>
Balance at December 31, 2020 and January 1, 2021, net value	<u>\$ 6,916,469</u>	<u>\$ -</u>	<u>\$ 6,916,469</u>
<u>Cost</u>			
Balance at January 1, 2020	\$ 10,391,147	\$ 7,445	\$ 10,398,592
Transfers from assets used by the Group	75,685	-	75,685
Effects of foreign currency exchange differences	42,019	-	42,019
Balance at March 31, 2020	<u>\$ 10,508,851</u>	<u>\$ 7,445</u>	<u>\$ 10,516,296</u>

(Continued)

	<u>Ship</u>	<u>Miscellaneous Equipment</u>	<u>Total</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2020	\$ 2,896,505	\$ 7,445	\$ 2,903,950
Transfers from assets used by the Group	7,884	-	7,884
Depreciation expenses	113,643	-	113,643
Effects of foreign currency exchange differences	<u>17,978</u>	<u>-</u>	<u>17,978</u>
Balance at March 31, 2020	<u>\$ 3,036,010</u>	<u>\$ 7,445</u>	<u>\$ 3,043,455</u>
 Balance at March 31, 2021, net value	 <u>\$ 7,472,841</u>	 <u>\$ -</u>	 <u>\$ 7,472,841</u> (Concluded)

The maturity analysis of lease payments receivable under operating lease payments was as follows:

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Year 1	\$ 463,140	\$ 651,800	\$ 533,502
Year 2	9,390	16,807	8,874
Year 3	8,869	9,833	8,874
Year 4	-	1,912	8,381
Year 5 onwards	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 481,399</u>	<u>\$ 680,352</u>	<u>\$ 559,631</u>

At the end of the lease terms of ships under operating leases, the Group assessed the demand of voyage line deployment to determine whether they should be reclassified to freehold or should be adjusted based on the market rent to continue leasing. At the end of the lease terms of equipment under operating leases, the Group adjusts the rent by market rent and continues leasing to reduce the risk of the residual assets of the lease assets.

In addition to fixed lease payments, the lease contracts also indicate that the leases should make variable payments which shall be determined daily at 104%-120% of Baltic Dry Index average daily rent.

The above items of property, plant and equipment leased under operating leases are depreciated on a straight-line basis over their estimated useful lives as follows:

Ships	20-25 years
Dry dock	2.5-5 years
Miscellaneous equipment	3-18 years

The dry dock is a significant component of ships.

Property, plant and equipment leased under operating leases and pledged as collateral for bank borrowings are set out in Note 34.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2021	December 31, 2020	March 31, 2020
Carrying amounts			
Land	\$ 48,236	\$ 50,412	\$ 1,016
Buildings	2,293,037	2,400,451	1,884,865
Container and chassis	62,374	121,302	358,955
Ships	53,253,136	53,214,935	53,240,676
Miscellaneous equipment	<u>70,367</u>	<u>66,613</u>	<u>39,311</u>
	<u>\$ 55,727,150</u>	<u>\$ 55,853,713</u>	<u>\$ 55,524,823</u>
		<u>For the Three Months Ended March 31</u>	
		<u>2021</u>	<u>2020</u>
Additions to right-of-use assets		<u>\$ 2,565,836</u>	<u>\$ 900,151</u>
Depreciation expenses for right-of use assets			
Land		\$ 2,176	\$ 1,016
Buildings		119,816	113,429
Container and chassis		58,928	87,333
Ships		2,465,657	2,550,817
Miscellaneous equipment		<u>8,376</u>	<u>8,282</u>
		<u>\$ 2,654,953</u>	<u>\$ 2,760,877</u>
Income from the subleasing of right-of-use assets (presented in operating revenue and other income)		<u>\$ 207,272</u>	<u>\$ 233,176</u>

No significant subleasing and impairment loss of the right-of-use assets was recorded for the three-month periods ended March 31, 2021 and 2020.

b. Lease liabilities

	March 31, 2021	December 31, 2020	March 31, 2020
Carrying amounts			
Current	<u>\$ 1,925,655</u>	<u>\$ 2,146,472</u>	<u>\$ 2,954,481</u>
Non-current	<u>\$ 5,681,102</u>	<u>\$ 6,089,430</u>	<u>\$ 7,017,396</u>
Lease liabilities designated			

	March 31, 2021	December 31, 2020	March 31, 2020
as hedging (presented in financial liabilities for hedging)			
Current	<u>\$ 7,676,977</u>	<u>\$ 7,370,742</u>	<u>\$ 6,868,251</u>
Non-current	<u>\$ 40,803,916</u>	<u>\$ 40,383,562</u>	<u>\$ 40,960,286</u>

Financial liabilities designated as hedging

The Group designated certain USD-denominated lease liabilities as hedging instruments to hedge future volatility of USD-denominated operating revenue, and the accounting treatment is applicable to cash flow hedges. The information on the contracts are summarized as follow:

	<u>Maturity Period</u>	<u>Account</u>	<u>Carrying Amount</u>
March 31, 2021	2025/01/31-2031/01/31	Financial liabilities for hedging	\$ 48,480,893
December 31, 2020	2025/01/31-2030/09/30	Financial liabilities for hedging	47,754,304
March 31, 2020	2020/05/31-2029/03/31	Financial liabilities for hedging	47,828,537

Impact on comprehensive income (loss):

	<u>Recognized in Other Comprehensive Income</u>	<u>Amount Reclassified to Profit or Loss</u>
For the three-month periods ended March 31, 2021	(<u>\$ 103,507</u>)	(<u>\$ 138,166</u>)
For the three-month periods ended March 31, 2020	(<u>\$ 401,842</u>)	(<u>\$ 37,205</u>)

There was no other source of hedge ineffectiveness during hedging period.

The range of discount rate for lease liabilities (including USD-denominated lease contracts designated as hedge instruments) was as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Land	1.12%-1.49%	1.12%-1.49%	1.14%
Buildings	0.85%-10.00%	0.85%-10.00%	0.95%-10.00%
Container and chassis	3.65%-3.87%	3.65%-3.87%	3.65%-3.87%
Ships	0.68%-7.24%	1.51%-7.24%	2.70%-7.24%
Miscellaneous equipment	1.23%-13.00%	1.23%-13.00%	1.00%-13.00%

c. Material lease-in activities and terms

Many of the ship leases across the Group contain extension options, some of them also contain purchase option. These terms are used to maximize operational flexibility in terms of managing contracts. When the rents are lower than the market price of lease market, the Group will extend the lease term. These terms are not reflected in measuring lease liabilities in many cases because the options are not reasonably certain to be exercised. The table below summarizes potential future rental payments relating to periods following the exercise dates of extension options.

Containership Department	Lease Liabilities Recognized (Discounted)	Potential Future Lease Payments and Purchase Option Not Included in Lease Liabilities (Discounted)	Historical Ratio for Exercising Extension and Purchase Options
<u>March 31, 2021</u>			
Ships	<u>\$ 43,463,862</u>	<u>\$ 18,850,747</u>	0%
<u>December 31, 2020</u>			
Ships	<u>\$ 41,520,613</u>	<u>\$ 18,200,332</u>	0%
<u>March 31, 2020</u>			
Ships	<u>\$ 41,847,174</u>	<u>\$ 17,055,131</u>	0%

For the purpose of managing the storage, reforming, processing, transfer and distribution of goods, YMTC collaborated with the Port of Kaohsiung, Taiwan International Ports Corporation, Ltd. on the construction and operation of the First and Second Logistics Centers of the Kaohsiung Third Container Center. YMTC is entitled to the use of the First and Second Logistics Centers for 30 years and 28 years and 9 months, respectively, based on the initial investment made by YMTC. The Centers are amortized over the period in use. Furthermore, in accordance with the requirements, YMTC should pay land-use fees and administration fees for every month of the lease term (based on the actual volume of cargo stevedored). Administration fees depend on the lowest guaranteed volumes for each respective logistics center, which are 1 million and 0.85 million tons. If YMTC is unable to reach the lowest guaranteed volumes, it should calculate the payment for the administration fees based on the volumes of 1 million and 0.85 million, respectively, and the administration fees will be adjusted under the annual Wholesale Price Index in Taiwan.

The Group signed a leaseback contract of YM Uberty in August 2008. After evaluation in 2019, the ship's repurchase option price in the contract was higher than market price. The Group had returned the ship to its owner in August 2020. However, according to the lease contract, the Group was responsible for the ship owner's outstanding principal and interest and paid the compensation of approximately \$1,009,194 thousand when returning the ship. The Group had recognized the loss in 2019.

The Group signed a leaseback contract of YM Utopia in December 2009. After evaluation in 2019, the ship's repurchase option price in the contract was higher than market price and the Group had returned the ship to its owner in February 2020. However, the ship owner does not have enough capital to settle the creditor bank's loan and may not have the ability to return the

Group's refundable deposits of \$310,866 thousand. The Group is unable to reasonably estimate the recoverable amount of refundable deposits. Hence, it recognized an expected credit loss from refundable deposits in the amount of \$310,866 thousand in 2019.

d. Subleases

In addition to the sublease transactions described in Note 11, the other sublease transactions are set out below.

Sublease of right-of-use assets

The Group subleases its right-of-use assets for property, plant and equipment under operating leases with lease terms of 1 to 2 years. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The leases do not have bargain purchase options to acquire the assets at the expiry of the lease periods.

In addition to fixed lease payments, the lease contracts also indicate that the leases should make variable payments which shall be determined daily at 104%-120% of Baltic Dry Index average daily rent.

The maturity analysis of lease payments receivable under operating subleases was as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Year 1	\$ 312,488	\$ 300,031	\$ 223,597
Year 2	611	662	7,680
Year 3 onwards	-	-	-
	<u>\$ 313,099</u>	<u>\$ 300,693</u>	<u>\$ 231,277</u>

e. Other lease information

	<u>For the Three Months Ended March 31</u>	
	<u>2021</u>	<u>2020</u>
Expenses relating to short-term leases	<u>\$ 145,324</u>	<u>\$ 588,666</u>
Expenses relating to low-value asset leases	<u>\$ 966,448</u>	<u>\$ 1,052,266</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 2,318</u>	<u>\$ 38,756</u>
Expenses relating to service cost payments not included in the measurement of lease liabilities	<u>\$ 878,549</u>	<u>\$ 853,530</u>
Total cash outflow for leases	<u>(\$ 5,408,876)</u>	<u>(\$ 5,755,105)</u>

The Group has elected to apply the recognition exemption of short-term leases and low-value

asset leases and thus, did not recognize right-of-use assets and lease liabilities for these leases.

The amounts of lease commitments for short-term leases and low-value asset lease for which the recognition exemption is applied were \$13,706,603 thousand, \$14,844,828 thousand and \$17,785,571 thousand as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively.

The amounts of lease commitments for future service cost which was recognized as non-lease components of contracts were \$18,317,664 thousand, \$18,242,252 thousand and \$19,365,362 thousand as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively.

17. INVESTMENT PROPERTIES

	March 31, 2021	December 31, 2020	March 31, 2020
Completed Investment Property	<u>\$ 6,317,181</u>	<u>\$ 6,317,219</u>	<u>\$ 6,313,282</u>

Expect for the recognition of the changes in fair value, there are not significant additions, disposals and impairment losses for the three-month periods ended March 31, 2021 and 2020.

The properties located in Zhongzheng District, Taipei City were offered to Chunghwa Post Co., Ltd. for Zhongnan Post Office. The Group needs to obtain approval from Chunghwa Post Co., Ltd. and Ministry of Transportation and Communication's approval when reclaiming the properties in the future.

The fair values of investment properties measured on a recurring basis were as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Independent valuation	\$ 6,309,844	\$ 6,309,844	\$ 6,305,794
Valuation by the Group	<u>7,337</u>	<u>7,375</u>	<u>7,488</u>
	<u>\$ 6,317,181</u>	<u>\$ 6,317,219</u>	<u>\$ 6,313,282</u>

The maturity analysis of lease payments receivable under operating lease of investment properties as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively was as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Year 1	\$ 70,904	\$ 56,384	\$ 67,271
Year 2	56,830	37,490	30,162
Year 3	39,406	18,852	17,330
Year 4	10,118	9,186	2,512
Year 5	4,978	5,671	232
Year 6 onwards	<u>3,934</u>	<u>4,114</u>	<u>-</u>
	<u>\$ 186,170</u>	<u>\$ 131,697</u>	<u>\$ 117,507</u>

The carrying amounts of investment properties pledged by the Group to secure borrowings granted to the Group were reflected in Note 34.

18. BORROWINGS

a. Short-term borrowings

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Unsecured borrowings</u>			
Line of credit borrowings	\$ 990,000	\$ 1,401,276	\$ 2,712,185
Loans from related parties (Note 33)	661,240	670,880	1,976,380
Other borrowings	<u>-</u>	<u>-</u>	<u>245,302</u>
	<u>\$ 1,651,240</u>	<u>\$ 2,072,156</u>	<u>\$ 4,933,867</u>

- 1) The range of weighted average effective interest rate on credit borrowings was 1.35%-1.92%, 1.35%-2.50% and 1.28%-3.34% per annum as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively.
- 2) Loans from related parties of the Group were the amounts repayable to government-related entities. Interest rates were 1.07%-1.75%, 1.32%-2.20% and 1.30%-3.24% per annum as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively.
- 3) Other borrowings of the Group were the unsecured borrowings from non-bank financial institutions. Interest rate was 2.06%-4.00% per annum as of December 31, 2020.

b. Short-term bills payable

	March 31, 2021	December 31, 2020	March 31, 2020
Commercial paper	\$ 6,462,500	\$ 9,940,000	\$ 10,340,000
Less : Unamortized discount on bills payable	<u>4,057</u>	<u>17,575</u>	<u>43,535</u>
	<u>6,458,443</u>	<u>9,922,425</u>	<u>10,296,465</u>
Loans from related parties (Note 33)	2,200,000	2,200,000	2,200,000
Less : Unamortized discount on bills payable	<u>3,856</u>	<u>8,799</u>	<u>4,862</u>
	<u>2,196,144</u>	<u>2,191,201</u>	<u>2,195,138</u>
	<u>\$ 8,654,587</u>	<u>\$ 12,113,626</u>	<u>\$ 12,491,603</u>

Interest rates of the outstanding short-term bills payable were 0.69%-2.21%, 0.69%-2.27% and 1.13%-2.24% per annum as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively.

Interest rates of the outstanding related parties' short-term bills payable were 1.02%-2.00%, 1.02%-2.00% and 1.16%-2.00% per annum as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively.

c. Long-term borrowings

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Secured borrowings</u> (Note 34)			
Secured bank loans	\$ 1,699,674	\$ 2,331,332	\$ 3,319,101
Loans from related parties (Note 33)	17,726,906	15,197,848	17,528,718
Others borrowings	<u>432,131</u>	<u>469,644</u>	<u>804,971</u>
	<u>19,858,711</u>	<u>17,998,824</u>	<u>21,652,790</u>
<u>Unsecured borrowings</u>			
Line of credit borrowings	261,933	371,043	4,599,133
Loans from related parties (Note 33)	<u>2,780,708</u>	<u>13,743,344</u>	<u>5,641,546</u>
	<u>3,042,641</u>	<u>14,114,387</u>	<u>10,240,679</u>
<u>Commercial paper</u>			
Line of credit borrowings	17,150,000	20,150,000	20,750,000
Less : Unamortized discount on bills payable	<u>25,371</u>	<u>23,735</u>	<u>29,780</u>
	<u>17,124,629</u>	<u>20,126,265</u>	<u>20,720,220</u>
Loans from related parties (Note 33)	1,500,000	1,500,000	1,500,000
Less : Unamortized discount on bills payable	<u>1,531</u>	<u>1,255</u>	<u>1,366</u>
	<u>1,498,469</u>	<u>1,498,745</u>	<u>1,498,634</u>
	<u>18,623,098</u>	<u>21,625,010</u>	<u>22,218,854</u>
Subtotal	41,524,450	53,738,221	54,112,323
Less : Current portion	<u>12,480,043</u>	<u>12,641,834</u>	<u>6,553,138</u>
Long-term borrowings	<u>\$ 29,044,407</u>	<u>\$ 41,096,387</u>	<u>\$ 47,559,185</u>

Bank loans are repayable in installments at varying amounts or fully repaid at maturity in New Taiwan dollars, U.S. dollars, MYR, and CAD. The Group's loan features and terms are as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
<u>NT\$</u>			
Amount	\$ 36,475,941	\$ 48,480,221	\$ 47,501,331
Interest rate	1.13%-4.00%	1.02%-4.00%	1.13%-4.00%
Contract term	2012/12/27-2031/05/15	2012/08/10-2031/05/15	2012/06/18-2031/05/15
<u>US\$</u>			
Foreign currency amount	176,470	184,147	217,977
New Taiwan dollar amount	\$ 5,036,405	\$ 5,245,008	\$ 6,583,499
Interest rate	1.00%-2.83%	1.00%-2.84%	1.77%-4.40%
Contract term	2011/04/19-2028/02/09	2011/04/19-2028/02/09	2011/04/19-2028/02/09
<u>MYR</u>			
Foreign currency amount	1,627	1,707	3,919
New Taiwan dollar amount	\$ 11,198	\$ 12,098	\$ 27,493
Interest rate	3.25%	3.25%	4.50%
Contract term	2019/08/26-2034/04/01	2019/08/26-2034/04/01	2019/08/26-2034/04/01
<u>CAD</u>			
Foreign currency amount	40	40	-
New Taiwan dollar amount	\$ 906	\$ 894	\$ -
Interest rate	5.00%	5.00%	-
Contract term	2020/06/03-2022/12/31	2020/06/03-2022/12/31	-

Secured borrowings

1) Secured bank loans

The secured bank loans of the Group will be repaid in U.S. dollars, MYR and New Taiwan dollars. The loans are repayable in installment at varying amounts before April 1, 2034. Interest rates were 1.25%-3.25%, 1.25%-3.25% and 1.25%-4.50% on March 31, 2021,

December 31, 2020 and March 31, 2020, respectively. The Group's buildings, ships, containers, and investment properties are pledged as collaterals for the secured loans.

2) Loans from related parties

The Group's loans from related parties are borrowings repaid in New Taiwan dollars and U.S. dollars from government-related entities. The loans are repayable in installment at varying amounts before March 29, 2031. Interest rates were 1.13%-1.83%, 1.13%-1.83% and 1.13%-3.40% on March 31, 2021, December 31, 2020 and March 31, 2020, respectively. The Group's buildings, ships, containers and investment properties are pledged as collaterals for the secured loans.

3) Other borrowings

Other borrowings were secured loans from a finance company. The loans are repayable in installment at varying amounts before March 25, 2022. Interest rates were 4.00%, 4.00% and 2.15%-4.00% on March 31, 2021, December 31, 2020 and March 31, 2020, respectively. The Group's containers and cash in bank are pledged as collateral for the secured loans.

Unsecured borrowings

1) Line of credit borrowings

The Group's unsecured bank loans will be repaid in New Taiwan dollars, U.S. dollars and CAD dollars in installments at very amounts or repaid in one-lump sum payment at maturity as the borrowing terms. The loans are expected to be fully repaid before November 21, 2024. Interest rates were 1.00%-5.00%, 1.00%-5.00% and 1.19%-4.40% on March 31, 2021, December 31, 2020 and March 31, 2020, respectively.

2) Loans from related parties

The Group's loans from related parties are borrowings repaid in New Taiwan dollars and U.S. dollars from government-related entities, and will be repaid in installments at varying amounts or repaid in one-lump sum payment as the borrowing terms. The loans are expected to be fully repaid before May 15, 2031. Interest rates were 1.13%-2.46%, 1.02%-2.46% and 1.13%-4.21% on March 31, 2021, December 31, 2020 and March 31, 2020, respectively.

In accordance with the "Regulations on Relief and Revitalization Measures for Industries and Enterprises Affected by Severe Pneumonia with Novel Pathogens" endorsed by the Ministry of Transportation and Communications, "Operational Guides on Relief Loan Guarantees for Ailing Marine Industry Affected by Severe Pneumonia with Novel Pathogens", and the "Operational Guides on Subsidized Interest of Relief Loan for Marine Industry Affected by Severe Pneumonia with Novel Pathogens", the Group applied for project finance loans from financial institutions to maintain its operations. Special funds, credit guarantees along with subsidized interest rates at 1-Year Time Variable Savings Deposits Rate posted by Chunghwa Post Co., Ltd. till June 30, 2021 were provided by the government. The total amount of the loans is \$8,500,000 thousand, which shall be repaid within 2 years from the date of initial drawdown. The Group has made a drawdown by \$302,500 thousand with the same amount available as of March 31, 2021, and by \$7,636,500 thousand with \$8,500,000 thousand available as of as of December 31, 2020. \$7500,000 thousand was repaid on January 25, 2021.

Commercial paper

YMTC signed 3-5 years underwriting contracts for the issuance of commercial paper with a bill finance institution. YMTC can issue the commercial papers in a revolving scheme during the period of the financing contracts. The commercial papers expected to be fully repaid before March 2024. During the issuance period, YMTC's short-term and long-term credit ratings (rated by Taiwan ratings or other rating organization recognized by authority) should be maintained at a certain level specified in the contracts. As of March 31, 2021, December 31, 2020 and March 31, 2020, YMTC had met the above requirements.

1) Line of credit borrowings

The Group's commercial paper will be fully repaid in the New Taiwan dollar before October 29, 2023. Interest rates were 1.40%-1.59%, 1.41%-1.59% and 1.50%-1.61% on March 31, 2021, December 31, 2020 and March 31, 2020, respectively.

2) Loans from related parties

The Group's loans from related parties are borrowings repaid in the New Taiwan dollars from government-related entities. The loan are expected to be fully repaid before March 14, 2024. Interest rates were 1.39%-1.44%, 1.40%-1.45% and 1.52%-1.57% on March 31, 2021, December 31, 2020 and March 31, 2020, respectively.

19. BONDS PAYABLE

	March 31, 2021	December 31, 2020	March 31, 2020
Secured domestic bonds	\$ 4,958,977	\$ 4,945,877	\$ 6,948,348
Unsecured domestic bonds	-	-	3,900,000
Domestic secured convertible bonds	-	1,673,809	7,264,160
	4,958,977	6,619,686	18,112,508
Less : Current portion	-	1,673,809	5,891,401
	<u>\$ 4,958,977</u>	<u>\$ 4,945,877</u>	<u>\$ 12,221,107</u>

a. Secured domestic bonds

YMTC issued five-year domestic secured bonds with an aggregate par value of \$4,000,000 thousand on October 12, 2015 (the October 2015 Bonds).

The bond features and terms are as follows:

Bonds issued in October 2015: Type A - aggregate par value: \$2,000,000 thousand; repayments: 50% - October 12, 2019 and 50% - October 12, 2020, an annual simple interest rate of 1.10%.

Type B - aggregate par value: \$1,000,000 thousand; repayments: 50% - October 12, 2019 and 50% - October 12, 2020, an annual simple interest rate of 1.10%.

Type C - aggregate par value: \$500,000 thousand; repayments: 50% -

October 12, 2019 and 50% - October 12, 2020, an annual simple interest rate of 1.10%.

Type D - aggregate par value: \$500,000 thousand; repayments: 50% - October 12, 2019 and 50% - October 12, 2020, an annual simple interest rate of 1.10%.

The October 2015 bonds had been fully repaid.

YMTC issued five-year domestic secured bonds with an aggregate par value of \$5,000,000 thousand on November 28, 2019 (the November 2019 Bonds).

The bond features and terms are as follows:

Bonds issued in November 2019: Type A - aggregate par value: \$1,000,000 thousand; repayments: 50% - November 28, 2023 and 50% - November 28, 2024, an annual simple interest rate of 0.74%.

Type B - aggregate par value: \$1,500,000 thousand; repayments: 50% - November 28, 2023 and 50% - November 28, 2024, an annual simple interest rate of 0.74%.

Type C - aggregate par value: \$1,000,000 thousand; repayments: 50% - November 28, 2023 and 50% - November 28, 2024, an annual simple interest rate of 0.74%.

Type D - aggregate par value: \$1,000,000 thousand; repayments: 50% - November 28, 2023 and 50% - November 28, 2024, an annual simple interest rate of 0.74%.

Type E - aggregate par value: \$500,000 thousand; repayments: 50% - November 28, 2023 and 50% - November 28, 2024, an annual simple interest rate of 0.74%.

YMTC issued five-year domestic secured bonds with an aggregate par value of \$5,900,000 thousand on April 28, 2021 (the April 2021 Bonds).

The bond features and terms are as follows:

Bonds issued in April 2021: Type A - aggregate par value: \$1,000,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.

Type B - aggregate par value: \$1,000,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.

Type C - aggregate par value: \$500,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.

Type D - aggregate par value: \$500,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.

Type E - aggregate par value: \$500,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.

Type F - aggregate par value: \$500,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.

Type G - aggregate par value: \$500,000 thousand; repayments: 50% - April 28, 2025 and 50% - April 28, 2026, an annual simple interest rate of 0.45%.

Type H - aggregate par value: \$400,000 thousand; repayments: 50% - April 28, 2027 and 50% - April 28, 2028, an annual simple interest rate of 0.49%.

Type I - aggregate par value: \$1,000,000 thousand; repayments: 50% - April 28, 2027 and 50% - April 28, 2028, an annual simple interest rate of 0.49%.

The bonds are guaranteed by banks (\$3,000,000 thousand, \$5,000,000 thousand, and \$4,400,000 thousand, respectively are guaranteed by government-related banks).

b. Domestic unsecured bonds

On various dates, YMTC issued domestic unsecured bonds; the dates and the aggregate par values were as follows: \$5,000,000 thousand on November 1, 2013 (the November 2013 Bonds).

The bond features and terms were as follows:

Bonds issued in November 2013: Type A - aggregate par value: \$1,100,000 thousand and maturity on November 1, 2018. The principal will be repaid in a lump sum on November 1, 2018; 2.20% annual interest is repayable annually.

Type B - aggregate par value: \$3,900,000 thousand and maturity on November 1, 2020. The principal will be repaid in a lump sum on November 1, 2020; 2.45% annual interest is repayable annually.

The Type A Bonds had been repaid \$1,100,000 thousand as of October 30, 2018 and the Type B Bonds had been repaid \$3,900,000 thousand as of November 2, 2020.

The November 2013 Bonds had been fully repaid.

c. Domestic secured convertible bonds

On May 29, 2018, YMTC issued five-year domestic secured bonds (the 2018 Convertible Bonds) with an aggregate par value of \$7,600,000 thousand, and the issuance price was 101% of the par value. Bond settlement is as follows:

- 1) Lump-sum payment to the holders upon maturity at the par value;
- 2) Conversion by the holders, from August 30, 2018 to May 29, 2023 before the due date, into YMTC's common shares at the prevailing conversion price;

- 3) Reselling to YMTC by the holders before maturity.
- 4) Redemption by YMTC, under certain conditions, at par value before bond maturity.
- 5) Repurchase and write-off by YMTC from securities dealer office.

The initial conversion price was \$10.40 as of the date of issuance. The bonds contained liability component and equity component to recognize capital surplus - share warrants of \$308,765 thousand. The bondholders could request YMTC to repurchase bonds at par value before 30 days of the issuance for 3 years. There were \$7,600,000 thousand of bonds converted into 730,768 thousand common shares as of March 12, 2021.

The bond is guaranteed by banks (\$7,100,000 thousand is guaranteed by government-related banks).

20. TRADE PAYABLES

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Trade payables – operating</u>			
Trade payables – non-related parties	\$ 17,921,133	\$ 15,677,632	\$ 13,111,657
Trade payables – related parties	<u>332,576</u>	<u>425,388</u>	<u>435,460</u>
	<u>\$ 18,253,709</u>	<u>\$ 16,103,020</u>	<u>\$ 13,547,117</u>
Payable for cost of voyage in sailing	\$ 11,284,585	\$ 10,656,203	\$ 9,458,728
Payable for fuel	1,930,659	1,735,049	1,852,970
Payable for space hire	4,474,829	3,263,589	1,232,745
Payable for freight expenses	433,001	347,550	444,843
Payable for stevedoring expenses	125,825	95,829	145,826
Payable for management expenses	<u>4,810</u>	<u>4,800</u>	<u>412,005</u>
	<u>\$ 18,253,709</u>	<u>\$ 16,103,020</u>	<u>\$ 13,547,117</u>

21. OTHER PAYABLES

	March 31, 2021	December 31, 2020	March 31, 2020
Payable for container lease	\$ 613,494	\$ 889,476	\$ 960,875
Payable for salary and bonus	2,400,223	1,188,057	274,947
Payable for interest expenses	72,415	75,517	154,985
Payable for equipment M&R expenses	249,077	211,143	262,024
Payable for annual leave	214,152	220,137	225,278
Payable for vessel charter hire	153,528	142,381	180,627
Payable for equipment	861,694	214,910	120,679
Others	<u>1,347,893</u>	<u>1,386,645</u>	<u>1,764,986</u>
	<u>\$ 5,912,476</u>	<u>\$ 4,328,266</u>	<u>\$ 3,944,401</u>

22. PROVISIONS

	March 31, 2021	December 31, 2020	March 31, 2020
Restoration cost for leased assets (a)	\$ 1,373	\$ 1,396	\$ 1,375
Others (b)	<u>-</u>	<u>-</u>	<u>1,053,898</u>
	<u>\$ 1,373</u>	<u>\$ 1,396</u>	<u>\$ 1,055,273</u>
Current	\$ -	\$ -	\$ 1,053,898
Non-current	<u>1,373</u>	<u>1,396</u>	<u>1,375</u>
	<u>\$ 1,373</u>	<u>\$ 1,396</u>	<u>\$ 1,055,273</u>

	Restoration Cost for Leases Assets	Others	Total
Balance at January 1, 2021	\$ 1,396	\$ -	\$ 1,396
Effect of foreign currency exchange differences	(23)	-	(23)
Balance at March 31, 2021	<u>\$ 1,373</u>	<u>\$ -</u>	<u>\$ 1,373</u>
Balance at January 1, 2020	\$ 1,444	\$ 1,032,332	\$ 1,033,776
Effect of foreign currency exchange differences	(69)	21,566	21,497
Balance at March 31, 2020	<u>\$ 1,375</u>	<u>\$ 1,053,898</u>	<u>\$ 1,055,273</u>

- a. When returning operating leased assets, lessees have legal or construction obligation to restore operating leased assets to original status. Lessees need to accrue restoration costs provision over the lease term on a straight-line basis.
- b. Other provisions are mainly the risk of compensation responsibility for ship owner's outstanding principle and interest after the term expired if the Group did not exercise the repurchase option;

the possible loss if the Group terminated the capital lease agreements of ship before expiration. Refer to Note 16 for additional information.

23. OTHER FINANCIAL LIABILITIES

	March 31, 2021	December 31, 2020	March 31, 2020
Others	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,534,442</u>
Current (included in current portion of long-term liabilities)	\$ -	\$ -	\$ 276,810
Non-current	<u>-</u>	<u>-</u>	<u>2,257,632</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,534,442</u>

YML-BVI leased ships under 25-year capital lease agreements in 2000 and 2001, which were recognized as property, plant and equipment to evaluate the substance of transactions involving the legal form of the lease. The lease contracts were secured by stand-by letters of credit issued by a bank. YML-BVI pledged a portion of its lease payments in bank as collaterals, which were recorded as financial assets at amortized cost. The balance was \$2,609,781 thousand as of March 31, 2020.

The Group's board of directors resolved in August 13, 2020 to terminate the capital lease agreements of YML-BVI for consideration of the Group's organizational structure and operation. The Group terminated the lease contracts with the lessor on October 14, 2020, and YMTC signed the sales and purchase contracts with the lessor to acquire the ships.

Other financial liabilities are paid quarterly. The principal and interest paid are reset quarterly based on three months' Libor rate.

Related gains and losses for the three-month periods ended March 31, 2021 and 2020 are included in the following:

	For the Three Months Ended March 31	
	<u>2021</u>	<u>2020</u>
Non-operating income and expenses		
Other income	<u>\$ -</u>	<u>\$ 6,019</u>
Finance costs	<u>\$ -</u>	<u>(\$ 4,126)</u>

24. RETIREMENT BENEFIT PLANS

For the three-month periods ended March 31, 2021 and 2020, employee benefits expenses in respect of the Group's defined benefit retirement plan were calculated using the actuarially determined pension cost discount rate as of December 31, 2020 and 2019, the amounts are \$26,027 thousand and \$23,390 thousand, respectively.

25. EQUITY

a. Share capital

1) Ordinary shares

	March 31, 2021	December 31, 2020	March 31, 2020
Numbers of shares authorized (in thousands)	<u>4,500,000</u>	<u>4,500,000</u>	<u>4,500,000</u>
Shares authorized	<u>\$ 45,000,000</u>	<u>\$ 45,000,000</u>	<u>\$ 45,000,000</u>
Numbers of shares issued and fully paid (in thousands)	<u>3,332,104</u>	<u>3,167,662</u>	<u>2,601,336</u>
Shares issued	<u>\$ 33,321,043</u>	<u>\$ 31,676,622</u>	<u>\$ 26,013,357</u>

Fully paid ordinary shares, which have a par value at \$10, carry one vote per share and carry a right to dividends.

The change in YMTC's share capital for the three-month periods ended March 31, 2021 was mainly due to the domestic secured convertible bonds have been converted into ordinary shares. Bonds holders have converted YMTC's ordinary shares in the amount of \$1,644,421 thousand (164,442 thousand shares). The board of directors determined the subscription base date to be May 12, 2021 to change registration.

The change in YMTC's share capital in 2020 was mainly due to the domestic secured convertible bonds have been converted into ordinary shares. Bonds holders have converted YMTC's ordinary shares in the amount of \$5,663,265 thousand (566,326 thousand shares). The board of directors determined the subscription base date to be November 12, 2020 and January 27, 2021 and completed change registration in December 2020 and February 2021, respectively.

The board of directors resolved on March 25, 2021 to issue common shares with a limit of 300,000,000 shares by book building. The above transaction will be determined after getting approval from the FSC.

2) Preference shares

The board of directors resolved on May 6, 2020 to privately place Type A preference shares with a limit of 300,000,000 shares and passed by 2020 Annual Shareholders Meeting. However, this plan was not executed and became unnecessary as the Company's financial status has been significantly improving from the 2nd half of year 2020.

3) Global depositary receipts

On November 14, 1996, YMTC issued 10 million units of global depositary receipts (GDRs), representing 100 million shares, at an issue price of US\$11.64 dollar per unit. As of March 31, 2020, there were 896 units outstanding, representing 8,971 shares, which was 0.0003% of the total issued shares. In addition, the board of directors resolved to cancel the GDRs on August 13, 2019 and delisted them on December 5, 2019. There were no outstanding GDRs after June, 2020.

b. Capital surplus

	May Be Used to Offset A Deficit, Distributed as Cash Dividends, or Transferred to Share Capital (1)	May Be to Offset a Deficit Only	May Not Be Used for Any Purpose	
	Issuance of Ordinary Shares	Changes in Percentage of Ownership Interests in Subsidiaries(2)	Share Warrants	Total
Balance at January 1 and March 31, 2020	<u>\$ 1,630,593</u>	<u>\$ 23</u>	<u>\$ 308,765</u>	<u>\$ 1,939,381</u>
Balance at January 1, 2021	\$ 314,626	\$ -	\$ 69,480	\$ 384,106
Convertible bonds converted to ordinary shares	<u>89,031</u>	<u>-</u>	<u>(69,480)</u>	<u>19,551</u>
Balance at March 31, 2021	<u>\$ 403,657</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 403,657</u>

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).
- 2) Such capital surplus arises from the effect of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions, or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the amended Articles, when Company makes profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the expansion of transportation equipment and improvement of financial structure, and then any remaining profit together with any undistributed retained earnings, distributed at least 25%, shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and of bonus of shareholders. For the policies on distribution of compensation of employees and remuneration of directors and supervisors before and after

amendment, refer to Note 27 h. compensation of employees and remuneration of directors.

YMTC should consider certain factors, including YMTC's profits, the change in the environment of the industry, potential growth of YMTC, costs, expenditures and the working capital for operation in proposing stock dividend appropriation plan. YMTC shall declare at least 20% of the amount declared as dividends in the form of cash as opposed to stock.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset a deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

Items referred to under Rule No. 1010012865 and Rule No. 1030006415 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Company.

The statements of deficit compensation for 2019 approved in the shareholders' meeting on June 17, 2020, were as follows:

	Offsetting of Deficit
Capital surplus — issuance of ordinary shares	\$ 1,630,593
Capital surplus — changes in percentage of ownership interest in subsidiaries	<u>23</u>
	<u>\$ 1,630,616</u>

The appropriation of earnings for 2020 proposed by the Company's board of directors on March 25, 2021 was as follows:

	Appropriation of Earnings
Legal reserve	<u>\$ 166,092</u>
Special reserve	<u>\$ 1,494,827</u>

The appropriation of earnings for 2020 will be resolved by the shareholders in their meeting to be held on May 14, 2021.

d. Special reserves

Special reserve should be appropriated for the amount equal to the net debit balance reserves. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and thereafter distributed.

On the initial application of fair value model to investment properties, the Company appropriated for a special reserve at the amount that were the same as the net increase arising from fair value measurement and transferred to retained earnings. Additional special reserve should be appropriated for subsequent net increase in fair value. The amount appropriated may be reversed to the extent that the cumulative net increases in fair value decrease or on the disposal of investment properties. If the Company offsets the deficit with special reserves before the reason for appropriating special reserves eliminated, the Company should compensate the special reserves before appropriating earnings.

e. Others equity items

1) Exchange differences on translation of the financial statements of foreign operations

	<u>For the Three Months Ended March 31</u>	
	<u>2021</u>	<u>2020</u>
Balance at January 1	(\$ 713,510)	(\$ 205,946)
Recognized for the period		
Exchange differences on translation of the financial statements of foreign operations and related income tax	<u>15,544</u>	<u>8,101</u>
Balance at March 31	<u>(\$ 697,966)</u>	<u>(\$ 197,845)</u>

2) Unrealized valuation gain (loss) on financial assets at FVTOCI

	<u>For the Three Months Ended March 31</u>	
	<u>2021</u>	<u>2020</u>
Balance at January 1	(\$ 785,730)	(\$ 1,039,266)
Recognized for the period		
Unrealized gain (loss)		
Equity instruments	176,953	(360,685)
Share from associates and joint ventures accounted for using the equity method	<u>17,818</u>	<u>(21,311)</u>
Other comprehensive income recognized for the period	<u>194,771</u>	<u>(381,996)</u>
Balance at March 31	<u>(\$ 590,959)</u>	<u>(\$ 1,421,262)</u>

3) Gain on hedging instruments

	<u>For the Three Months Ended March 31</u>	
	<u>2021</u>	<u>2020</u>
Balance at January 1	<u>\$ 3,455,825</u>	<u>\$ 1,218,522</u>
Recognized for the period		
Foreign currency risk – lease liabilities	(103,507)	(401,842)
Reclassification adjustments		
Foreign currency risk – operating revenue	(138,166)	(37,205)
Other comprehensive income recognized for the period	(241,673)	(439,047)
Balance at March 31	<u>\$ 3,214,152</u>	<u>\$ 779,475</u>

f. Non-controlling interests

	<u>For the Three Months Ended March 31</u>	
	<u>2021</u>	<u>2020</u>
Balance at January 1	\$ 656,620	\$ 618,665
Share of profit for the period	69,893	63,028
Other comprehensive income (loss) during the period		
Exchange difference on translating the financial statements of foreign entities	6,215	(33,600)
Increasing in non-controlling interests by establishing foreign subsidiaries	-	2,016
Cash dividends distributed by subsidiaries	(110,791)	(8,501)
Balance at March 31	<u>\$ 621,937</u>	<u>\$ 641,608</u>

26. REVENUE

	For the Three Months Ended March 31	
	2021	2020
Revenue from contracts with customers		
Cargo revenue	\$ 57,784,977	\$ 30,564,625
Slottage revenue	915,546	1,061,617
Rental income		
Rental revenue on vessel	486,130	583,912
Other operating revenue	<u>3,095,802</u>	<u>2,432,025</u>
	<u>\$ 62,282,455</u>	<u>\$ 34,642,179</u>

a. Contract balances

	March 31, 2021	December 31, 2020	March 31, 2020	January 1, 2020
Trade receivable (Note 10)	<u>\$14,570,929</u>	<u>\$11,177,869</u>	<u>\$10,379,169</u>	<u>\$10,111,347</u>
Contract assets				
Cargo revenue	\$ 3,609,305	\$ 2,906,252	\$ 2,263,306	\$ 1,797,036
Less : Allowance for impairment loss	(<u>21,111</u>)	(<u>15,978</u>)	(<u>8,084</u>)	(<u>8,898</u>)
Contract assets	<u>\$ 3,588,194</u>	<u>\$ 2,890,274</u>	<u>\$ 2,255,222</u>	<u>\$ 1,788,138</u>
Contract liabilities –				
Current				
Advance on contract	<u>\$ 440,300</u>	<u>\$ 134,998</u>	<u>\$ 96,431</u>	<u>\$ 121,826</u>

The Group measures the loss allowance for contract assets at an amount equal to lifetime ECLs. The contract assets will be transferred to accounts receivable when the container shipping services have been completed, and the contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables can be applied to the contract assets (Note 10).

The movements of the loss allowance of contract assets were as follows:

	For the Three Months Ended March 31	
	2021	2020
Balance at January 1	\$ 15,978	\$ 8,898
Add : Net remeasurement of loss allowance	5,106	-
Less : Reversal of loss allowance	-	(818)
Foreign exchange gains and losses	<u>27</u>	<u>4</u>
Balance at March 31	<u>\$ 21,111</u>	<u>\$ 8,084</u>

The changes in the balance of contract assets and contract liabilities primarily result from the timing difference between the Group's performance and the respective customer's payment.

b. Disaggregation of revenue

Revenue from contracts with customers mainly comes from the containership department. Refer to Note 39 for information about disaggregation of revenue.

27. NET PROFIT (LOSS)

a. Other operating income and expenses

	For the Three Months Ended March 31	
	2021	2020
Gain on disposal and retirement of property, plant and equipment	\$ 66,224	\$ 152,749
Reimbursement income	8,030	11,315
	<u>\$ 74,254</u>	<u>\$ 164,064</u>

b. Interest income

	For the Three Months Ended March 31	
	2021	2020
Bank deposits	\$ 22,154	\$ 39,148
Net investments in leases	543	608
Short-term bills	1,879	449
Others	328	578
	<u>\$ 24,904</u>	<u>\$ 40,783</u>

c. Other income

	For the Three Months Ended March 31	
	2021	2020
Rental income — operating leases	\$ 23,158	\$ 21,393
Dividends	65	150
	<u>\$ 23,223</u>	<u>\$ 21,543</u>

d. Other gains and losses

	For the Three Months Ended March 31	
	2021	2020
Net foreign exchange (losses) gains	(\$ 15,250)	\$ 28,856
Fair value changes of financial assets and financial liabilities		
Financial assets		
mandatorily classified as at FVTPL	11,874	(43,767)
Financial liabilities held for trading	-	4,606
Gain arising from lease modifications	7,640	-
Loss arising from the change in fair value of investment properties	(38)	(38)
Others	(11,042)	(44,147)
	<u>(\$ 6,816)</u>	<u>(\$ 54,490)</u>

e. Finance costs

	For the Three Months Ended March 31	
	2021	2020
Interest on bank loans	\$ 108,048	\$ 183,489
Interest on lease liabilities (including U.S. dollar lease contracts designated as hedging instruments)	499,009	582,079
Other interest expenses	<u>89,231</u>	<u>162,859</u>
	696,288	928,427
Less : Amounts included in the cost of qualifying assets	(<u>4,309</u>)	(<u>11,309</u>)
	<u>\$ 691,979</u>	<u>\$ 917,118</u>

Information about capitalized interest is as follow:

	For the Three Months Ended March 31	
	2021	2020
Capitalized interest amount	\$ 4,309	\$ 11,309
Capitalization rate	1.24%-1.47%	1.37%-1.76%

f. Depreciation and amortization

	For the Three Months Ended March 31	
	2021	2020
Right-of -use assets	\$ 2,654,953	\$ 2,760,877
Property, plant and equipment	1,575,963	1,553,156
Intangible assets	<u>13,256</u>	<u>13,386</u>
	<u>\$ 4,244,172</u>	<u>\$ 4,327,419</u>
An analysis of depreciation by function		
Operating costs	\$ 4,143,580	\$ 4,230,293
Operating expenses	<u>87,336</u>	<u>83,740</u>
	<u>\$ 4,230,916</u>	<u>\$ 4,314,033</u>
An analysis of amortization by function		
Operating costs	\$ 1,483	\$ 2,907
Operating expenses	<u>11,773</u>	<u>10,479</u>
	<u>\$ 13,256</u>	<u>\$ 13,386</u>

g. Employee benefits expense

	For the Three Months Ended March 31	
	2021	2020
Post-employment benefits		
Defined contribution plans	\$ 72,939	\$ 67,360
Defined benefit plans (Note 24)	26,027	23,390
Termination benefits	6,058	18,724
Other employee benefits	<u>3,128,883</u>	<u>1,767,034</u>
Total employee benefits expense	<u>\$ 3,233,907</u>	<u>\$ 1,876,508</u>
An analysis of employee benefits by function		
Operating costs	\$ 907,182	\$ 682,191
Operating expenses	<u>2,326,725</u>	<u>1,194,317</u>
	<u>\$ 3,233,907</u>	<u>\$ 1,876,508</u>

h. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at rates of 1%-5% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. However, if there were accumulated deficit, the Company should reserve offset amount in advance. The compensation of employees and the remuneration of directors for the three-month periods ended

March 31, 2021 are as follows:

Accrual rate

	<u>For the Three Months Ended March 31, 2021</u>
Compensation of employees	1%
Remuneration of directors	1%

Amount

	<u>For the Three Months Ended March 31, 2021</u>
Compensation of employees	<u>\$ 290,877</u>
Remuneration of directors	<u>\$ 290,877</u>

YMTC did not accrue compensation of employees and remuneration of directors because of the losses for the three-month periods ended March 31, 2020.

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

The compensation of employees and the remuneration of directors for the year ended December 31, 2020, which were approved by the Company's board of directors on March 25, 2021 are as follows:

Amount

	<u>For the Year Ended December 31, 2020</u>
	<u>Cash</u>
Compensation of employees	<u>\$ 57,851</u>
Remuneration of directors	<u>\$ 57,851</u>

For both compensation of employees and remuneration of directors, there are no difference between cash distribution and amounts recognized in the consolidated financial statements for the year ended December 31, 2020.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

28. INCOME TAXES

- a. Income tax expense recognized in profit or loss

Major components of income tax expense are as follow:

	For the Three Months Ended March 31	
	2021	2020
Current tax		
In respect of the current period	\$ 136,601	\$ 89,660
Adjustments for prior years	<u>-</u>	<u>-</u>
	<u>136,601</u>	<u>89,660</u>
Deferred tax		
In respect of the current period	3,962,408	28,293
Adjustments for prior years	<u>-</u>	<u>-</u>
	<u>3,962,408</u>	<u>28,293</u>
Income tax expense recognized in profit or loss	<u>\$ 4,099,009</u>	<u>\$ 117,953</u>

- b. Income tax assessments

Group	Year
Yang Ming Marine Transport Corporation	2018
Kuang Ming Shipping Corp.	2019
Honming Terminal & Stevedoring Co., Ltd.	2019
Jing Ming Transportation Co., Ltd.	2019
YES Logistics Corp.	2018
Ching Ming Investment Corp.	2018

29. EARNINGS (LOSS) PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended March 31	
	2021	2020
Basic earnings (loss) per share	<u>\$ 7.49</u>	<u>(\$ 0.31)</u>
Diluted earnings (loss) per share	<u>\$ 7.34</u>	<u>(\$ 0.31)</u>

The earnings (loss) and weighted average number of ordinary shares outstanding in the computation of earnings (loss) per share were as follows:

Net Profit (Loss) for the Year

	<u>For the Three Months Ended March 31</u>	
	<u>2021</u>	<u>2020</u>
Earnings (loss) used in the computation of basic earnings (loss) per share	\$ 24,517,051	(\$ 818,363)
Effect of potentially dilutive ordinary shares :		
Interest on convertible bonds (after tax)	<u>1,198</u>	<u>-</u>
Earnings (loss) used in the computation of diluted earnings (loss) per share	<u>\$ 24,518,249</u>	<u>(\$ 818,363)</u>

Weighted Average Number of Ordinary Shares Outstanding (In Thousands of Shares)

	<u>For the Three Months Ended March 31</u>	
	<u>2021</u>	<u>2020</u>
Weighted average number of ordinary shares used in the computation of basic earnings (loss) per share	3,271,630	2,601,336
Effect of potentially dilutive ordinary shares :		
Convertible bonds	60,474	-
Compensation of employees	<u>9,295</u>	<u>-</u>
Weighted average number of ordinary shares used in the computation of diluted earnings (loss) per share	<u>3,341,399</u>	<u>2,601,336</u>

The Group may settle the compensation of employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

The Group did not consider the potential shares of convertible bonds in the calculation of diluted EPS for the three-month periods ended March 31, 2020 due to the anti-dilutive effect.

30. CASH FLOW INFORMATION

Changes in Liabilities Arising from Financing Activities

For the three-month periods ended March 31, 2021

	January 1, 2021	Cash Flows	Non-cash Changes		March 31, 2021
			New Leases	Others (Note)	
Short-term borrowings	\$ 2,072,156	(\$ 420,916)	\$ -	\$ -	\$ 1,651,240
Short-term bills payable	12,113,626	(3,477,500)	-	18,461	8,654,587
Long-term borrowings	53,738,221	(12,243,231)	-	29,460	41,524,450
Bonds payable	6,619,686	-	-	(1,660,709)	4,958,977
Lease liabilities	55,990,206	(2,536,242)	2,565,836	67,850	56,087,650
Other non-current liabilities	610,139	11,753	-	-	621,892
	<u>\$ 131,144,034</u>	<u>(\$ 18,666,136)</u>	<u>\$ 2,565,836</u>	<u>(\$ 1,544,938)</u>	<u>\$ 113,498,796</u>

For the three-month periods ended March 31, 2020

	January 1, 2020	Cash Flows	Non-cash Changes		March 31, 2020
			New Leases	Others (Note)	
Short-term borrowings	\$ 4,621,034	\$ 312,833	\$ -	\$ -	\$ 4,933,867
Short-term bills payable	13,485,840	(990,000)	-	(4,237)	12,491,603
Long-term borrowings	52,442,405	1,608,921	-	60,997	54,112,323
Bonds payable	18,097,816	-	-	14,692	18,112,508
Lease liabilities	59,128,341	(2,658,970)	900,151	430,892	57,800,414
Other financial liabilities	2,736,515	(59,421)	-	(142,652)	2,534,442
Other non-current liabilities	286,026	(24,729)	-	-	261,297
	<u>\$ 150,797,977</u>	<u>(\$ 1,811,366)</u>	<u>\$ 900,151</u>	<u>\$ 359,692</u>	<u>\$ 150,246,454</u>

Note: Other changes include lease modification, interest amortization of short-term bills payable, long-term borrowings, and bonds payable, the reduction of bonds payable due to the convertible bondholders exercising the conversion option, and effect of foreign currency exchange rate.

31. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns to maintain the capital structure through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, capital surplus, retained earnings (accumulated deficit), other equity and non-controlling interests).

The gearing ratio at end of the reporting period was as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Debt (a)	\$ 146,404,279	\$ 158,641,133	\$ 174,048,390
Cash and cash equivalents	(38,149,969)	(24,518,721)	(18,250,726)
Net debt	<u>\$ 108,254,310</u>	<u>\$ 134,122,412</u>	<u>\$ 155,797,664</u>
Equity (b)	<u>\$ 62,449,834</u>	<u>\$ 36,334,852</u>	<u>\$ 15,473,837</u>
Net debt to equity ratio	<u>173.35%</u>	<u>369.13%</u>	<u>1006.85%</u>

- a. Debt is defined as long-term and short-term borrowing (excluding derivative instruments and financial guarantee contracts).
- b. Equity includes all capital, capital surplus, unappropriated earnings (deficit to be compensated), other equity and non-controlling interests, of the Group that are managed as capital.

32. FINANCIAL INSTRUMENTS

- a. Fair value of financial instruments not measured at fair value

March 31, 2021

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Finance lease receivables	\$ 162,198	\$ -	\$ 163,187	\$ -	\$ 163,187
Financial liabilities					
Financial liabilities measured at amortized cost					
— Secured domestic bonds	\$ 4,958,977	\$ -	\$ 4,965,642	\$ -	\$ 4,965,642

December 31, 2020

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Finance lease receivables	\$ 167,158	\$ -	\$ 168,345	\$ -	\$ 168,345
Financial liabilities					
Financial liabilities measured at amortized cost					
— Secured domestic bonds	\$ 4,945,877	\$ -	\$ 4,953,083	\$ -	\$ 4,953,083
— Domestic secured convertible bonds	1,673,809	-	4,468,568	-	4,468,568
Total	<u>\$ 6,619,686</u>	<u>\$ -</u>	<u>\$ 9,421,651</u>	<u>\$ -</u>	<u>\$ 9,421,651</u>

March 31, 2020

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Finance lease receivables	\$ 181,938	\$ -	\$ 183,523	\$ -	\$ 183,523
Financial liabilities					
Financial liabilities measured at amortized cost					
— Secured domestic bonds	\$ 6,948,348	\$ -	\$ 6,948,695	\$ -	\$ 6,948,695
— Unsecured domestic bonds	3,900,000	-	3,923,190	-	3,923,190
— Domestic secured convertible bonds	7,264,160	-	7,191,519	-	7,191,519
Total	<u>\$ 18,112,508</u>	<u>\$ -</u>	<u>\$ 18,063,404</u>	<u>\$ -</u>	<u>\$ 18,063,404</u>

The fair values of the financial assets and financial liabilities included in the Level 2 category above have been determined in accordance with income approaches based on a discounted cash flow analysis.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

March 31, 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Domestic listed shares	\$ 94,845	\$ -	\$ -	\$ 94,845
Foreign listed shares	1,876	-	-	1,876
Mutual funds	<u>190,754</u>	-	-	<u>190,754</u>
Total	<u>\$ 287,475</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 287,475</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments at FVTOCI				
— Listed shares	\$ 1,698,198	\$ -	\$ -	\$ 1,698,198
— Unlisted shares	-	-	<u>497,286</u>	<u>497,286</u>
Total	<u>\$ 1,698,198</u>	<u>\$ -</u>	<u>\$ 497,286</u>	<u>\$ 2,195,484</u>

December 31, 2020

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Derivative financial assets				
— Call option of bonds	\$ -	\$ -	\$ 8,636	\$ 8,636
Domestic listed shares	23,923	-	-	23,923
Mutual funds	<u>1,710,854</u>	-	-	<u>1,710,854</u>
Total	<u>\$ 1,734,777</u>	<u>\$ -</u>	<u>\$ 8,636</u>	<u>\$ 1,743,413</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments at FVTOCI				
— Listed shares	\$ 1,492,999	\$ -	\$ -	\$ 1,492,999
— Unlisted shares	-	-	<u>505,532</u>	<u>505,532</u>
Total	<u>\$ 1,492,999</u>	<u>\$ -</u>	<u>\$ 505,532</u>	<u>\$ 1,998,531</u>

March 31, 2020

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Domestic listed shares	\$ 23,752	\$ -	\$ -	\$ 23,752
Mutual funds	<u>697,350</u>	-	-	<u>697,350</u>
Total	<u>\$ 721,102</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 721,102</u>

(Continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments at FVTOCI				
– Listed shares	\$ 955,237	\$ -	\$ -	\$ 955,237
– Unlisted shares	<u>-</u>	<u>-</u>	<u>456,971</u>	<u>456,971</u>
Total	<u>\$ 955,237</u>	<u>\$ -</u>	<u>\$ 456,971</u>	<u>\$ 1,412,208</u>
 <u>Financial liabilities at FVTPL</u>				
Derivatives				
– Put option of bonds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,943</u>	<u>\$ 62,943</u>

(Concluded)

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the three-month periods ended March 31, 2021

Financial assets at FVTPL

	<u>Derivative Call Option of Bonds</u>
Balance at January 1, 2021	\$ 8,636
Recognized in profit or loss (included in other gains and losses)	2,560
Sales / settlements	(11,196)
Transfers out of Level 3	<u>-</u>
Balance at March 31, 2021	<u>\$ -</u>
 Unrealized gain for the current period included in profit or loss relating to assets held at the end of the period	 <u>\$ -</u>

Financial assets at FVTOCI

	<u>Equity Instruments</u>
Balance at January 1, 2021	\$ 505,532
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	(28,246)
Purchases	<u>20,000</u>
Balance at March 31, 2021	<u>\$ 497,286</u>

For the three-month periods ended March 31, 2020

Financial assets at FVTOCI

	<u>Equity Instruments</u>
Balance at January 1, 2020	\$ 516,934
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	(59,963)
Balance at March 31, 2020	<u>\$ 456,971</u>

Financial liabilities at FVTPL

	<u>Derivative Put Option of Bonds</u>
Balance at January 1, 2020	\$ 67,549
Recognized in profit or loss (included in other gains and losses)	(4,606)
Repayments / settlements	-
Transfers out of Level 3	-
Balance at March 31, 2020	<u>\$ 62,943</u>
Unrealized gain for the current period included in profit or loss relating to liabilities held at the end of the period	(<u>\$ 4,606</u>)

- 3) Valuation techniques and inputs applied for the purpose of measuring Level 3 fair value measurement
- a) The fair values of call option/put option of bonds are determined using convertible bonds of Binary tree pricing models where the significant unobservable inputs are volatility. An increase in the volatility used in isolation would result in an increase/decrease in the fair value of call option/put option of bonds.
 - b) The fair values of domestic unlisted ordinary shares are determined using the comparable company analysis approach and asset-based approach. The comparable company analysis approach is a way to determine the value of a target company by reference to companies engaged in the similar industry, stock price in the active market and value multiplier implied by such prices, based on liquidity reduction. The asset-based approach is a way to determine the value of a target company by assessing the total value of individual assets and liabilities, based on liquidity reduction.

c. Categories of financial instruments

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Financial assets</u>			
FVTPL			
Held for trading	\$ 287,475	\$ 1,743,413	\$ 721,102
Financial assets at amortized cost (1)	54,063,418	38,266,073	32,275,854
Financial assets at FVTOCI			
Equity instruments	2,195,484	1,998,531	1,412,208
<u>Financial liabilities</u>			
FVTPL			
Mandatorily classified as at FVTPL	-	-	62,943
Financial liabilities for hedging	48,480,893	47,754,304	47,828,537
Amortized cost (2)	78,369,019	93,592,185	109,197,831

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, time deposits with original maturities of more than 3 months, repurchase agreements, deposits of stand-by letter of credit, restricted bank balance, notes receivable, trade receivables (including related parties), and other receivables.
- 2) The balances included financial liabilities measured at amortized cost, which comprise short-term and long-term loans, short-term bills payable, notes and trade payables (including related parties), other payables, bonds payable and other financial liabilities.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, trade receivables, financial assets at amortized cost, trade payables, other payables, bonds payable, borrowings, lease liabilities and other financial liabilities. The Group's Corporate Treasury function provides all kinds of financial service to each division by using different financial instruments. Also, the treasury function controls and analyzes the financial risks related to operations; these risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group sought to minimize the effects of these risks by managing stocks and flow and using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Group's policies "Regulations Governing the Acquisition and Disposal of Assets" approved by the board of directors. Compliance with policies was reviewed by the internal auditors on a continuous basis.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). The Group uses assets, liabilities and a variety of derivative financial instruments to manage its exposure to

foreign currency risk and interest rate risk.

There had been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Group's operations involve foreign currency transactions so the Group is exposed to foreign currency risk. The Group's transaction involve contain various currencies due to its industrial feature, operating revenue and operating costs are mainly denominated in U.S. dollars. Exchange rate exposures were managed within approved policy parameters utilizing net cash flows offset of the influence on net assets and liabilities, instruments of swap and options.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities are set out in Note 37.

Sensitivity analysis

Monetary assets and liabilities were mainly exposed to the U.S. dollars, GBP, CNY, EUR and HKD.

The following table details the Group's sensitivity to a 1% increase and decrease in New Taiwan dollars (the functional currency) against the U.S. dollars, GBP, CNY, EUR and HKD. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an increase in profit and other equity associated with New Taiwan dollars strengthening 1% against U.S. dollars, GBP, CNY, EUR and HKD. For a 1% weakening of New Taiwan dollars against the U.S. dollars, GBP, CNY, EUR and HKD, there would be an equal and opposite impact on profit or loss.

Profit (loss) /Equity of 1% Variation	For the Three Months Ended March 31	
	2021	2020
Profit (loss) (i)		
U.S. dollars	(\$ 14,419)	(\$ 108,838)
CNY	4,710	786
GBP	4,495	1,142
EUR	9,639	(1,894)
HKD	(1,084)	2,345
Equity(ii)		
U.S. dollars	(484,809)	(478,285)

- i. This was mainly attributable to the exposure of outstanding foreign currency deposits, receivables, payables, and bank loans at the end of the reporting period.
- ii. This was mainly attribute to the exposure of changing in foreign exchange rates of lease contracts designated as cash flow hedge.

The Group's sensitivity to foreign currency exchange rate during the current period was mainly due to the decrease in U.S. dollars and HKD monetary net liabilities caused by the increase in U.S. dollar monetary assets and decrease in HKD monetary assets; the increase in GBP, EUR, and CNY monetary net assets caused by the decrease in GBP and CNY monetary liabilities and increase in EUR monetary assets.

Hedge accounting

The Group's hedging strategy is to enter into USD-denominated lease liabilities to avoid exchange rate exposure of 100% of highly probable forecast of USD-denominated operating revenue. Those transactions are designated as cash flow hedges.

The Group expects that the value of the U.S. dollars lease liabilities and the value of the corresponding hedged items will systematically change in opposite directions.

The source of hedge ineffectiveness in these hedging relationships is the USD-denominated operating revenue of the Group is lower than the distribution amount of settlement of lease liabilities.

Refer to Note 16 (b) for information relating to foreign exchange rates hedging instruments.

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings.

The carrying amount of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Fair value interest rate risk			
— Financial assets	\$ 11,087,124	\$ 7,449,866	\$ 4,667,098
— Financial liabilities	83,832,497	89,437,508	104,466,823
Cash flow interest rate risk			
— Financial assets	26,740,329	18,472,785	11,954,131
— Financial liabilities	29,044,407	41,096,387	45,518,334

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 10 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably

possible change in interest rates.

If interest rates had been 10 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit (loss) for the three-month periods ended March 31, 2021 would have decreased/increased by \$576 thousand, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings and variable-rate financial assets.

If interest rates had been 10 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit (loss) for the three-month periods ended March 31, 2020 would have decreased/increased by \$8,391 thousand, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings, other financial liabilities and variable-rate financial assets.

The Group's sensitivity to interest rate decreased during the current year mainly due to the increase in variable-rate financial assets and decrease in variable-rate financial liabilities.

c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities and mutual funds. The Group periodically evaluates price risk and investment performance according to procedures of acquisition and disposal of assets and expects no significant price risk occurred.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower, pre-tax profit (loss) for the three-month periods ended March 31, 2021 would have increased/decreased by \$4,836 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income (loss) for the three-month periods ended March 31, 2021 would have increased/decreased by \$109,774 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

If equity prices had been 5% higher/lower, pre-tax profit (loss) for the three-month periods ended March 31, 2020 would have increased/decreased by \$1,188 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income (loss) for the three-month periods ended March 31, 2020 would have increased/decreased by \$70,610 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

If mutual funds had been 5% higher/lower, pre-tax profit (loss) for the three-month periods ended March 31, 2021 would have increased/decreased by \$9,538 thousand, as a result of the changes in fair value of financial assets at FVTPL.

If mutual funds had been 5% higher/lower, pre-tax profit (loss) for the three-month periods ended March 31, 2020 would have increased/decreased by \$34,868 thousand, as a result of the changes in fair value of financial assets at FVTPL.

The Group's sensitivity to other price increased during the current period mainly due to the increase in financial assets at FVTPL and increased in financial assets at FVTOCI. The Group's sensitivity to mutual funds price decreased during the current period mainly

due to the decrease in mutual funds measured at FVTPL.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation and financial guarantees provided by the Group could arise from:

- a) The carrying amount of the respective recognized financial assets as stated in the balance sheets; and
- b) The amount of contingent liabilities in relation to financial guarantee issued by the Group.

There is no significant concentration of credit risk for the Group. Credit risk is from cash and cash equivalents deposit in banks, derivative financial instruments transactions with banks and financial institutions and trade receivable from customers.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient letter of bank guarantee and security deposit, where appropriate, as a means of mitigating the risk of financial loss from defaults. To reduce credit risk, the Group has established an internal monitoring procedures to monitor credit risk exposure and credit condition of counterparties.

The credit risk on liquid funds and derivatives was limited because the counterparties are banks with high credit ratings assigned by credit-rating agencies.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of March 31, 2021, December 31, 2020 and March 31, 2020, the Group had available unutilized bank loans facilities of \$15,996,576 thousand, \$15,972,373 thousand and \$12,235,103 thousand, respectively.

a) Liquidity and interest risk rate tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

March 31, 2021

	Less than 1 Year	1-5 Years	5+ Years
Non-interest bearing Lease liabilities	\$ 24,194,140	\$ 538,448	\$ -
Variable interest rate liabilities	12,938,786	40,106,337	14,875,713
Fixed interest rate liabilities	6,567,288	31,444,591	4,464,553
Short-term and low value lease commitment	12,522,510	5,092,500	-
Lease commitment for future service costs	4,253,986	9,452,617	-
Financial guarantee liabilities	3,400,567	11,331,149	3,585,948
	<u>177,341</u>	<u>-</u>	<u>-</u>
	<u>\$ 64,054,618</u>	<u>\$ 97,965,642</u>	<u>\$ 22,926,214</u>

Additional information about the maturity analysis for lease liabilities :

	Less than 1 Year	1~5 Years	5~10 Years	10~15 Years	15~20 Years	20+ Years
Lease liabilities	<u>\$ 12,938,786</u>	<u>\$ 40,106,337</u>	<u>\$ 14,852,472</u>	<u>\$ 21,580</u>	<u>\$ 1,661</u>	<u>\$ -</u>

December 31, 2020

	Less than 1 Year	1-5 Years	5+ Years
Non-interest bearing Lease liabilities	\$ 20,456,690	\$ 514,763	\$ -
Variable interest rate liabilities	13,079,225	40,308,707	14,468,135
Fixed interest rate liabilities	5,621,172	43,841,475	4,132,128
Short-term and low value lease commitment	16,171,617	5,413,673	-
Lease commitment for future service costs	4,500,303	10,344,525	-
Financial guarantee liabilities	3,285,868	11,476,870	3,479,514
	<u>176,968</u>	<u>-</u>	<u>-</u>
	<u>\$ 63,291,843</u>	<u>\$ 111,900,013</u>	<u>\$ 22,079,777</u>

Additional information about the maturity analysis for lease liabilities :

	Less than 1 Year	1~5 Years	5~10 Years	10~15 Years	15~20 Years	20+ Years
Lease liabilities	<u>\$ 13,079,225</u>	<u>\$ 40,308,707</u>	<u>\$ 14,443,070</u>	<u>\$ 22,574</u>	<u>\$ 2,491</u>	<u>\$ -</u>

March 31, 2020

	<u>Less than 1 Year</u>	<u>1-5 Years</u>	<u>5+ Years</u>
Non-interest bearing Lease liabilities	\$ 17,513,313	\$ 234,988	\$ -
Other financial liabilities*	13,001,669	41,115,697	15,936,802
Variable interest rate liabilities	283,413	1,485,290	872,714
Fixed interest rate liabilities	7,144,992	45,993,482	2,355,767
Short-term and low value lease commitment	23,917,919	5,690,539	-
Lease commitment for future service costs	4,150,032	13,635,539	-
Financial guarantee liabilities	3,425,925	11,809,149	4,130,288
	<u>187,842</u>	<u>-</u>	<u>-</u>
	<u>\$ 69,625,105</u>	<u>\$ 119,964,684</u>	<u>\$ 23,295,571</u>

Additional information about the maturity analysis for lease liabilities :

	<u>Less than 1 Year</u>	<u>1~5 Years</u>	<u>5~10 Years</u>	<u>10~15 Years</u>	<u>15~20 Years</u>	<u>20+ Years</u>
Lease liabilities	<u>\$ 13,001,669</u>	<u>\$ 41,115,697</u>	<u>\$ 15,898,950</u>	<u>\$ 32,869</u>	<u>\$ 4,983</u>	<u>\$ -</u>

* Cash outflows of other financial liabilities of different terms will be offset by principal secured by standby letters of credit and interest revenue. Cash inflows expected to occur not later than one year, to occur later than one year and not later than five years, and to occur later than five years were \$294,607 thousand, \$1,479,081 thousand and \$348,617 thousand, respectively.

The amounts included above for financial guarantee contracts were within the limitation the Group can offer to related parties; i.e. the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee. Based on expectations at the end of the reporting period, the management considers that it is more likely than not that no amount will be payable under the arrangement.

b) Derivative instruments

The Group did not have outstanding derivative instruments contracts as of March 31, 2021, December 31, 2020 and March 31, 2020

33. TRANSACTIONS WITH RELATED PARTIES

The Ministry of Transportation and Communications R.O.C. (MOTC), National Development Fund, and Taiwan International Ports Corporation, Ltd. held 34.53%, 39.11% and 47.62% of the ordinary shares of YMTC as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively. Over 50% of the members of YMTC's board of directors were appointed by the MOTC, National Development Fund, and Taiwan International Ports Corporation, Ltd. Therefore, the Group is a

government - related entity, which is controlled by the central government. Transactions with other government - related entities were mainly bank deposits, borrowings and guarantees with government - related banks (see Notes 18 and 19), concession rights of the Port of Kaohsiung, Taiwan International Ports Corporation Kaohsiung harbor intercontinental container and logistics center (see Note 16), operating commission contracts signed with Taiwan Power Company (TPC) Corporation (see Note 35), and shipbuilding contracts signed with China Ship Building Corporation (CSBC) (see Note 35).

Balances and transactions between the Group and its subsidiaries, which are related party of the Group, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in other notes and Table A and B, details of transaction between the Group and other related parties are disclosed as follows:

a. Related party name and relationship

<u>Related Party Name</u>	<u>Relationship with the Group</u>
Formosa International Development Corporation	Associate
Yang Ming (U.A.E.) LLC	Associate
Yang Ming (Australia) Pty. Ltd.	Associate
West Basin Container Terminal LLC	Associate
Corstor Ltd.	Associate
Yang Ming Shipping (Egypt) S.A.E.	Associate
Kao Ming Container Terminal Corp.	Associate
Yunn Wang Investment Co., Ltd.	Associate
LogiTrans Technology Private Limited	Joint venture
Chang Ming Logistics Group Limited	Joint venture
YES LIBERAL Logistics Corp.	Joint venture
YES and HQL Logistics Group	Joint venture
Taiwan Navigation Co., Ltd.	Government - related party
Chunghwa Telecom Co., Ltd.	Government - related party
Taiwan International Ports Corporation, Ltd.	Government - related party
Chunghwa Post Co., Ltd.	Government - related party
Agricultural Bank of Taiwan	Government - related party
Taipei Exchange	Government - related party
First Commercial Bank	Government - related party
Mega International Commercial Bank Co., Ltd.	Government - related party
Chung Kuo Insurance Group, Limited	Government - related party
Mega Bills Finance Co., Ltd.	Government - related party
Bank of Taiwan	Government - related party
Bank Taiwan Securities Co., Ltd.	Government - related party
Land Bank of Taiwan	Government - related party
The Export-Import Bank of the Republic of China	Government - related party
Taiwan Cooperative Bank Co., Ltd.	Government - related party

(Continued)

<u>Related Party Name</u>	<u>Relationship with the Group</u>
Taiwan Cooperative Bills Finance Co., Ltd.	Government - related party
Taiwan Business Bank Co., Ltd.	Government - related party
Chang Hwa Bank Ltd.	Government - related party
Taiwan Power Group	Government - related party
Taiwan Water Corporation	Government - related party
China Steel Corporation	Government - related party
CPC Corporation, Taiwan	Government - related party
CSBC Corporation, Taiwan	Government - related party
Hua Nan Commercial Bank, Ltd.	Government - related party
Taiwan Stock Exchange Corporation	Government - related party
Marine Container Services India Private Limited	Investor that have significant influence over the subsidiaries
Unicorn Enterprises	Investor that have significant influence over the subsidiaries
Bay Container Terminal Private Limited	Investor that have significant influence over the subsidiaries
Marine Container Services (South) Private Limited	Investor that have significant influence over the subsidiaries
Omega Intermodal Container Services Private Limited	Investor that have significant influence over the subsidiaries
Yang Ming Cultural Foundation	Other related party

(Concluded)

b. Operating transaction

<u>Line Item</u>	<u>Related Party Category / Name</u>	<u>For the Three Months Ended March 31</u>	
		2021	2020
Operating revenue	Associates	\$ 50,772	\$ 53,783
	Joint ventures	724	178
	Government – related parties	<u>66,566</u>	<u>99,362</u>
		<u>\$ 118,062</u>	<u>\$ 153,323</u>
Operating cost	Associates	\$ 522,491	\$ 563,602
	Joint ventures	25,925	16,463
	Government – related parties	43,253	46,958
	Investors that have significant influence over the subsidiaries	<u>80,354</u>	<u>96,612</u>
		<u>\$ 672,023</u>	<u>\$ 723,635</u>

(Continued)

Line Item	Related Party Category /Name	For the Three Months Ended March 31	
		2021	2020
Operating expenses	Joint ventures	\$ 1,596	\$ 22,629
	Government – related parties	7,241	7,709
	Investors that have significant influence over the subsidiaries	16	185
	Other related parties	<u>7,047</u>	<u>3,663</u>
		<u>\$ 15,900</u>	<u>\$ 34,186</u>

(Concluded)

The Group's transactions with related parties were conducted under contract terms.

c. Bank deposits

Bank deposits on reporting period (including financial assets at amortized cost and pledged time deposits as of March 31, 2021, December 31, 2020 and March 31, 2020) were as follows:

Related Party Category/ Name	March 31, 2021	December 31, 2020	March 31, 2020
Government – related parties			
Land Bank of Taiwan	\$ 1,986,103	\$ 4,984,106	\$ 2,777,748
Others	<u>4,826,449</u>	<u>3,989,973</u>	<u>5,002,007</u>
	<u>\$ 6,812,552</u>	<u>\$ 8,974,079</u>	<u>\$ 7,779,755</u>

d. Contract assets

Line Item	Related Party Category/ Name	March 31, 2021	December 31, 2020	March 31, 2020
Contract assets	Associates	<u>\$ 132,376</u>	<u>\$ 94,760</u>	<u>\$ 48,801</u>

For the three-month periods ended March 31, 2021 and 2020, no impairment losses were recognized for contract assets from related parties.

e. Contract liabilities

Line Item	Related Party Category/ Name	March 31, 2021	December 31, 2020	March 31, 2020
Contract liabilities	Government – related parties	<u>\$ -</u>	<u>\$ 491</u>	<u>\$ 1,863</u>

f. Receivables and payables from related parties

Line Item	Related Party Category/Name	March 31, 2021	December 31, 2020	March 31, 2020
Notes receivable	Investors that have significant influence over the subsidiaries	\$ -	\$ 3	\$ -
Trade receivables	Associates	\$ 178,031	\$ 172,632	\$ 178,448
	Joint ventures	127	901	347
	Government – related parties	3,922	290	150
		<u>\$ 182,080</u>	<u>\$ 173,823</u>	<u>\$ 178,945</u>
Other receivables (included in other current assets)	Associates	\$ 43,202	\$ 17,935	\$ 46,059
	Government – related parties	20,639	21,308	20,942
	Other related parties	-	2,753	4,000
		<u>\$ 63,841</u>	<u>\$ 41,996</u>	<u>\$ 71,001</u>
Trade payables	Associates	\$ 236,748	\$ 327,318	\$ 297,884
	Joint ventures	6,146	6,742	3,453
	Government – related parties	4,110	3,393	29,937
	Investors that have significant influence over the subsidiaries	85,572	87,935	104,186
		<u>\$ 332,576</u>	<u>\$ 425,388</u>	<u>\$ 435,460</u>
Other payables	Associates	\$ 55,520	\$ 44,480	\$ 76,852
	Joint ventures	-	772	-
	Government – related parties			
	CSBC Corporation, Taiwan	847,655	-	112,560
	Others	35,319	30,666	89,790
		<u>\$ 938,494</u>	<u>\$ 75,918</u>	<u>\$ 279,202</u>

For the three-month periods ended March 31, 2021 and 2020, no impairment losses were recognized for notes receivable, trade receivables and other receivables from related parties.

g. Financial assets at amortized cost

Repurchase agreements on reporting period (including repurchase agreements under cash and cash equivalents as of March 31, 2021, December 31, 2020 and March 31, 2020) were as follows:

Related Party Category/Name	March 31, 2021	December 31, 2020	March 31, 2020
Government – related parties	<u>\$ 115,225</u>	<u>\$ 391,181</u>	<u>\$ 560,982</u>

h. Prepayments

Line Item	Related Party Category/Name	March 31, 2021	December 31, 2020	March 31, 2020
Prepayments to shipping agents	Associates			
	Yang Ming (Egypt) S.A.E.	\$ 90,457	\$ 87,393	\$ -
	Others	<u>6,370</u>	<u>-</u>	<u>-</u>
		<u>\$ 96,827</u>	<u>\$ 87,393</u>	<u>\$ -</u>
Prepayments	Associates	\$ 773	\$ 771	\$ 818
	Government – related parties	<u>-</u>	<u>2,564</u>	<u>-</u>
		<u>\$ 773</u>	<u>\$ 3,335</u>	<u>\$ 818</u>
Prepayments for equipment	Government – related parties	<u>\$ 385</u>	<u>\$ 480</u>	<u>\$ -</u>

i. Lease arrangements

Line Item	Related Party Category/Name	March 31, 2021	December 31, 2020	March 31, 2020
Lease liabilities	Associates	\$ 3,726	\$ 3,726	\$ -
	Government – related parties	1,106,878	1,154,176	598,361
	Investors that have significant influence over the subsidiaries	<u>12,317</u>	<u>13,541</u>	<u>15,474</u>
		<u>\$ 1,122,921</u>	<u>\$ 1,171,443</u>	<u>\$ 613,835</u>

Line Item	Related Party Category/Name	For the Three Months Ended March 31	
		2021	2020
Interest expense	Associates	\$ 4,327	\$ 2,449
	Investors that have significant influence over the subsidiaries	<u>273</u>	<u>357</u>
		<u>\$ 4,600</u>	<u>\$ 2,806</u>

The Group's lease agreements with related parties were conducted under contract terms.

j. Bonds payable

Related Party Category/Name	March 31, 2021	December 31, 2020	March 31, 2020
Government – related parties	<u>\$ 2,400,000</u>	<u>\$ 4,180,000</u>	<u>\$ 5,480,000</u>

Note: Original investment amount of domestic bonds.

k. Loans from related parties

Line Item	Related Party Category/Name	March 31, 2021	December 31, 2020	March 31, 2020
Short-term borrowings	Government – related parties			
	Mega International Commercial Bank Co., Ltd.	\$ 191,240	\$ 170,880	\$ 206,380
	Land Bank of Taiwan	300,000	300,000	800,000
	First Commercial Bank	-	30,000	500,000
	Chang Hwa Bank Ltd.	-	-	300,000
	Others	<u>170,000</u>	<u>170,000</u>	<u>170,000</u>
		<u>\$ 661,240</u>	<u>\$ 670,880</u>	<u>\$ 1,976,380</u>
Short-term bills payable	Government – related parties			
	Mega Bills Finance Co., Ltd.	<u>\$ 2,196,144</u>	<u>\$ 2,191,201</u>	<u>\$ 2,195,138</u>
Long-term borrowings				
Secured borrowings	Government – related parties			
	Taiwan Cooperative Bank Co., Ltd.	3,216,034	3,271,691	3,784,545
	Others	<u>14,510,872</u>	<u>11,926,157</u>	<u>13,744,173</u>
		<u>\$ 17,726,906</u>	<u>\$ 15,197,848</u>	<u>\$ 17,528,718</u>
Unsecured borrowings	Government – related parties	<u>\$ 2,780,708</u>	<u>\$ 13,743,344</u>	<u>\$ 5,641,546</u>
Commercial papers	Government – related parties	<u>\$ 1,498,469</u>	<u>\$ 1,498,745</u>	<u>\$ 1,498,634</u>

l. Others

Line Item	Related Party Category/Name	For the Three Months Ended March 31	
		2021	2020
Rental income	Associates	\$ 34	\$ 29
	Other related parties	<u>476</u>	<u>476</u>
		<u>\$ 510</u>	<u>\$ 505</u>
Interest income	Government – related parties	<u>\$ 2,842</u>	<u>\$ 6,209</u>
Finance cost	Government – related parties	<u>\$ 119,062</u>	<u>\$ 175,523</u>

The Group's transactions with related parties were conducted under contract terms.

m. Remuneration of key management personnel

	<u>For the Three Months Ended March 31</u>	
	<u>2021</u>	<u>2020</u>
Short-term employee benefits	\$ 326,470	\$ 11,212
Post-employment benefits	<u>560</u>	<u>552</u>
	<u>\$ 327,030</u>	<u>\$ 11,764</u>

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

34. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collaterals for syndicated bank loans, long-term bank loans, bonds and credit lines:

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Deposit of stand-by letter of credit (included in financial assets at amortized cost)	\$ -	\$ -	\$ 2,609,781
Pledged time deposits (included in financial assets at amortized cost)	138,517	271,779	290,548
Property, plant and equipment, net	47,139,816	45,751,447	53,996,190
Investment properties, net	<u>4,698,219</u>	<u>4,698,219</u>	<u>4,795,387</u>
	<u>\$ 51,976,552</u>	<u>\$ 50,721,445</u>	<u>\$ 61,691,906</u>

35. COMMITMENTS AND CONTINGENT LIABILITY

In addition to those mentioned in Table B, Notes 16, 19 and 22, commitments and contingent liabilities on reporting periods were as follows:

- a. Kuang Ming Shipping Corp. signed a contract, "operating commission", with Taiwan Power Group, Ltd. since January 2017 and the contract term is five years. Kuang Ming Shipping Corp. is responsible for managing and operating vessels owned by Taiwan Power Group.
- b. The Group signed ship lease contracts with other companies in 2018, contracts that are effective beginning either in 2020 with lease periods ranging from 10 to 12 years. As of March 31, 2022, December 31, 2020 and March 31, 2020, rentals for contracts that were yet in effect were respectively estimated from US\$1,091,000 thousand to US\$1,316,000 thousand, from US\$1,206,000 thousand to US\$1,454,000 thousand and from US\$1,550,000 thousand to US\$1,867,000 thousand.
- c. The Group's shipping and port business were secured by the letter of guarantee issued by a bank for \$540,034 thousand, \$556,034 thousand and \$612,145 thousand as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively.

- d. The Group signed shipbuilding contracts with government - related parties. As of March 31, 2021, December 31, 2020 and March 31, 2020, unpaid amounts for these contracts were \$1,136,347 thousand and US\$36,880 thousand, \$1,477,251 thousand and US\$47,944 thousand and \$4,030,921 thousand and US\$130,924 thousand, respectively.

36. OTHER ITEMS

The Company did not consider COVID-19 pandemic poses significant impact on the business scale and financial situation of the Group, since both containers and bulk shipping markets have been obviously recovering in the second half of the year 2020 with the accelerating recovery of global economic in the first season of the year 2021.

37. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The entities in the Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the Group and the related exchange rates between foreign currencies and respective functional currencies were as follows:

	March 31, 2021			
	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 769,490	28.5400	(USD : NTD)	\$21,961,257
GBP	70	1.3767	(GBP : USD)	2,765
CNY	247,473	4.3535	(CNY : NTD)	1,077,366
USD	14,091	8.3243	(USD : TRY)	402,157
EUR	52,967	33.5145	(EUR : NTD)	1,775,152
GBP	15,918	39.2896	(GBP : NTD)	625,427
JPY	3,237,893	0.2580	(JPY : NTD)	835,302
USD	16,571	6.5557	(USD : CNY)	472,924
CAD	4,581	22.6571	(CAD : NTD)	103,792
<u>Non-monetary items</u>				
Investments accounted for using the equity method				
USD	57,299	28.5400	(USD : NTD)	1,635,323
AUD	1,277	21.7375	(AUD : NTD)	27,766
AED	6,481	7.7703	(AED : NTD)	50,359

(Continued)

March 31, 2021

	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount
INR	\$ 54,043	0.3888	(INR : NTD)	\$ 21,012
GBP	252	39.2896	(GBP : NTD)	9,897
CNY	100,702	4.3535	(CNY : NTD)	438,404
IDR	2,620,000	0.0020	(IDR : NTD)	5,240
VND	1,053,333	0.0012	(VND : NTD)	1,264
EGP	9,947	1.8157	(EGP : NTD)	18,061
MYR	310	6.8829	(MYR : NTD)	2,133
<u>Financial asset at FVTPL</u>				
USD	1,133	28.5400	(USD : NTD)	32,332
CNY	1,516	4.3535	(CNY : NTD)	6,601
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	2,530,480	28.5400	(USD : NTD)	72,219,898
CNY	139,292	4.3535	(CNY : NTD)	606,401
EUR	24,207	33.5145	(EUR : NTD)	811,284
USD	3,265	8.3243	(USD : TRY)	93,183
JPY	1,198,680	0.2580	(JPY : NTD)	309,232
GBP	4,548	39.2896	(GBP : NTD)	178,672
USD	15,630	6.5557	(USD : CNY)	446,079
HKD	29,534	3.6714	(HKD : NTD)	108,433
CAD	8,901	22.6571	(CAD : NTD)	201,676

December 31, 2020

	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 401,382	28.4800	(USD : NTD)	\$11,431,351
CNY	264,225	4.3548	(CNY : NTD)	1,150,649
USD	20,166	7.3892	(USD : TRY)	574,321
EUR	32,134	35.0033	(EUR : NTD)	1,124,789
GBP	5,232	38.8781	(GBP : NTD)	203,394
HKD	186,284	3.6740	(HKD : NTD)	684,406
JPY	1,643,278	0.2761	(JPY : NTD)	453,648
USD	13,596	6.5399	(USD : CNY)	387,227
CAD	2,720	22.3451	(CAD : NTD)	60,772

(Continued)

December 31, 2020

	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount
<u>Non-monetary items</u>				
Investments				
accounted for				
using the equity				
method				
USD	\$ 49,825	28.4800	(USD : NTD)	\$ 1,419,013
AUD	1,091	21.9396	(AUD : NTD)	23,938
AED	5,625	7.7539	(AED : NTD)	43,616
INR	48,450	0.3898	(INR : NTD)	18,886
GBP	219	38.8781	(GBP : NTD)	8,513
CNY	99,644	4.3548	(CNY : NTD)	433,929
IDR	2,707,000	0.0020	(IDR : NTD)	5,414
VND	865,833	0.0012	(VND : NTD)	1,039
EGP	27,151	1.8110	(EGP : NTD)	49,170
MYR	244	7.0881	(MYR : NTD)	1,733
Financial asset at				
FVTPL				
USD	1,594	28.4800	(USD : NTD)	45,408
CNY	2,565	4.3548	(CNY : NTD)	11,173
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	2,298,838	28.4800	(USD : NTD)	65,470,914
CNY	164,801	4.3548	(CNY : NTD)	717,677
EUR	29,325	35.0033	(EUR : NTD)	1,026,461
USD	5,542	7.3892	(USD : TRY)	157,834
JPY	1,848,196	0.2761	(JPY : NTD)	510,218
GBP	3,754	38.8781	(GBP : NTD)	145,941
USD	14,041	6.5399	(USD : CNY)	399,880
HKD	870	3.6740	(HKD : NTD)	3,197
CAD	7,548	22.3451	(CAD : NTD)	168,670

March 31, 2020

	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 220,168	30.2300	(USD : NTD)	\$ 6,655,664
GBP	70,685	1.2329	(GBP : USD)	2,634,574
CNY	243,308	4.2622	(CNY : NTD)	1,037,030
USD	16,462	6.5715	(USD : TRY)	497,646

(Continued)

March 31, 2020

	Foreign Currencies (In Thousands)		Exchange Rate	Carrying Amount
EUR	\$ 21,116	33.2394	(EUR : NTD)	\$ 701,888
GBP	6,054	37.2721	(GBP : NTD)	225,636
HKD	60,143	3.8991	(HKD : NTD)	234,502
JPY	2,281,775	0.2790	(JPY : NTD)	636,534
USD	6,038	7.0926	(USD : CNY)	182,543
CAD	797	21.3112	(CAD : NTD)	16,982
<u>Non-monetary items</u>				
Investments				
accounted for				
using the equity				
method				
USD	45,066	30.2300	(USD : NTD)	1,362,355
AUD	1,364	18.6413	(AUD : NTD)	25,420
AED	6,701	8.2304	(AED : NTD)	55,149
INR	48,085	0.4010	(INR : NTD)	19,282
GBP	152	37.2721	(GBP : NTD)	5,657
CNY	99,238	4.2622	(CNY : NTD)	422,971
IDR	2,760,556	0.0018	(IDR : NTD)	4,969
VND	4,437,692	0.0013	(VND : NTD)	5,769
EGP	11,226	1.9191	(EGP : NTD)	21,543
Financial asset at				
FVTPL				
USD	1,105	30.2300	(USD : NTD)	\$ 33,409
CNY	1,488	4.2622	(CNY : NTD)	6,344
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	2,173,165	30.2300	(USD : NTD)	65,694,767
GBP	67,905	1.2329	(GBP : USD)	2,530,947
CNY	224,875	4.2622	(CNY : NTD)	958,465
EUR	26,814	33.2394	(EUR : NTD)	891,297
USD	4,573	6.5715	(USD : TRY)	138,247
JPY	1,544,428	0.2790	(JPY : NTD)	430,841
GBP	5,771	37.2721	(GBP : NTD)	215,110
USD	7,119	7.0926	(USD : CNY)	215,205

(Concluded)

For the three-month periods ended March 31, 2021 and 2020, realized and unrealized net foreign exchange (losses) and gains were (\$15,250) thousand and \$28,856 thousand, respectively. It is impractical to disclose net foreign exchange loss or gains by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group.

38. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees

- 1) Financing provided to others: See Table A attached;
- 2) Endorsement/guarantee provided: See Table B attached;
- 3) Marketable securities held: See Table C attached;
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: See Table D attached;
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None;
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None;
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None;
- 8) Receivable from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: See Table E attached;
- 9) Trading in derivative instruments: See Note 7;
- 10) Intercompany relationships and significant intercompany transactions: See Table F attached;
- 11) Information on investees: See Table G attached;

b. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: See Table H attached;
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: See Table F attached;
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

- f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.
- c. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: See Table I attached.

39. SEGMENT INFORMATION

The Group considered the following factors and has decided to aggregate the operating segments into a single operating segment for the preparation of these consolidated financial statements:

- a. The segments have similar long-term gross profit;
- b. The methods used to provide the segments' services are similar; and
- c. The type or class of customers is similar among the segments.

- a. Segment revenue and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segment.

	For the Three Months Ended March 31, 2021				
	Containership Department	Bulk Shipping Department	Other Departments	Adjustment and Eliminations	Combined
Operating revenue					
Sales to customers	\$ 59,274,325	\$ 560,351	\$ 2,447,779	\$ -	\$ 62,282,455
Intercompany sales	<u>1,178,156</u>	<u>-</u>	<u>318,995</u>	<u>(1,497,151)</u>	<u>-</u>
Total revenue	<u>\$ 60,452,481</u>	<u>\$ 560,351</u>	<u>\$ 2,766,774</u>	<u>(\$ 1,497,151)</u>	<u>\$ 62,282,455</u>
Segment operating income (loss)	<u>\$ 29,424,714</u>	<u>\$ 14,435</u>	<u>\$ 99,840</u>	<u>\$ 14,430</u>	\$ 29,553,419
Administration cost					(540,415)
Other operating income and expenses					74,254
Interest income					24,904
Other income					23,223
Other gains and losses					(6,816)
Financial costs					(691,979)
Share of profit of associates and joint ventures					249,363
Profit before income tax					<u>\$ 28,685,953</u>

(Continued)

	For the Three Months Ended March 31, 2020				
	Containership Department	Bulk Shipping Department	Other Departments	Adjustment and Eliminations	Combined
Operating revenue					
Sales to customers	\$ 32,767,409	\$ 542,639	\$ 1,332,131	\$ -	\$ 34,642,179
Intercompany sales	<u>174,399</u>	<u>-</u>	<u>400,978</u>	<u>(575,377)</u>	<u>-</u>
Total revenue	<u>\$ 32,941,808</u>	<u>\$ 542,639</u>	<u>\$ 1,733,109</u>	<u>(\$ 575,377)</u>	<u>\$ 34,642,179</u>
Segment operating income (loss)	<u>\$ 258,262</u>	<u>(\$ 182,686)</u>	<u>\$ 35,255</u>	<u>\$ 31,300</u>	\$ 142,131
Administration cost					(72,604)
Other operating income and expenses					164,064
Interest income					40,783
Other income					21,543
Other gains and losses					(54,490)
Financial costs					(917,118)
Share of profit of associates and joint ventures					<u>38,309</u>
Profit before income tax					<u>(\$ 637,382)</u>

(Concluded)

Segment profit represented the profit before tax earned by each segment without allocation of central administration costs and directors' salaries, other operating income and expenses, interest income, other income, other gains and losses, financial costs, share of profit or loss of associates and joint ventures and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Segment assets and liabilities

Because reportable segments do not regularly report measures to the chief operating decision maker, the measure of segment assets is zero.

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES
FINANCING PROVIDED TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2021

TABLE A

**Unit : In Thousands of New Taiwan Dollars,
Unless Stated Otherwise**

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period (Note C)	Ending Balance (Note C)	Actual Borrowing Amounts	Interest Rate	Nature of Financing (Note A)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note B)	Aggregate Financing Limits (Note B)
													Item	Value		
0	Yang Ming Marine Transport Corporation	All Oceans Transportation, Inc.	Other receivables	Y	\$ 2,864,353	\$ 1,548,031	\$ 1,548,031	1.2653%-2.9949%	1	\$ -	-	\$ -	-	\$ -	\$ 24,731,158	\$ 31,913,948
1	Yang Ming Line (Singapore) Pte. Ltd.	Kuang Ming (Liberia) Corp.	Other receivables	Y	185,510 (USD 6,500 thousand)	185,510 (USD 6,500 thousand)	185,510 (USD 6,500 thousand)	1.8344%	2	-	Obtain working capital	-	-	-	1,030,067	3,090,202
		All Oceans Transportation, Inc.	Other receivables	Y	285,400 (USD 10,000 thousand)	285,400 (USD 10,000 thousand)	285,400 (USD 10,000 thousand)	1.5774%	2	-	Obtain working capital	-	-	-	5,150,336	5,150,336
		Yang Ming (France) SAS	Other receivables	Y	10,617 (USD 317 thousand)	10,617 (USD 317 thousand)	10,617 (USD 317 thousand)	1.7000%	2	-	Obtain working capital	-	-	-	1,030,067	3,090,202
		Yang Ming Line (Thailand) Co., Ltd.	Other receivables	Y	14,033 (THB 15,400 thousand)	14,033 (THB 15,400 thousand)	14,033 (THB 15,400 thousand)	2.4544%	2	-	Obtain working capital	-	-	-	1,030,067	3,090,202
		Yang Ming (Hong Kong) Ltd.	Other receivables	Y	84,193 (USD 2,950 thousand)	84,193 (USD 2,950 thousand)	84,193 (USD 2,950 thousand)	1.3359%	2	-	Obtain working capital	-	-	-	5,150,336	5,150,336
2	Kuang Ming Shipping Corp.	Kuang Ming (Liberia) Corp.	Other receivables	Y	71,350	71,350	-	-	2	-	Obtain working capital	-	-	-	89,998	269,994
3	Yes Logistics Corp.	Yes Logistics Europe GmbH	Other receivables	Y	37,414 (EUR 1,116 thousand)	37,414 (EUR 1,116 thousand)	37,414 (EUR 1,116 thousand)	1.7000%-1.8500%	1	27,375	-	-	-	-	65,962	675,352
		Yes Logistics Europe GmbH	Other receivables	Y	56,975 (EUR 1,700 thousand)	56,975 (EUR 1,700 thousand)	56,975 (EUR 1,700 thousand)	0.6000%	2	-	Obtain working capital	-	-	-	67,535	135,070
		Yes Logistics (Shanghai) Corp.	Other receivables	Y	123,495 (USD 30,000 thousand and CNY 8,700 thousand)	123,495 (USD 30,000 thousand and CNY 8,700 thousand)	123,495 (USD 30,000 thousand and CNY 8,700 thousand)	2.7800%-3.0000%	1	271,907	-	-	-	-	202,605	675,352
		Yes Logistics Benelux B.V.	Other receivables	Y	3,519 (EUR 105 thousand)	3,519 (EUR 105 thousand)	3,519 (EUR 105 thousand)	1.7500%	1	58,225	-	-	-	-	133,588	675,352
		YES MLC GmbH	Other receivables	Y	40,217 (EUR 1,200 thousand)	40,217 (EUR 1,200 thousand)	40,217 (EUR 1,200 thousand)	0.6000%	2	-	Obtain working capital	-	-	-	67,535	135,070
4	Yang Ming Line Holding Co.	Kuang Ming (Liberia) Corp.	Other receivables	Y	185,510 (USD 6,500 thousand)	185,510 (USD 6,500 thousand)	185,510 (USD 6,500 thousand)	1.8373%	2	-	Obtain working capital	-	-	-	247,572	742,716
		Yang Ming (America) Co.	Other receivables	Y	285,400 (USD 10,000 thousand)	285,400 (USD 10,000 thousand)	285,400 (USD 10,000 thousand)	0.7441%	2	-	Obtain working capital	-	-	-	1,237,860	1,237,860

Notes:

A. Nature of financing:

1. The Company has transactions with the borrower.
2. The borrower needs short-term financing.

B. 1. Yang Ming Marine Transport Corporation: The maximum financing amount is 60% of the net assets of the Company. For borrowers with transactions with the Company, maximum financing is 50% of the net assets of the Company. For the borrower with transactions with the Company, maximum financing is the lower of 15% of the net assets of the Company or the total amount of transactions between the Company and the borrower in the last two years. For a borrower that is a subsidiary of the Company, maximum financing is the lower of 40% of the latest net assets audited or reviewed by CPA of the Company or the total amount of transactions between the Company and the subsidiary in the last five years. For borrowers with short-term financing need, the maximum is 10% of the net assets of the Company. For the borrower needing short-term financing, maximum financing is 5% of the net assets of the Company.

2. Yang Ming Line (Singapore) Pte. Ltd.: The maximum financing amount is 50% of the net assets of the lender. For borrowers with transactions with the lender, maximum financing is 50% of the net assets of the lender. For the borrower with transactions with the lender, maximum financing is the lower of 25% of the net assets of the lender or the total amount of transactions between the lender and the borrower in the last five years. For borrowers with short-term financing need, the maximum is 30% of the net assets of the lender. For the borrower needing short-term financing, maximum financing is 10% of the net assets of the lender. For the borrower needing short-term financing with direct or indirect holding of 100% voting right on corporation not established in the ROC, maximum financing is 50% of the net total assets.

3. Kuang Ming Shipping Corp.: The maximum financing amount is 60% of the net assets of the lender. For borrowers with transactions with the lender, maximum financing is 30% of the net assets of the lender. For the borrower with transactions with the lender, maximum financing is the lower of 15% of the net assets of the lender or the total amount of transactions between the lender and the borrower in the last two years. For subsidiaries with transactions with the lender, maximum financing is 30% of the latest net assets. For borrowers with short-term financing need, the maximum is 30% of the net assets of the lender. For the borrower needing short-term financing maximum financing is 10% of the net assets of the lender.

4. Yes Logistics Corp.: The maximum financing amount is the 70% of the net assets of the lender. For borrowers with transactions with the lender, maximum financing is 50% of the net assets of the lender. For the borrower with transactions with the lender, maximum financing is the lower of 15% of the net assets of the lender or the total amount of transactions between the lender and the borrower in the last two years. For subsidiaries with transactions with the lender, maximum financing is the lower of 40% of the latest net assets of the lender or the total amount of transactions between the lender and the borrower in the last five years. For borrowers with short-term financing need, the maximum is 20% of the net assets of the lender. For the borrower needing short-term financing, maximum financing is 10% of the net assets of the lender.

5. Yang Ming Line Holding Co.: The maximum financing amount is 80% of the net assets of the lender. For borrowers with transactions with the lender, maximum financing is 50% of the net assets of the lender. For the borrower with transactions with the lender, maximum financing is the lower of 25% of the net assets of the lender or the total amount of transactions between the lender and the borrower in the last five years. For borrowers with short-term financing need, the maximum is 30% of the net assets of the lender. For the borrower needing short-term financing, maximum financing is 10% of the net assets of the lender. For borrowers needing short-term financing with direct or indirect holding of 100% voting right on corporation not established in the ROC, maximum financing is 50% of the net total assets. For the borrower needing short-term financing with direct or indirect holding of 100% voting right on corporation not established in the ROC, maximum financing is 50% of the net total assets.

C. United States dollars, Thai Baht, Euros and Chinese Yuan translated into New Taiwan dollars at the exchange rates of US\$1=NT\$28.54, THB1= NT\$0.9112, EUR1= NT\$33.5145 and CNY1= NT\$4.3535 as of March 31, 2021.

D. Except for Yang Ming Line (B.V.I.) Holding Co., Ltd., All Oceans Transportation Inc., Yang Ming (UK) Ltd. and Yangming Shipping (Singapore) Pte. Ltd., others were based on the investees' financial statements which have not been reviewed.

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES
ENDORSEMENT/GUARANTEE PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2021

TABLE B

Unit : In Thousands of New Taiwan Dollars,
Unless Stated Otherwise

No.	Endorser/Guarantor	Endorser/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note A)	Maximum Amount Endorsed/ Guaranteed During the Period (Note B)	Outstanding Endorsement/Guarantee at the End of the Period (Note B)	Actual Borrowing Amount (Note B)	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note A)	Endorsement /Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement /Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	Yang Ming Marine Transport Corporation	All Oceans Transportation, Inc.	Subsidiary	\$ 98,924,635	\$ 2,328,893 (USD 81,601 thousand)	\$ 2,252,052 (USD 78,909 thousand)	\$ 2,252,052 (USD 78,909 thousand)	\$ -	3.64%	\$ 185,483,690	Y	N	N
		Kuang Ming Shipping Corp.	Subsidiary	98,924,635	6,108,540 (USD 78,260 thousand and NTD 3,875,000 thousand)	6,108,540 (USD 78,260 thousand and NTD 3,875,000 thousand)	4,341,631 (USD 66,157 thousand and NTD 2,435,500 thousand)	-	9.88%	185,483,690	Y	N	N
		Kuang Ming (Liberia) Corp.	Subsidiary	98,924,635	1,784,102 (USD 62,512 thousand)	1,752,362 (USD 61,400 thousand)	1,042,800 (USD 36,538 thousand)	-	2.83%	185,483,690	Y	N	N
		Yang Ming (America) Corp.	Subsidiary	98,924,635	228,320 (USD 8,000 thousand)	228,320 (USD 8,000 thousand)	6,087 (USD 213 thousand)	-	0.37%	185,483,690	Y	N	N
1	Yang Ming Line Holding Co.	West Basin Container Terminal LLC	Investments in associates	1,039,227	126,964 (USD 4,449 thousand)	126,964 (USD 4,449 thousand)	62,217 (USD 2,180 thousand)	-	0.21%	1,299,034	N	N	N
		United Terminal Leasing LLC	Investments in associates	1,039,227	50,377 (USD 1,765 thousand)	50,377 (USD 1,765 thousand)	22,827 (USD 800 thousand)	-	0.08%	1,299,034	N	N	N
2	All Oceans Transportation, Inc.	Yang Ming Marine Transport Corporation	Parent	32,382,671	6,874,688	6,874,688	6,874,688 (Note C)	6,874,688 (Note C)	11.12%	37,779,783	N	Y	N
3	Kuang Ming Shipping Corp.	Kuang Ming (Liberia) Corp.	Subsidiary	24,432,157	799,120 (USD 28,000 thousand)	799,120 (USD 28,000 thousand)	441,284 (USD 15,462 thousand)	-	1.29%	30,540,196	N	N	N
4	Yang Ming Line (Singapore) Pte. Ltd.	Yang Ming Line (M) Sdn. Bhd.	Subsidiary	4,123,862	27,532 (MYR 4,000 thousand)	27,532 (MYR 4,000 thousand)	11,198 (MYR 1,627 thousand)	-	0.04%	5,154,828	N	N	N
5	Karlman Properties Limited	Yang Ming Marine Transport Corporation	Parent	335,784	201,500	186,000	186,000	186,000	0.30%	419,730	N	Y	N

Notes:

- A. 1. Represents 300% of the latest net assets audited or reviewed by CPA of Yang Ming Marine Transport Corporation (the "Corporation"). Represents 160% of the amount as aforementioned.
2. Represents 400% of the latest net assets audited or reviewed by CPA of the Company and subsidiaries. Represents 180% of the amount as aforementioned.
3. Represents 50% of assets of Yang Ming Line Holding Co. Represents 80% of the amount as aforementioned.
4. Represents 100% of asset of All Oceans Transportation, Inc. Represents 80% of the amount as aforementioned.
5. Represents 400% of asset of Kuang Ming Shipping Corp. Represents 320% of the amount as aforementioned.
6. Represents 50% of asset of Yang Ming Line (Singapore) Pte. Ltd. Represents 400% of the amount as aforementioned.
7. Represents 500% of assets of Karlman Properties Limited. Represents 40% of the amount as aforementioned.
- B. United States dollars and Malaysian ringgit translated into New Taiwan dollars at the exchange rates of US\$1 = \$28.54 and MYR\$1 = 6.8829 as of March 31, 2021.
- C. Represents 19 ships used as guarantees, with carrying value of \$15,211,908 thousand as of March 31, 2021.
- D. Except for Yang Ming Line (B.V. I.) Holding Co., Ltd., All Oceans Transportation Inc., Yang Ming (UK) Ltd. and Yangming Shipping (Singapore) Pte. Ltd., others were based on the investees' financial statements which have not been reviewed.

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES
MARKETABLE SECURITIES HELD
MARCH 31, 2021

TABLE C

Unit : In Thousands of New Taiwan Dollars,
Unless Stated Otherwise

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2021				Note
				Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Yang Ming Marine Transport Corporation	<u>Domestic unlisted shares</u>							
	Taipei Port Container Terminal Co., Ltd.	—	Financial assets at FVTOCI— non-current	51,000,000	\$ 476,493	9.81	\$ 476,493	
	United Stevedoring Corp.	—	Financial assets at FVTOCI— non-current	500,000	5,825	10.00	5,825	
	<u>Domestic listed shares</u>							
	Taiwan Navigation Co., Ltd.	Government – related party	Financial assets at FVTOCI— non-current	70,758,243	1,698,198	16.96	1,698,198	
	<u>Mutual funds</u>							
	Hua Nan Sele Inc Multi-Asset Fd MD TWD	—	Financial assets at FVTPL— current	355,849	5,839	-	5,839	
<u>Corporate bonds</u>								
	Domestic privately placed unsecured bonds – Kuang Ming Shipping Corp.	Subsidiary	Financial assets at amortized cost— non-current	-	600,000	-	600,000	
Ching Ming Investment Corp.	<u>Domestic unlisted shares</u>							
	Ascentek Venture Capital Corporation	—	Financial assets at FVTOCI— non-current	28,224	1,242	2.14	1,242	
	Pro-Ascentek Investment Corporation	—	Financial assets at FVTOCI— non-current	2,000,000	12,162	1.67	12,162	
	<u>Domestic listed shares</u>							
	Taiwan Semiconductor Manufacturing Co., Ltd. Common Stock	—	Financial assets at FVTPL— current	12,000	7,044	-	7,044	
	Rexon Industrial Corp., Ltd	—	Financial assets at FVTPL— current	80,000	7,544	-	7,544	
	Lotus Pharmaceutical Co., Ltd.	—	Financial assets at FVTPL— current	55,000	4,274	-	4,274	
	CUB Elecparts Inc.	—	Financial assets at FVTPL— current	3,000	728	-	728	
Macronix International Co., Ltd.	—	Financial assets at FVTPL— current	240,000	10,644	-	10,644		

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2021				Note
				Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Evergreen Marine Corp.	—	Financial assets at FVTPL — current	60,000	\$ 2,730	-	\$ 2,730	
	China Development Financial	—	Financial assets at FVTPL — current	1,000	10	-	10	
	President Chain Store Corporation	—	Financial assets at FVTPL — current	10,000	2,720	-	2,720	
	Shin Kong Financial Holdings	—	Financial assets at FVTPL — current	50,000	457	-	457	
	Largan Precision Co., Ltd.	—	Financial assets at FVTPL — current	3,000	9,630	-	9,630	
	ADATA Technology Co., Ltd.	—	Financial assets at FVTPL — current	60,000	5,148	-	5,148	
	Innolux Corporation	—	Financial assets at FVTPL — current	360,000	7,596	-	7,596	
	Ennostar Incorporation	—	Financial assets at FVTPL — current	120,000	9,852	-	9,852	
	Center Laboratories, Inc. Common Stock	—	Financial assets at FVTPL — current	84,322	5,768	-	5,768	
	Oneness Biotech Co., Ltd	—	Financial assets at FVTPL — current	40,000	10,580	-	10,580	
	SpeedTech Corporation	—	Financial assets at FVTPL — current	30,000	2,700	-	2,700	
	Genesys Logic	—	Financial assets at FVTPL — current	2,000	146	-	146	
	Fittech Co., Ltd.	—	Financial assets at FVTPL — current	21,116	3,822	-	3,822	
	Delta Asia International Corporation	—	Financial assets at FVTPL — current	1,000	310	-	310	
	Century Iron and Steel Industrial Co., Ltd.	—	Financial assets at FVTPL — current	1,000	106	-	106	
	WPG Holdings Limited Preferred Stock A	—	Financial assets at FVTPL — current	60,000	3,036	-	3,036	
	<u>Foreign listed shares</u>							
	Ceragon Networks Ltd (CRNT)	—	Financial assets at FVTPL — current	16,888	1,817	-	1,817	
	Renalytix AI PIC (RNLX)	—	Financial assets at FVTPL — current	80	59	-	59	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2021				Note
				Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	<u>Mutual funds</u>							
	Yuanta Daily Taiwan 50 Bear – 1X ETF	—	Financial assets at FVTPL – current	703,000	\$ 4,288	-	\$ 4,288	
	Yuanta S&P GSCI Gold ER Futures ETF	—	Financial assets at FVTPL – current	70,000	1,590	-	1,590	
	Yuanta MSCI CHINA A ETF	—	Financial assets at FVTPL – current	50,000	1,369	-	1,369	
	Fubon China CSI 500 Index ETF	—	Financial assets at FVTPL – current	60,000	1,276	-	1,276	
	Yuanta Global NexGen Communication Innovative Technology ETF	—	Financial assets at FVTPL – current	90,000	2,554	-	2,554	
	Fuh Hwa China 5G Communication ETF	—	Financial assets at FVTPL – current	100,000	1,132	-	1,132	
	Fuh Hwa Taiwan Good Income Fund TWD	—	Financial assets at FVTPL – current	100,000	1,112	-	1,112	
	Cathay Taiwan 5G Plus ETF	—	Financial assets at FVTPL – current	100,000	1,770	-	1,770	
	PGIM US Corporate Bond Fund USD T Accumulation - USD	—	Financial assets at FVTPL – current	818	2,767	-	2,767	
	Allianz Global Investors Preferred Securities and Income Fund HA - CNY	—	Financial assets at FVTPL – current	80,000	3,793	-	3,793	
	Allianz US Low Average Duration High Yield Fund A - USD	—	Financial assets at FVTPL – current	10,000	3,127	-	3,127	
	Eastspring Inv Trgt Mlt 3-6Y EM Bd - USD	—	Financial assets at FVTPL – current	10,000	3,036	-	3,036	
	Nomura Four Years Ladder Maturity Emerging Market Bond Fund - CNY	—	Financial assets at FVTPL – current	60,000	2,808	-	2,808	
	Nomura Global Luxury Brands Fund	—	Financial assets at FVTPL – current	27,878	1,115	-	1,115	
	M&G Optimal Income Fund – M&G Optimal Income Fund USD C-H Acc	—	Financial assets at FVTPL – current	29,964	9,865	-	9,865	
	Taishin ESG Emerging Markets Bond Fund A USD	—	Financial assets at FVTPL – current	200,000	1,963	-	1,963	
	Taishin Global Investors Fund - USD	—	Financial assets at FVTPL – current	20,000	6,814	-	6,814	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2021				Note
				Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Yes Logistics Corp.	Taishin Short Duration Emerging High Yield Bond A - USD	—	Financial assets at FVTPL — current	15,000	\$ 4,436	-	\$ 4,436	
	Allianz Global Investors Global Resources Trends Fund	—	Financial assets at FVTPL — current	166,945	1,329	-	1,329	
	Fuh Hwa Global Short – Term Income Fund	—	Financial assets at FVTPL — current	164,677	2,045	-	2,045	
	Fuh Hwa Asia Pacific Tech Equity Fund	—	Financial assets at FVTPL — current	66,578	1,191	-	1,191	
	Prudential Financial China Flexible Balanced Fund	—	Financial assets at FVTPL — current	252,325	3,435	-	3,435	
	Hua Nan Multi-Assets Balanced Income Fund	—	Financial assets at FVTPL — current	142,340	2,336	-	2,336	
	Shin Kong Hang Seng TECH Index Fund - USD	—	Financial assets at FVTPL — current	100,000	843	-	843	
	Shin Kong Emerging Wealthy Nations Bond Fund	—	Financial assets at FVTPL — current	300,000	2,881	-	2,881	
	TAROBO Robotics Quantitative Chinese Fund	—	Financial assets at FVTPL — current	123,367	1,914	-	1,914	
	ARK Innovation ETF (ARKK)	—	Financial assets at FVTPL — current	120	411	-	411	
	CTBC Vietnam Equity Fund	—	Financial assets at FVTPL — current	100,000	1,212	-	1,212	
	Schroder 2025 Maturity Emerging Market Bond Fund A TWD	—	Financial assets at FVTPL — current	200,000	1,872	-	1,872	
	Franklin Templeton Sinoam Money Market Fund	—	Financial assets at FVTPL — current	3,874,233	40,432	-	40,432	
	Mega Diamond Money Market Fund	—	Financial assets at FVTPL — current	5,545,403	70,199	-	70,199	
	<u>Corporate bond</u> Cathy Life Insurance, 3% perp., TWD	—	Financial assets at amortized cost — current	20	20,000	-	20,000	
	<u>Domestic unlisted shares</u> United Raw Material Solutions Inc./URMS	—	Financial assets at FVTOCI — non-current	319,751	1,564	2.76	1,564	

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES
MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2021

TABLE D

Unit : In Thousands of New Taiwan Dollars

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Change of Investment Accounted for Using the Equity Method	Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying Amount	Gain (Loss) on Disposal		Shares	Amount
Yang Ming Marine Transport Corporation	<u>Mutual funds</u> Jih Sun Money Market Fund	Financial assets at FVTPL – current	–	–	70,245,928	\$ 1,050,000	-	\$ -	70,245,928	\$ 1,050,454	\$ 1,050,000	\$ 454	\$ -	-	\$ -

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES
RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
MARCH 31, 2021

TABLE E

Unit : In Thousands of New Taiwan Dollars

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Yang Ming Marine Transport Corp.	All Oceans Transportation, Inc.	Subsidiary	\$ 1,548,031 (Note A)	-	\$ -	-	\$ -	\$ -
	Yang Ming Shipping Europe GmbH	Subsidiary	112,957	-	-	-	112,957	-
	Yang Ming Italy S.p.A.	Subsidiary	598,033	-	-	-	553,725	-
	Yang Ming (UK) Ltd.	Subsidiary	173,804	-	-	-	173,804	-
	Yes Logistics (Shanghai) Corp.	Subsidiary	248,749	-	-	-	186,454	-
	Yang Ming Shipping (Vietnam) Co., Ltd.	Subsidiary	179,657	-	-	-	179,657	-
	Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	Subsidiary	668,247	-	-	-	668,247	-
	Honming Terminal & Stevedoring Co., Ltd.	Subsidiary	141,532 (Note B)	-	-	-	11,594	-
	YES Logistics Corp.	Subsidiary	566,748 (Note B)	-	-	-	12,600	-
Jing Ming Transportation Co., Ltd.	Yang Ming Marine Transport Corp.	Parent	108,035	-	-	-	7,228	-
Yang Ming Line (Singapore) Pte. Ltd.	All Oceans Transportation, Inc.	The same parent company	286,525 (Note A)	-	-	-	-	-
	Kuang Ming (Liberia) Shipping Corp.	The same parent company	186,362 (Note A)	-	-	-	-	-
Yang Ming (Singapore) Pte. Ltd.	Yang Ming Marine Transport Corp.	Parent	7,330,805	-	-	-	1,232	-
	Yang Ming (Spain), S.L.	The same parent company	214,491	-	-	-	11,946	-
	Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	The same parent company	350,975	-	-	-	27,034	-
Yang Ming Line Holding Corp.	Yang Ming (America) Corp.	Subsidiary	288,785 (Note A)	-	-	-	-	-
	Kuang Ming (Liberia) Shipping Corp.	The same parent company	186,362 (Note A)	-	-	-	-	-
Yang Ming (America) Corp.	Yang Ming Marine Transport Corp.	Parent	286,542	-	-	-	286,542	-
	Yes Logistics Europe GmbH	Subsidiary	110,071	-	-	-	173	-
	Yes Logistics (Shanghai) Corp.	Subsidiary	202,802 (Note C)	-	-	-	-	-
Yang Ming (UK) Ltd.	Yang Ming Marine Transport Corp.	Parent	370,887	-	-	-	764	-
Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	Yang Ming (Singapore) Pte. Ltd.	The same parent company	252,130	-	-	-	-	-

Notes:

A. Interest receivable, financing provided.

B. Finance lease receivables and other receivables.

C. Financing provided, interest receivable, and collection of freight and fees between related parties.

D. Collections between related parties made according to "Agency Accounting Procedure" by the Company and local business conventions.

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2021

TABLE F

Unit : In Thousands of New Taiwan Dollars

Number (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details			
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Total Sales or Assets
0	Yang Ming Marine Transport Corp.	All Oceans Transportation, Inc.	1	Long-term notes receivable and trade receivables	\$ 1,548,031	Conducted as agreed terms	0.01
				Right-of-use assets	23,571,328	Conducted as agreed terms	0.11
				Lease liabilities	5,176,574	Conducted as agreed terms	0.02
				Operating cost	1,063,513	Conducted as agreed terms	0.01
				Interest revenue	8,565	Conducted as agreed terms	-
				Interest expense	21,364	Conducted as agreed terms	-
		Honming Terminal & Stevedoring Co., Ltd.	1	Trade receivables	31	Conducted as agreed terms	-
				Other receivables	11,562	Conducted as agreed terms	-
				Other payables	96,712	Conducted as agreed terms	-
				Finance lease receivable	22,589	Conducted as agreed terms	-
				Long-term lease receivable	107,381	Conducted as agreed terms	-
				Advances from customers	369	Conducted as agreed terms	-
				Operating revenue	758	Conducted as agreed terms	-
				Operating cost	106,668	Conducted as agreed terms	-
				Interest revenue	5,980	Conducted as agreed terms	-
				Right-of-use assets	3,629	Conducted as agreed terms	-
				Lease liabilities	3,694	Conducted as agreed terms	-
				Marketing expense	81	Conducted as agreed terms	-
				Rent income	236	Conducted as agreed terms	-
				Interest expense	15	Conducted as agreed terms	-
		Jing Ming Transportation Co., Ltd.	1	Other receivables	221	Conducted as agreed terms	-
				Other payables	108,035	Conducted as agreed terms	-
				Guarantee deposits received	137	Conducted as agreed terms	-
				Right-of-use assets	3,233	Conducted as agreed terms	-
				Lease liabilities	3,333	Conducted as agreed terms	-
				Operating revenue	781	Conducted as agreed terms	-
				Operating cost	139,546	Conducted as agreed terms	-
Rent income	196			Conducted as agreed terms	-		
Ching Ming Investment Corp.	1	Guarantee deposits received	185	Conducted as agreed terms	-		
		Rent income	297	Conducted as agreed terms	-		
Yang Ming Line (Hong Kong) Ltd.	1	Contract assets	6,374	Conducted as agreed terms	-		

(Continued)

Number (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details			
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Total Sales or Assets
				Trade receivables	\$ 5,461	Conducted as agreed terms	-
				Payables to shipping agents	31,358	Conducted as agreed terms	-
				Operating cost	22,115	Conducted as agreed terms	-
		Yang Ming Line (India) Pvt. Ltd.	1	Contract assets	11,101	Conducted as agreed terms	-
				Advances to shipping agent	19,773	Conducted as agreed terms	-
				Operating cost	3,793	Conducted as agreed terms	-
		Yang Ming (Korea) Co., Ltd.	1	Contract assets	17,251	Conducted as agreed terms	-
				Payables to shipping agents	30,127	Conducted as agreed terms	-
				Operating cost	33,731	Conducted as agreed terms	-
		Yangming (Japan) Co., Ltd.	1	Contract assets	82,494	Conducted as agreed terms	-
				Trade receivables	26,201	Conducted as agreed terms	-
				Payables to shipping agents	48,629	Conducted as agreed terms	-
				Operating cost	39,652	Conducted as agreed terms	-
		Yang Ming (Singapore) Pte. Ltd.	1	Contract assets	42,008	Conducted as agreed terms	-
				Contract liabilities	8,287	Conducted as agreed terms	-
				Trade receivables	58,562	Conducted as agreed terms	-
				Other payables	7,162,497	Conducted as agreed terms	0.03
				Trade payables	160,977	Conducted as agreed terms	-
				Payables to shipping agents	7,331	Conducted as agreed terms	-
				Operating revenue	1,491,107	Conducted as agreed terms	0.01
				Operating cost	23,054	Conducted as agreed terms	-
		Yang Ming Line (M) Sdn. Bhd.	1	Contract assets	25,535	Conducted as agreed terms	-
				Trade receivables	47,817	Conducted as agreed terms	-
				Payables to shipping agents	65,636	Conducted as agreed terms	-
				Operating cost	13,892	Conducted as agreed terms	-
		Yang Ming Shipping (Vietnam) Co., Ltd.	1	Contract assets	369,039	Conducted as agreed terms	-
				Trade receivables	179,657	Conducted as agreed terms	-
				Payables to shipping agents	67,779	Conducted as agreed terms	-
				Operating cost	6,752	Conducted as agreed terms	-
		Yang Ming Anatolia Shipping Agency S.A.	1	Contract assets	79,411	Conducted as agreed terms	-
				Trade receivables	96,631	Conducted as agreed terms	-
				Payables to shipping agents	99,226	Conducted as agreed terms	-
				Operating cost	22,599	Conducted as agreed terms	-
		Yang Ming Shipping Philippines, Inc.	1	Payables to shipping agents	38,273	Conducted as agreed terms	-
				Operating cost	8,527	Conducted as agreed terms	-
				Trade receivables	5,192	Conducted as agreed terms	-

(Continued)

Number (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details			
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Total Sales or Assets
		Yang Ming (Latin America) Corp.	1	Contract assets	\$ 4,122	Conducted as agreed terms	-
				Payables to shipping agents	1,722	Conducted as agreed terms	-
		Yang Ming Line (Thailand) Co., Ltd.	1	Operating cost	4,841	Conducted as agreed terms	-
				Contract assets	64,952	Conducted as agreed terms	-
				Trade receivables	4,581	Conducted as agreed terms	-
				Payables to shipping agents	26,828	Conducted as agreed terms	-
		Yang Ming Insurance Co., Ltd.	1	Operating cost	6,624	Conducted as agreed terms	-
				Prepayment	2,055	Conducted as agreed terms	-
				Operating cost	6,145	Conducted as agreed terms	-
				Other receivables	951	Conducted as agreed terms	-
		PY Yang Ming Shipping Indonesia	1	Payables to shipping agents	13,507	Conducted as agreed terms	-
				Operating cost	8,852	Conducted as agreed terms	-
		Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	1	Contract assets	9,085	Conducted as agreed terms	-
				Trade receivables	668,247	Conducted as agreed terms	-
				Contract assets	955,823	Conducted as agreed terms	-
				Payables to shipping agents	44,956	Conducted as agreed terms	-
				Operating cost	61,363	Conducted as agreed terms	-
		Yang Ming (America) Corp.	1	Payables to shipping agents	286,542	Conducted as agreed terms	-
				Operating cost	282,826	Conducted as agreed terms	-
		Yang Ming Shipping (Canada) Ltd.	1	Payables to shipping agents	12,344	Conducted as agreed terms	-
				Operating cost	10,602	Conducted as agreed terms	-
		Yang Ming (Belgium) N.V.	1	Contract assets	64,306	Conducted as agreed terms	-
				Trade receivables	95,290	Conducted as agreed terms	-
				Payables to shipping agents	19,587	Conducted as agreed terms	-
				Operating cost	7,254	Conducted as agreed terms	-
		Yang Ming (Netherlands) B.V.	1	Contract assets	87,897	Conducted as agreed terms	-
				Trade receivables	74,572	Conducted as agreed terms	-
				Operating revenue	3,421	Conducted as agreed terms	-
				Operating cost	12,255	Conducted as agreed terms	-
		Yang Ming (Italy) S.p.A.	1	Contract assets	212,686	Conducted as agreed terms	-
				Trade receivables	598,033	Conducted as agreed terms	-
				Payables to shipping agents	36,112	Conducted as agreed terms	-
				Operating cost	22,543	Conducted as agreed terms	-
		Yang Ming (UK) Ltd.	1	Contract assets	124,612	Conducted as agreed terms	-
				Trade receivables	173,804	Conducted as agreed terms	-
				Prepayment	23,633	Conducted as agreed terms	-

(Continued)

Number (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details			
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Total Sales or Assets
				Payables to shipping agents	\$ 49,426	Conducted as agreed terms	-
				Trade payables	370,887	Conducted as agreed terms	-
				Operating revenue	977,784	Conducted as agreed terms	0.02
				Operating cost	261,829	Conducted as agreed terms	-
		Yang Ming Shipping Europe GmbH	1	Contract assets	134,154	Conducted as agreed terms	-
				Trade receivables	112,957	Conducted as agreed terms	-
				Payables to shipping agents	65,684	Conducted as agreed terms	-
				Operating cost	58,522	Conducted as agreed terms	-
		Yang Ming (Russia) LLC.	1	Trade receivables	6,629	Conducted as agreed terms	-
				Payables to shipping agents	437	Conducted as agreed terms	-
				Operating cost	2,411	Conducted as agreed terms	-
		Yang Ming (Spain), S.L.	1	Contract assets	1,004	Conducted as agreed terms	-
				Trade receivables	37,933	Conducted as agreed terms	-
				Payables to shipping agents	16,619	Conducted as agreed terms	-
				Operating cost	7,957	Conducted as agreed terms	-
		Yang Ming (Mediterranean) Marine Services Single-Member Limited Liability Company	1	Payables to shipping agents	3,541	Conducted as agreed terms	-
				Operating cost	3,541	Conducted as agreed terms	-
		Kuang Ming Shipping Corp.	1	Other receivables	5,350	Conducted as agreed terms	-
				Right-of-use assets	1,925	Conducted as agreed terms	-
				Lease liabilities	1,950	Conducted as agreed terms	-
				Refundable deposits	126	Conducted as agreed terms	-
				Interest expense	6	Conducted as agreed terms	-
				Operating revenue	411	Conducted as agreed terms	-
				Marketing expense	175	Conducted as agreed terms	-
				Rent income	1,092	Conducted as agreed terms	-
				Interest revenue	2,663	Conducted as agreed terms	-
				Financial assets at amortized cost— non-current	600,000	Conducted as agreed terms	-
		YES Logistics Corp.	1	Trade receivables	571	Conducted as agreed terms	-
				Other payables	3,755	Conducted as agreed terms	-
				Finance lease receivable	37,503	Conducted as agreed terms	-
				Long-term lease receivable	529,245	Conducted as agreed terms	-
				Operating revenue	242,446	Conducted as agreed terms	-
				Operating cost	3,285	Conducted as agreed terms	-
				Marketing expense	192	Conducted as agreed terms	-
				Rent income	1,464	Conducted as agreed terms	-

(Continued)

Number (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details					
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Total Sales or Assets		
1	All Oceans Transportation, Inc.	Yes Logistics Corp. (USA)	1	Interest revenue	\$ 3,361	Conducted as agreed terms	-		
				Other receivables	13,464	Conducted as agreed terms	-		
				Trade payables	41	Conducted as agreed terms	-		
		Golden Logistics USA Corporation	1	Operating revenue	99,727	Conducted as agreed terms	-		
				Trade payables	361	Conducted as agreed terms	-		
				Operating cost	1,031	Conducted as agreed terms	-		
		Yes Logistics (Shanghai) Corp.	1	Trade receivables	248,749	Conducted as agreed terms	-		
				Trade payables	629	Conducted as agreed terms	-		
				Operating revenue	831,323	Conducted as agreed terms	0.01		
				Other payables	286,525	Conducted as agreed terms	-		
2	Hongming Terminal & Stevedoring Co., Ltd.	Jing Ming Transportation Co., Ltd.	2	Interest expense	1,119	Conducted as agreed terms	-		
				Prepayment	3,648	Conducted as agreed terms	-		
				Operating cost	26,840	Conducted as agreed terms	-		
				Other payables	11,200	Conducted as agreed terms	-		
3	Jing Ming Transportation Co., Ltd.	YES Logistics Corp.	2	Guarantee deposits received	1	Conducted as agreed terms	-		
				Operating cost	10,667	Conducted as agreed terms	-		
				Other receivables	122	Conducted as agreed terms	-		
				Other payables	5,213	Conducted as agreed terms	-		
				Operating revenue	305	Conducted as agreed terms	-		
4	Yang Ming Line (Singapore) Pte. Ltd.	Yang Ming Line (Hong Kong) Ltd.	2	Operating cost	7,891	Conducted as agreed terms	-		
				Trade receivables	1,862	Conducted as agreed terms	-		
				Operating revenue	2,556	Conducted as agreed terms	-		
				Other receivables	281	Conducted as agreed terms	-		
		Yang Ming Line (Thailand) Co., Ltd.	2	Long-term notes receivable and trade receivables	84,193	Conducted as agreed terms	-		
				Interest revenue	281	Conducted as agreed terms	-		
		Young-Carrier Company Ltd.	2	Other receivables	1,927	Conducted as agreed terms	-		
				Other payables	747	Conducted as agreed terms	-		
		Yes Logistics (Shanghai) Corp.	2	Guarantee deposits received	6,903	Conducted as agreed terms	-		
				Other receivables	85	Conducted as agreed terms	-		
				Long-term notes receivable and trade receivables	14,033	Conducted as agreed terms	-		
						Interest revenue	87	Conducted as agreed terms	-
						Guarantee deposits received	146	Conducted as agreed terms	-
						Rent income	145	Conducted as agreed terms	-

(Continued)

Number (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details			
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Total Sales or Assets
5	Yang Ming (Singapore) Pte. Ltd.	Kung Ming (Liberia) Shipping Corp.	2	Other receivables	\$ 186,362	Conducted as agreed terms	-
		Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	2	Interest revenue	846	Conducted as agreed terms	-
			2	Other payables	133	Conducted as agreed terms	-
			2	Guarantee deposits received	548	Conducted as agreed terms	-
				Rent income	7,260	Conducted as agreed terms	-
		Yang Ming (France) SAS	2	Other receivables	40	Conducted as agreed terms	-
			2	Long-term notes receivable and trade receivables	10,617	Conducted as agreed terms	-
		Yang Ming Line (M) Sdn. Bhd.	2	Interest revenue	40	Conducted as agreed terms	-
				Payables to shipping agents	9,214	Conducted as agreed terms	-
		Yang Ming Anatolia Shipping Agency S.A.	2	Contract assets	55,551	Conducted as agreed terms	-
				Operating cost	3,640	Conducted as agreed terms	-
		Yang Ming (Belgium) N.V.	2	Trade receivables	465	Conducted as agreed terms	-
				Contract assets	3	Conducted as agreed terms	-
		Yang Ming (Netherlands) B.V.	2	Trade receivables	5,082	Conducted as agreed terms	-
				Operating cost	57	Conducted as agreed terms	-
		Yang Ming Shipping Europe GmbH	2	Payables to shipping agents	1,695	Conducted as agreed terms	-
				Operating cost	1,349	Conducted as agreed terms	-
				Contract assets	99,459	Conducted as agreed terms	-
		Yang Ming (Italy) S.p.A.	2	Trade receivables	11,221	Conducted as agreed terms	-
				Payables to shipping agents	3,394	Conducted as agreed terms	-
				Operating cost	4,415	Conducted as agreed terms	-
		Yang Ming (UK) Ltd.	2	Contract assets	68,624	Conducted as agreed terms	-
				Trade receivables	21,358	Conducted as agreed terms	-
Payables to shipping agents	396			Conducted as agreed terms	-		
Yang Ming Shipping (Vietnam) Co., Ltd.	2	Contract assets	16,279	Conducted as agreed terms	-		
		Trade payables	24,773	Conducted as agreed terms	-		
		Operating cost	73,785	Conducted as agreed terms	-		
		Trade receivables	90,886	Conducted as agreed terms	-		
Yang Ming (Russia) LLC.	2	Contract assets	409,438	Conducted as agreed terms	-		
		Contract assets	82,655	Conducted as agreed terms	-		
		Trade receivables	37,815	Conducted as agreed terms	-		
				Payables to shipping agents	17,522	Conducted as agreed terms	-
				Operating cost	10,459	Conducted as agreed terms	-
				Operating cost	322	Conducted as agreed terms	-
				Contract assets	2,347	Conducted as agreed terms	-

(Continued)

Number (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details					
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Total Sales or Assets		
6	Karlman Properties Limited	Yang Ming (Spain), S.L.	2	Trade receivables	\$ 214,491	Conducted as agreed terms	-		
				Payables to shipping agents	3,382	Conducted as agreed terms	-		
				Contract assets	191,339	Conducted as agreed terms	-		
			Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	2	Trade receivables	350,975	Conducted as agreed terms	-	
					Payables to shipping agents	252,130	Conducted as agreed terms	-	
					Operating cost	110,888	Conducted as agreed terms	-	
					Contract assets	650,207	Conducted as agreed terms	-	
			Yang Ming Shipping Philippines, Inc.	2	Trade receivables	2,001	Conducted as agreed terms	-	
					Payables to shipping agents	1,334	Conducted as agreed terms	-	
					Operating cost	658	Conducted as agreed terms	-	
			Yang Ming Line (Thailand) Co., Ltd.	2	Contract assets	6,296	Conducted as agreed terms	-	
					Trade receivables	24,142	Conducted as agreed terms	-	
					Payables to shipping agents	12,295	Conducted as agreed terms	-	
					Operating cost	14,575	Conducted as agreed terms	-	
				Yang Ming (Mediterranean) Marine Services Single-Member Limited Liability Company	2	Operating cost	7,497	Conducted as agreed terms	-
				PY Yang Ming Shipping Indonesia	2	Trade receivables	2,194	Conducted as agreed terms	-
						Payables to shipping agents	10,405	Conducted as agreed terms	-
						Operating cost	3,722	Conducted as agreed terms	-
						Contract assets	5,317	Conducted as agreed terms	-
				Yang Ming (France) SAS	2	Payables to shipping agents	8	Conducted as agreed terms	-
		Yang Ming Line (Hong Kong) Ltd.	2	Guarantee deposits received	734	Conducted as agreed terms	-		
				Rent income	2,196	Conducted as agreed terms	-		
	7	Yang Ming Line (Hong Kong) Ltd.		Rent income	88	Conducted as agreed terms	-		
		Young-Carrier Company Ltd.	2	Rent income	55	Conducted as agreed terms	-		
		Yes Logistics Company Ltd.	2	Rent income	297	Conducted as agreed terms	-		
		Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	2	Rent income		Conducted as agreed terms	-		
	8	Yangming (Japan) Co., Ltd.		Other receivables	124	Conducted as agreed terms	-		
				Operating revenue	138	Conducted as agreed terms	-		
				Rent income	40	Conducted as agreed terms	-		
		Kung Ming (Liberia) Shipping Corp.	2	Trade receivables	379	Conducted as agreed terms	-		
	9	Manwa & Co., Ltd.		Operating revenue	98	Conducted as agreed terms	-		
	10	Yang Ming Line (Thailand) Co., Ltd.		Trade payables	1,326	Conducted as agreed terms	-		
		Yang Ming Line Shipping (Thailand) Co., Ltd.	2	Operating cost	4,141	Conducted as agreed terms	-		
				Advances from customers	286	Conducted as agreed terms	-		
				Operating revenue	887	Conducted as agreed terms	-		
	11	Yang Ming Insurance Co., Ltd.		Advances from customers	2,518	Conducted as agreed terms	-		
		Kuang Ming Shipping Corp.	2						
		Kung Ming (Liberia) Shipping Corp.	2						

(Continued)

Number (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details			
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Total Sales or Assets
12	Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	Yes Logistics (Shanghai) Corp.	2	Operating revenue	\$ 7,719	Conducted as agreed terms	-
				Market expense	1,522	Conducted as agreed terms	-
				Administrative expense	316	Conducted as agreed terms	-
				Right-of-use assets	4,176	Conducted as agreed terms	-
				Lease liabilities	4,296	Conducted as agreed terms	-
13	Yang Ming Line Holding Corp.	Yang Ming (America) Corp.	2	Interest expense	57	Conducted as agreed terms	-
				Other receivables	3,385	Conducted as agreed terms	-
				Long-term notes receivable and trade receivables	285,400	Conducted as agreed terms	-
				Other payables	74	Conducted as agreed terms	-
				Interest revenue	528	Conducted as agreed terms	-
		Kung Ming (Liberia) Shipping Corp.	2	Other receivables	186,362	Conducted as agreed terms	-
				Interest revenue	848	Conducted as agreed terms	-
				Other receivables	116	Conducted as agreed terms	-
				Other receivables	281	Conducted as agreed terms	-
				Market expense	113	Conducted as agreed terms	-
14	Yang Ming (America) Corp.	Yang Ming Shipping (Canada) Ltd.	2	Other receivables	6	Conducted as agreed terms	-
15	Yang Ming Line (B.V.I.) Holding Co., Ltd.	Yang Ming Line N.V.	2	Trade receivables	501	Conducted as agreed terms	-
16	Yang Ming (Belgium) N.V.	Yang Ming (Netherlands) B.V.	2	Rent income	733	Conducted as agreed terms	-
17	Yang Ming (Netherlands) B.V.	Yang Ming (UK) Ltd.	2	Trade receivables	16,989	Conducted as agreed terms	-
18	Yang Ming Shipping Europe GmbH	Yang Ming (Mediterranean) Marine Services Single-Member Limited Liability Company	2	Trade payables	365	Conducted as agreed terms	-
19	Yang Ming (Italy) S.p.A.	Yang Ming (Naples) S.r.l.	2	Operating cost	1,044	Conducted as agreed terms	-
				Trade receivables	124	Conducted as agreed terms	-
				Payables to shipping agents	1,274	Conducted as agreed terms	-
				Operating cost	110	Conducted as agreed terms	-
				Contract assets	204	Conducted as agreed terms	-
		Yang Ming (America) Corp.	2	Payables to shipping agents	85,021	Conducted as agreed terms	-
				Operating cost	21,627	Conducted as agreed terms	-
				Contract assets	62	Conducted as agreed terms	-
				Payables to shipping agents	207	Conducted as agreed terms	-
				Operating cost	37	Conducted as agreed terms	-
20	Yang Ming (UK) Ltd.	Yang Ming Line (Hong Kong) Ltd.	2	Trade receivables	304	Conducted as agreed terms	-
				Operating cost	82	Conducted as agreed terms	-
				Contract assets	434	Conducted as agreed terms	-
				Contract assets	637	Conducted as agreed terms	-
				Contract assets	637	Conducted as agreed terms	-
		Yangming (Japan) Co., Ltd.	2	Trade receivables	304	Conducted as agreed terms	-
				Operating cost	82	Conducted as agreed terms	-
				Contract assets	434	Conducted as agreed terms	-
				Contract assets	637	Conducted as agreed terms	-
				Contract assets	637	Conducted as agreed terms	-
		Yang Ming Line (M) Sdn. Bhd.	2	Contract assets	637	Conducted as agreed terms	-
				Contract assets	637	Conducted as agreed terms	-
				Contract assets	637	Conducted as agreed terms	-
				Contract assets	637	Conducted as agreed terms	-
				Contract assets	637	Conducted as agreed terms	-

(Continued)

Number (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details			
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Total Sales or Assets
				Trade receivables	\$ 3,548	Conducted as agreed terms	-
				Operating cost	135	Conducted as agreed terms	-
				Payables to shipping agents	367	Conducted as agreed terms	-
		Yang Ming Line (India) Pvt. Ltd.	2	Contract assets	82,893	Conducted as agreed terms	-
				Trade receivables	83,543	Conducted as agreed terms	-
				Payables to shipping agents	22,419	Conducted as agreed terms	-
		Yang Ming Shipping (Vietnam) Co., Ltd.	2	Trade receivables	2,289	Conducted as agreed terms	-
				Operating cost	2,665	Conducted as agreed terms	-
				Contract assets	21,026	Conducted as agreed terms	-
		Yang Ming Shipping Philippines, Inc.	2	Trade receivables	1,934	Conducted as agreed terms	-
				Operating cost	970	Conducted as agreed terms	-
				Contract assets	543	Conducted as agreed terms	-
		Yang Ming Line (Thailand) Co., Ltd.	2	Trade receivables	417	Conducted as agreed terms	-
				Operating cost	366	Conducted as agreed terms	-
				Contract assets	2,693	Conducted as agreed terms	-
		Yang Ming Insurance Co., Ltd.	2	Prepayment	465	Conducted as agreed terms	-
				Operating cost	8,025	Conducted as agreed terms	-
		PY Yang Ming Shipping Indonesia	2	Operating cost	232	Conducted as agreed terms	-
		Yang Ming Anatolia Shipping Agency S.A.	2	Trade receivables	1,266	Conducted as agreed terms	-
				Operating cost	24	Conducted as agreed terms	-
				Contract assets	596	Conducted as agreed terms	-
		Yang Ming (Belgium) N.V.	2	Contract assets	1,006	Conducted as agreed terms	-
				Trade receivables	2,112	Conducted as agreed terms	-
				Payables to shipping agents	728	Conducted as agreed terms	-
				Operating cost	188	Conducted as agreed terms	-
		Yang Ming (Netherlands) B.V.	2	Contract assets	1,781	Conducted as agreed terms	-
				Trade receivables	2,851	Conducted as agreed terms	-
				Payables to shipping agents	790	Conducted as agreed terms	-
				Operating cost	163	Conducted as agreed terms	-
		Yang Ming Shipping Europe GmbH	2	Contract assets	4,009	Conducted as agreed terms	-
				Trade receivables	1,600	Conducted as agreed terms	-
				Payables to shipping agents	2,376	Conducted as agreed terms	-
				Operating cost	813	Conducted as agreed terms	-
		Yang Ming (Italy) S.p.A.	2	Trade receivables	3,968	Conducted as agreed terms	-
				Contract assets	135	Conducted as agreed terms	-
		Yang Ming (Russia) LLC.	2	Trade receivables	1,041	Conducted as agreed terms	-

(Continued)

Number (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details				
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Total Sales or Assets	
21	Kung Ming Shipping Corp.	Yang Ming (Spain), S.L. Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	2	Operating cost	\$ 58	Conducted as agreed terms	-	
				Contract assets	155	Conducted as agreed terms	-	
				Contract assets	426	Conducted as agreed terms	-	
				Contract assets	70,526	Conducted as agreed terms	-	
		Trade receivables	96,275	Conducted as agreed terms	-			
		Payables to shipping agents	22,162	Conducted as agreed terms	-			
		Operating cost	5,931	Conducted as agreed terms	-			
		Other receivables	36,492	Conducted as agreed terms	-			
		Operating revenue	30,699	Conducted as agreed terms	-			
		Other income	3,143	Conducted as agreed terms	-			
		22	YES Logistics Corp.	Yang Ming (UK) Ltd.	2	Trade payables	758	Conducted as agreed terms
	Operating cost					2,611	Conducted as agreed terms	-
	Yes Logistics Benelux B.V.			2	Trade receivables	867	Conducted as agreed terms	-
					Long-term notes receivable and trade receivables	3,519	Conducted as agreed terms	-
	Yes Logistics Company Ltd.			2	Trade payables	1,493	Conducted as agreed terms	-
					Operating revenue	3,810	Conducted as agreed terms	-
					Operating cost	12,257	Conducted as agreed terms	-
					Interest revenue	14	Conducted as agreed terms	-
					Trade receivables	1,222	Conducted as agreed terms	-
					Trade payables	4,503	Conducted as agreed terms	-
	Yes Logistics Corp. (USA)	2	Operating revenue	10	Conducted as agreed terms	-		
Operating cost			1,094	Conducted as agreed terms	-			
Trade receivables			26,048	Conducted as agreed terms	-			
Prepayment			9,704	Conducted as agreed terms	-			
Yes Logistics Europe GmbH	2	Trade payables	42,681	Conducted as agreed terms	-			
		Operating revenue	14,413	Conducted as agreed terms	-			
		Operating cost	63,362	Conducted as agreed terms	-			
		Trade receivables	15,682	Conducted as agreed terms	-			
		Other receivables	56,975	Conducted as agreed terms	-			
		Long-term notes receivable and trade receivables	37,414	Conducted as agreed terms	-			
		Trade payables	2,926	Conducted as agreed terms	-			
Yes Logistics (Shanghai) Corp.	2	Advances from customers	1,024	Conducted as agreed terms	-			
		Operating revenue	6,350	Conducted as agreed terms	-			
		Operating cost	5,250	Conducted as agreed terms	-			
		Interest revenue	172	Conducted as agreed terms	-			
		Trade receivables	79,307	Conducted as agreed terms	-			

(Continued)

Number (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details			
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Total Sales or Assets
23	Yes Yangming Logistics (Singapore) Pte. Ltd.	YES MLC GmbH	2	Long-term notes receivable and trade receivables	\$ 123,495	Conducted as agreed terms	-
				Trade payables	65,145	Conducted as agreed terms	-
				Operating revenue	57,089	Conducted as agreed terms	-
				Operating cost	109,115	Conducted as agreed terms	-
				Interest revenue	799	Conducted as agreed terms	-
				Trade payables	322	Conducted as agreed terms	-
				Trade receivables	5	Conducted as agreed terms	-
				Other receivables	40,217	Conducted as agreed terms	-
				Operating cost	1,515	Conducted as agreed terms	-
				Interest revenue	5	Conducted as agreed terms	-
24	Yes Logistics Benelux B.V.	PT. YES Logistics Indonesia	2	Trade payables	1,228	Conducted as agreed terms	-
				Operating cost	2,765	Conducted as agreed terms	-
25	Yes Logistics Company Ltd.	Yes Logistics Corp. (USA)	2	Trade receivables	9	Conducted as agreed terms	-
				Operating revenue	9	Conducted as agreed terms	-
26	Yes Logistics Corp. (USA)	Yang Ming (Netherlands) B.V.	2	Trade payables	1,877	Conducted as agreed terms	-
				Trade receivables	11,081	Conducted as agreed terms	-
27	Yes Logistics (Shanghai) Corp.	Yes Logistics Europe GmbH	2	Trade payables	5,325	Conducted as agreed terms	-
				Operating revenue	1,032	Conducted as agreed terms	-
28	Yes Logistics (Shanghai) Corp.	Yes Logistics (Shanghai) Corp.	2	Operating cost	952	Conducted as agreed terms	-
				Operating cost	1,347	Conducted as agreed terms	-
29	Yes Logistics (Shanghai) Corp.	Yes Logistics (Shanghai) Corp.	2	Trade receivables	4,571	Conducted as agreed terms	-
				Trade payables	11,725	Conducted as agreed terms	-
30	Yes Logistics (Shanghai) Corp.	Yes Logistics (Shanghai) Corp.	2	Trade receivables	20,567	Conducted as agreed terms	-
				Trade payables	1,237	Conducted as agreed terms	-
31	Yes Logistics (Shanghai) Corp.	Golden Logistics USA Corporation	2	Operating revenue	4,479	Conducted as agreed terms	-
				Operating cost	4,277	Conducted as agreed terms	-
32	Yes Logistics (Shanghai) Corp.	Golden Logistics USA Corporation	2	Trade receivables	317	Conducted as agreed terms	-
				Trade payables	81	Conducted as agreed terms	-
33	Yes Logistics (Shanghai) Corp.	PT. YES Logistics Indonesia	2	Other current assets	714	Conducted as agreed terms	-
				Trade receivables	447	Conducted as agreed terms	-
34	Yes Logistics (Shanghai) Corp.	PT. YES Logistics Indonesia	2	Trade payables	770	Conducted as agreed terms	-
				Operating cost	129	Conducted as agreed terms	-
35	Yes Logistics (Shanghai) Corp.	Yes Logistics Europe GmbH	2	Trade receivables	3,119	Conducted as agreed terms	-
				Trade payables	784	Conducted as agreed terms	-
36	Yes Logistics (Shanghai) Corp.	Yes Logistics Europe GmbH	2	Operating revenue	10,989	Conducted as agreed terms	-
				Operating cost	1,163	Conducted as agreed terms	-

(Continued)

Number (Note A)	Investee Company	Counterparty	Relationship (Note B)	Transaction Details			
				Financial Statement Accounts	Amount (Note C)	Payment Terms	% to Total Sales or Assets
28	Yes Logistics Europe GmbH	PT. YES Logistics Indonesia	2	Trade receivables	\$ 207	Conducted as agreed terms	-
				Operating revenue	56	Conducted as agreed terms	-
		Yang Ming Shipping Europe GmbH	2	Trade payables	1,866	Conducted as agreed terms	-
		YES MLC GmbH	2	Trade receivables	27,807	Conducted as agreed terms	-
				Operating revenue	2,953	Conducted as agreed terms	-
29	YES MLC GmbH	Merlin Logistics GmbH	2	Interest revenue	86	Conducted as agreed terms	-
				Trade payables	1,841	Conducted as agreed terms	-

Note A: Transactions between Yang Ming Marine Transport Corp. and its subsidiaries should be remarked, as well as numbered in the first column. Rules are as follows:

1. Yang Ming Marine Transport Corp. - 0
2. Subsidiaries are numbered in Arabic figures.

Note B: Related party transactions are divided into two categories as follows:

1. Yang Ming Marine Transport Corp. to its subsidiaries.
2. Subsidiaries to Yang Ming Marine Transport Corp.

Note C: Information on the table is equivalent to the eliminated material intercompany transactions.

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES
INFORMATION ON INVESTEEES
FOR THE THREE MONTHS ENDED MARCH 31, 2021

TABLE G

**Unit : In Thousands of New Taiwan Dollars,
Unless Stated Otherwise**

Investor Company	Investee Company	Location	Main Business and Products	Original Investment Amount (Note A)		As of March 31, 2021			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2021	December 31, 2020	Shares	Percentage of Ownership	Carrying Amount			
Yang Ming Marine Transport Corporation	Kao Ming Container Terminal Corp.	Taiwan	Terminal operation and stevedoring	\$ 3,181,313	\$ 3,181,313	323,000,000	47.50	\$ 4,771,430	\$ 24,575	\$ 11,673	Investments in associates
	Yang Ming Line (B.V.I.) Holding Co., Ltd.	British Virgin Islands	Investment, shipping agency, forwarding agency and shipping managers	555,266	3,272,005	1,757	100.00	1,680,673	761,186	744,048	Subsidiary
	Yang Ming Line B.V. (Note S)	Netherlands	Investment, shipping agency, forwarding agency and shipping managers	-	-	2,500	100.00	1,259,849	371,877	371,902	Subsidiary
	Kuang Ming Shipping Corp.	Taiwan	Shipping service, shipping agency and forwarding agency	8,927,857 (Note P)	8,927,857 (Note P)	395,527,339	98.88	815,246	(37,450)	(37,042)	Subsidiary
	Yang Ming Line (Singapore) Pte. Ltd.	Singapore	Investment, shipping service; chartering, sale and purchase of ships; and forwarding agency	1,113,356	1,113,356	60,130,000	100.00	10,301,396	6,525,880	6,526,405	Subsidiary
	Yang Ming Line Holding Co.	U.S.A.	Investment, shipping agency, forwarding agency and shipping managers	143,860	143,860	13,500	100.00	2,475,720	192,544	192,544	Subsidiary
	Ching Ming Investment Corp.	Taiwan	Investment	1,098,388	1,098,388	120,487,500	100.00	1,186,704	33,533	33,530	Subsidiary
	All Oceans Transportation, Inc.	Republic of Liberia	Shipping agency, forwarding agency and shipping managers	1,304,115	3,235	461,000	100.00	1,014,250	6,627	6,627	Subsidiary
	YES Logistics Corp.	Taiwan	Warehouse operation and forwarding agency	593,404	593,404	60,000,000	50.00	574,910	64,059	32,001	Subsidiary
	Honming Terminal & Stevedoring Co., Ltd.	Taiwan	Terminal operation and stevedoring	79,273	79,273	7,916,908	79.17	126,405	5,192	4,118	Subsidiary
	Jing Ming Transportation Co., Ltd.	Taiwan	Container transportation	35,844	35,844	8,615,923	50.98	136,341	5,063	2,587	Subsidiary
	Yunn Wang Investment Co., Ltd.	Taiwan	Investment	179,810	179,810	5,211,474	49.75	150,681	(198)	(98)	Investments in associates
	Taiwan Foundation International Pte. Ltd.	Singapore	Investment and subsidiaries management	103,802	103,802	3,400,000	34.00	98,422	38	13	Investments in associates
Ching Ming Investment Corp.	Honming Terminal & Stevedoring Co., Ltd.	Taiwan	Terminal operation and stevedoring	24,988	24,988	2,083,092	20.83	33,232	5,192	-	Subsidiary
	YES Logistics Corp.	Taiwan	Warehouse operation and forwarding agency	548,286	548,286	55,630,977	46.36	626,187	64,059	-	Subsidiary
Yang Ming Line Holding Co.	Yang Ming (America) Corp.	U.S.A.	Shipping agency, forwarding agency and shipping managers	17,305	17,305	5,000	100.00	229,062	5,646	-	Subsidiary
	Triumph Logistics, Inc.	U.S.A.	Container transportation	13,223	13,223	200	100.00	-	-	-	Subsidiary
	Topline Transportation, Inc.	U.S.A.	Container transportation	4,860	4,860	100	100.00	-	-	-	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Business and Products	Original Investment Amount (Note A)		As of March 31, 2021			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note	
				March 31, 2021	December 31, 2020	Shares	Percentage of Ownership	Carrying Amount				
Yang Ming Line (B.V.I.) Holding Co., Ltd.	Transcont Intermodal Logistics, Inc.	U.S.A.	Inland forwarding agency	\$ 326	\$ 326	200	100.00	\$ 230	(\$ 3)	\$ -	Subsidiary	
	Yang Ming Shipping (Canada) Ltd.	Canada	Shipping agency, forwarding agency and shipping managers	2,981	2,981	1,000	100.00	24,214	(61)	-	Subsidiary	
	West Basin Container Terminal LLC	U.S.A.	Terminal operation and stevedoring	132,050	132,050	(Note D)	40.00	1,264,007	527,656	-	Investments in associates	
	United Terminal Leasing LLC	U.S.A.	Terminal operation and machine lease	34,750	34,750	(Note E)	40.00	272,894	2,855	-	Investments in associates	
	Yang Ming Line N.V.	Netherlands Antilles	Investment, shipping agency, forwarding agency and shipping managers	41,235	41,235	1,500,000	100.00	(281) (Note C)	(130)	-	Subsidiary	
	Yang Ming (UK) Ltd.	U.K.	Shipping agency, forwarding agency and shipping managers	2,663,724 (Note U)	-	68,097,591	97.84	1,316,487	1,081,071	-	Subsidiary	
	Yang Ming Line B.V.	Yang Ming (Belgium) N.V.	Belgium	Shipping agency	8,614	8,614	553	89.92	19,266	(3,904)	-	Subsidiary
		Yang Ming (Netherlands) B.V.	Netherlands	Shipping agency	15,285	15,285	400,000	100.00	125,929	12,960	-	Subsidiary
		Yang Ming (Italy) S.p.A.	Italy	Shipping agency	4,319	4,319	125,000	50.00	38,863	9,969	-	Subsidiary
		Yang Ming (UK) Ltd.	U.K.	Shipping agency, forwarding agency and shipping managers	70,709	70,709	1,500,000	2.16	28,998	1,081,071	-	Subsidiary
Yang Ming (Netherlands) B.V.	Yang Ming Shipping Europe GmbH	Hamburg, Germany	Shipping agency, forwarding agency and shipping managers	29,697	29,697	(Note F)	100.00	155,437	(12,255)	-	Subsidiary	
	Yang Ming (Russia) LLC.	Russia	Shipping agency	3,017	3,017	(Note G)	60.00	12,782	4,515	-	Subsidiary	
	Yang Ming (Spain) , S.L.	Spain	Shipping agency	2,213	2,213	60,000	60.00	135,731	24,143	-	Subsidiary	
	Yang Ming (Mediterranean) Marine Services Single-Member Limited Liability Company	Greece	Shipping agency, forwarding agency and shipping managers	39,379	39,379	11,000	100.00	39,081	259	-	Subsidiary	
	Yang Ming Shipping (Egypt) S.A.E.	Egypt	Shipping agency, forwarding agency and shipping managers	15,757	15,757	24,500	49.00	18,061	16,206	-	Investments in associates	
	Yang Ming (Belgium) N.V.	Belgium	Shipping agency	1,900	1,900	62	10.08	2,160	(3,904)	-	Investments in associates	
	Yang Ming (UK) Ltd.	Corstor Ltd.	U.K.	Storage management and trailer transportation	25	25	500	50.00	9,897	6,099	-	Investments in associates
	Yang Ming (Italy) S.p.A.	Yang Ming (Naples) S.r.l.	Italy	Forwarding agency	1,695 (Note R)	1,695 (Note R)	(Note H)	60.00	3,661	1,488	-	Subsidiary
	Yang Ming Line (Singapore) Pte. Ltd.	Yang Ming Shipping (B.V.I.) Inc.	British Virgin Islands	Forwarding agency and shipping agency	247,772	247,772	1,000	100.00	37,915	(781)	-	Subsidiary
		Yang Ming Line (Hong Kong) Ltd.	Hong Kong	Forwarding agency and shipping agency	2,138	2,138	1,000,000	1.44	(1,123) (Note C)	(13,779)	-	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Business and Products	Original Investment Amount (Note A)		As of March 31, 2021			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2021	December 31, 2020	Shares	Percentage of Ownership	Carrying Amount			
	Yang Ming Line (India) Pvt. Ltd.	India	Shipping agency, forwarding agency and shipping managers	\$ 2,228	\$ 2,228	300,000	60.00	\$ 3,848	(\$ 558)	\$ -	Subsidiary
	Yang Ming (Korea) Co., Ltd.	Korea	Shipping agency, forwarding agency and shipping managers	10,107	10,107	60,000	60.00	34,501	459	-	Subsidiary
	Young-Carrier Company Ltd.	Hong Kong	Investment, shipping agency, forwarding agency and shipping managers	14,926	14,926	1,000,000	100.00	209,782	(859)	-	Subsidiary
	Yangming (Japan) Co., Ltd.	Japan	Shipping service; chartering, sale and purchase of ships ; and forwarding agency	36,235	36,235	3,000	100.00	12,977	(14,746)	-	Subsidiary
	Yangming Shipping (Singapore) Pte. Ltd.	Singapore	Shipping agency, forwarding agency and shipping managers	18,851	18,851	1,000,000	100.00	8,240,093	6,487,764	-	Subsidiary
	Yang Ming Line (M) Sdn. Bhd.	Malaysia	Shipping agency, forwarding agency and shipping managers	10,727	10,727	1,000,000	100.00	58,955	4,037	-	Subsidiary
	Sunbright Insurance Pte. Ltd.	Singapore	Insurance	2,271	2,271	350,000	100.00	36,157	551	-	Subsidiary
	Yang Ming Anatolia Shipping Agency	Turkey	Shipping agency, forwarding agency and shipping managers	1,077	1,077	50,000	50.00	201,464	101,825	-	Subsidiary
	Formosa International Development Corporation	Vietnam	Invest industry district and real estate	246,818	246,818	(Note I)	30.00	-	-	-	Investments in associates
	Yang Ming (U.A.E.) LLC.	U.A.E.	Shipping agency, forwarding agency and shipping managers	2,140	2,140	(Note J)	49.00	50,359	13,502	-	Investments in associates
	Yang Ming Shipping (Vietnam) Co., Ltd.	Vietnam	Forwarding agency and shipping managers	9,881	9,881	(Note K)	100.00	52,418	1,755	-	Subsidiary
	Yang Ming (Australia) Pty. Ltd.	Australia	Shipping agency, forwarding agency and shipping managers	4,597	4,597	150,000	50.00	27,766	8,172	-	Investments in associates
	LogiTrans Technology Private Limited	India	Information system service	10,211	10,211	2,040,000	51.00	21,012	4,267	-	Investments in associates
	Yang Ming Shipping Philippines, Inc.	Philippines	Forwarding agency and shipping managers	6,435	6,435	99,995	100.00	(17,851)	(6,426)	-	Subsidiary
	Yang Ming (Latin America) Corp.	Panama	Shipping agency, forwarding agency and shipping managers	6,020	6,020	200	100.00	7,433	80	-	Subsidiary
	Yang Ming Line (Thailand) Co., Ltd.	Thailand	Shipping agency, forwarding agency and shipping managers	3,589	3,589	3,920	49.00	16,951	2,195	-	Subsidiary
	Yang Ming Line shipping (Thailand) Co., Ltd.	Thailand	Shipping agency	2,282	2,282	2,450	49.00	10,002	1,375	-	Subsidiary
	Yang Ming Insurance Co., Ltd.	Bermuda	Insurance	7,740	7,740	250,000	100.00	122,608	9,380	-	Subsidiary
	PY Yang Ming Shipping Indonesia	Indonesia	Shipping agency, forwarding agency and shipping managers	40,946	40,946	18,865	49.00	33,153	(10,098)	-	Subsidiary
	PT. Formosa Seijati Logistics	Indonesia	Storage and stevedoring	5,701	5,701	1,875	15.00	5,240	500	-	Investments in associates
	Yang Ming (France) SAS	France	Shipping agency, forwarding agency and shipping managers	3,025	3,025	90,000	60.00	2,993	(40)	-	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Business and Products	Original Investment Amount (Note A)		As of March 31, 2021			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2021	December 31, 2020	Shares	Percentage of Ownership	Carrying Amount			
	Jambatan Merah Formosa Depot Sdn Bhd	Malaysia	Storage and stevedoring	\$ 1,743	\$ 1,743	250,000	25.00	\$ 2,133	\$ 1,825	\$ -	Investments in associates
Yang Ming Line (Thailand) Co., Ltd.	Yang Ming Line shipping (Thailand) Co., Ltd.	Thailand	Shipping agency	2,328	2,328	2,500	50.00	10,206	1,375	-	Subsidiary
Yang Ming Line shipping (Thailand) Co., Ltd.	Yang Ming Line (Thailand) Co., Ltd.	Thailand	Shipping agency, forwarding agency and shipping managers	3,678	3,678	3,920	49.00	16,951	2,195	-	Subsidiary
Yangming(Japan)Co., Ltd.	Manwa & Co., Ltd.	Japan	Forwarding agency and shipping agency	2,666	2,666	200	100.00	2,306	40	-	Subsidiary
Yang Ming Shipping (B.V.I.) Inc.	Karlman Properties Limited	Hong Kong	Property agency	4	4	24,000,000	100.00	82,566	(705)	-	Subsidiary
	Yang Ming Line (Hong Kong) Ltd.	Hong Kong	Forwarding agency and shipping agency	249,953 (Note T)	-	68,556,347	98.56	(76,953) (Note C)	(13,779)	-	Subsidiary
Kuang Ming Shipping Corp.	Kuang Ming (Liberia) Shipping Corp.	Republic of Liberia	Forwarding agency	6,032,544 (Note Q)	6,026,744 (Note Q)	5	100.00	2,017,279	15,545	-	Subsidiary
YES Logistics Corp.	Yes Logistics Corp. (USA)	U.S.A.	Shipping agency, forwarding agency and shipping managers	179,763	179,763	2,173,411	100.00	29,698	25,482	-	Subsidiary
	Yes Yangming Logistics (Singapore) Pte. Ltd.	Singapore	Investment and subsidiaries management	37,263	37,263	1,607,984	100.00	24,087	1,540	-	Subsidiary
	PT. YES Logistics Indonesia	Indonesia	Forwarding agency	15,315	15,315	510,000	51.00	9,480	(748)	-	Subsidiary
	YES LIBERAL Logistics Corp.	Taiwan	Storage	75,000	75,000	7,500,000	50.00	75,347	2,357	-	Investments in associates
Yes Yangming Logistics (Singapore) Pte. Ltd.	Yes Logistics Benelux B.V.	Netherlands	Forwarding agency	10,179	10,179	12,600	70.00	242	2,256	-	Subsidiary
	Yes Logistics Company Ltd.	Hong Kong	Forwarding agency	32,351	32,351	7,882,278	100.00	21,585	(168)	-	Subsidiary
	YES and HQL Logistics Company	Vietnam	Forwarding agency	3,128	3,128	(Note O)	51.00	1,264	430	-	Investments in associates
Yes Logistics Corp. (USA)	Golden Logistics USA Corporation	U.S.A.	Container transportation	328	328	100	100.00	3,332	252	-	Subsidiary
	YES Logistics Europe GmbH	Germany	Forwarding agency	40,090	40,090	(Note L)	100.00	(94,397) (Note C)	7,936	-	Subsidiary
YES Logistics Europe GmbH	YES MLC GmbH	Germany	Import and export, storage and delivery, and other warehousing related business	10,826	10,826	(Note M)	100.00	(39,347) (Note C)	6,300	-	Subsidiary
YES MLC GmbH	Merlin Logistics GmbH	Austria	Storage and logistics	1,380	1,380	(Note N)	100.00	153	(72)	-	Subsidiary
Merlin Logistics GmbH	YES Logistics Bulgaria Ltd.	Bulgaria	Cargo consolidation service and forwarding agency	740	740	500	100.00	(2,388) (Note C)	-	-	Subsidiary

Notes:

A. This is translated into New Taiwan dollars at the exchange rate prevailing at the time of investment acquisition.

B. This is an adjustment to the remainder investment of investment income or loss recognized at fair value on the date of losing control.

(Continued)

- C. Investees had negative net assets. Thus, the negative carrying values of the investments were presented as liability.
- D. This is equivalent to US\$3,800 thousand, and no shares were issued.
- E. This is equivalent to US\$1,000 thousand, and no shares were issued.
- F. This equivalent to EUR818 thousand and no shares were issued.
- G. This equivalent to US\$92 thousand and no shares were issued.
- H. This is equivalent to EUR6 thousand, and no shares were issued.
- I. This is equivalent to US\$7,700 thousand, and no shares were issued.
- J. This is equivalent to AED245 thousand, and no shares were issued.
- K. This equivalent to US\$300 thousand and no shares were issued.
- L. This is equivalent to EUR1,025 thousand, and no shares were issued.
- M. This is equivalent to EUR290 thousand, and no shares were issued.
- N. This is equivalent to EUR35 thousand, and no shares were issued.
- O. This equivalent to US\$102 thousand and no shares were issued.
- P. The original investment amount did not deduct the amount of offsetting the deficit of \$4,701,339 thousand in May 2017.
- Q. The original investment amount did not deduct the amount of offsetting the deficit of \$2,139,659 thousand in June 2017.
- R. The original investment amount did not deduct the amount of offsetting the deficit of \$1,457 thousand in May 2020.
- S. The Group reorganized the organization in December 2020 and adjusted the holding structure of the Group in Europe. YMTC acquired equity of YML-BV from YML-NV.
- T. Yang Ming Shipping (B.V.I.) applied for capital increase of Yang Ming Line (Hong Kong) Ltd. by the accounts receivable of Yang Ming Shipping (B.V.I.) to Yang Ming Line (Hong Kong) in March 2021, the amount is \$249,953 thousand.
- U. Yang Ming Line (B.V.I.) Holding Co., Ltd. applied for capital increase of Yang Ming (UK) by the accounts receivable of Yang Ming Line (B.V.I.) Holding Co., Ltd. to Yang Ming (UK) in March 2021, the amount is \$2,633,724 thousand.
- V. Except for Yang Ming Line (B.V.I.) Holding Co., Ltd., All Oceans Transportation Inc., Yang Ming (UK) Ltd. and Yangming Shipping (Singapore) Pte. Ltd., others were based on the investees' financial statements which have not been reviewed.
- W. The information on investments in mainland China is provided in Table H.

(Concluded)

YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2021

TABLE H

Unit : In Thousands of New Taiwan Dollars
, Unless Stated Otherwise

Company Name	Investee Company	Main Business and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2021	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note E)	Carrying Amount as of March 31, 2021 (Note E)	Accumulated Repatriation of Investment Income as of March 31, 2021
						Outflow	Inflow						
Yang Ming Marine Transport Corporation	Huan Ming (Shanghai) International Shipping Agency (Note H)	Shipping agency, forwarding agency and shipping managers	US\$ 1,000 thousand (Note I)	Indirect investment through Singapore-based subsidiary's direct investment in Mainland China	\$ -			\$ -	\$ 4,861	51.00%	\$ 2,479	\$ 18,383	\$ -
Yes Logistics Corp.	Yes Logistics (Shanghai) Corp. (Note A)	International shipping agency	US\$ 4,300 thousand	Indirect investment through US based subsidiary's direct investment in Mainland China	228,320 (US\$ 8,000 thousand)			228,320 (US\$ 8,000 thousand)	24,667	96.36%	23,769	195,305	-
	Chang Ming Logistics Company Limited (Note B)	Terminal operation and stevedoring, storage, and shipping agency	CNY 144,800 thousand	Investee's direct investment in Mainland China	265,451 (US\$ 9,301 thousand)			265,451 (US\$ 9,301 thousand)	9,104	47.22%	4,299	278,013	-
	Sino Trans PFS Cold Chain Logistic Co., Ltd.	Stevedoring equipment, management and related service	US\$ 46,242 thousand	Investee's direct investment in Mainland China	175,921 (US\$ 6,164 thousand)			175,921 (US\$ 6,164 thousand)	(20,647)	12.85%	(2,653)	69,593	-
	Shanghai United Cold Chain Logistics Co., Ltd. (Note G)	Stevedoring equipment, management and related service	CNY 50,000 thousand	Investee's direct investment in Mainland China	43,535 (CNY 10,000 thousand)			43,535 (CNY 10,000 thousand)	21,288	19.27%	4,102	56,098	-
Ching Ming Investment Corp.	Sino Trans PFS Cold Chain Logistic Co., Ltd.	Stevedoring equipment, management and related service	US\$ 46,242 thousand	Investee's direct investment in Mainland China	88,017 (US\$ 3,084 thousand)			88,017 (US\$ 3,084 thousand)	(20,647)	6.67%	(1,377)	34,700	-

Company Name	Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2021 (Note J)	Investment Amounts Authorized by Investment Commission, MOEA (Note J)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
Yang Ming Marine Transportation Corporation	\$ -	\$ 200,836 (US\$ 7,037 thousand)	\$ 37,469,900
Yes Logistics Corp. (Note C)	\$ 711,446 (US\$ 17,301 thousand) (CNY 50,000 thousand)	\$ 711,446 (US\$ 17,301 thousand) (CNY 50,000 thousand)	\$ - (Note F)
Ching Ming Investment Corp. (Note D)	\$ 87,070 (CNY 20,000 thousand)	\$ 87,070 (CNY 20,000 thousand)	\$ 712,020

Notes:

- A. Yes Logistics Corp. (the subsidiary of the Company) was authorized to invest in mainland China by the Investment Commission, Ministry of Economic Affairs on June 3, 2004, July 4, 2006, December 26, 2006 and August 31, 2016.
- B. Yes Logistics Corp. (the subsidiary of the Company) was authorized to invest in mainland China by the Investment Commission, Ministry of Economic Affairs on April 11, 2005, August 22, 2006, November 29, 2006 and December 2, 2008.
- C. Yes Logistics Corp. (the subsidiary of the Company) was authorized to invest in mainland China by the Investment Commission, Ministry of Economic Affairs on December 16, 2013.
- D. Ching Ming Investment Corp. (the subsidiary of the Company) was authorized to invest in mainland China by the Investment Commission, Ministry of Economic Affairs on December 17, 2013
- E. Calculated by the % ownership of direct or indirect investment.
- F. Yes Logistics Corp. applied for and obtained the Business Operations Headquarters letter on September 16, 2019, and the term for the letter is to September 15, 2022. Therefore, the restrictions on the amount of investment in China are not applicable to Yes Logistics Corp.
- G. Yes Logistics Corp. (the subsidiary of the Company) was authorized to invest in mainland China by the Investment Commission, Ministry of Economic Affairs on May 12, 2017.
- H. The Company was authorized to invest in mainland China by Investment Commission, Ministry of Economic Affairs on December 25, 2019
- I. Investing by the unappropriated earnings of Yang Ming Line (Singapore) Pte. Ltd.
- J. United States dollars and Chinese Yuan translated into New Taiwan dollars at the exchange rates of US\$1=NT\$28.54 and CNY1=NT\$4.3535 as of March 31, 2021.

YANG MINT MARINE TRANSPORT CORPORATION AND SUBSIDIARIES
INFORMATION OF MAJOR SHAREHOLDERS
MARCH 31, 2021

TABLE I

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
The Ministry of Transportation and Communications R.O.C.	467,682,372	14.04
National Development Fund	460,000,000	13.81
Taiwan International Ports Corporation, Ltd.	222,853,287	6.68

Note A: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Group as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note B: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustee who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.