

**Yang Ming Marine Transport Corporation  
and Subsidiaries**

**Consolidated Financial Statements for the  
Six Months Ended June 30, 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 balance sheets of Yang Ming Marine Transport Corporation (hereinafter referred to as YMTC) and its subsidiaries (the "Group") as of June 30, 2021 and 2020, the related consolidated statements of comprehensive income for the three months ended June 30, 2021 and 2020 and for the six months ended June 30, 2021 and 2020, the consolidated statements of changes in equity and cash flows for the six months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards (IAS) 34, "Interim Financial Reporting" endorsed and issued into effect 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 June 30, 2021 and 2020, the combined total assets of these non-significant subsidiaries were NT\$ 22,517,710 thousand and NT\$ 15,186,789 thousand, respectively, representing 9.38% and 8.38%, respectively, of the consolidated total assets, and the combined total liabilities of these non-significant subsidiaries were NT\$5,971,042 thousand and NT\$ 5,433,221 thousand, respectively, representing 4.26% and 3.30%, respectively, of the consolidated total liabilities; for the three months ended June 30, 2021 and 2020 and for the six months ended June 30, 2021 and 2020, the amounts of the combined comprehensive income of these non-significant subsidiaries were NT\$692,077 thousand, NT\$(319,490) thousand, NT\$1,113,568 thousand and NT\$(1,234,410) thousand, respectively, representing 1.84%, (34.46%), 1.79% and 182.94% respectively, of the consolidated total comprehensive income. As also disclosed in Note 14, as of June 30, 2021 and 2020, the investments accounted for using the equity method were NT\$7,533,816 thousand and NT\$7,859,919 thousand, respectively; and for the three months ended June 30, 2021 and 2020 and for the six months ended June 30, 2021 and 2020, the amounts of the Group's share of the profit of such investments accounted for using the equity method were NT\$577,332 thousand, NT\$(39,258) thousand, NT\$845,867 thousand and NT\$(18,750) thousand, respectively. The information about investees disclosed in Note 39 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 June 30, 2021 and 2020, its consolidated financial performance for the three months ended June 30, 2021 and 2020, and its consolidated financial performance and its cash flows for the six months ended June 30, 2021 and 2020 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’ review report are Chen-Hsiu Yang and Yu-Mei Hung.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

August 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	June 30, 2021 (Reviewed)		December 31, 2020 (Audited)		June 30, 2020 (Reviewed)	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Notes 6 and 34)	\$ 60,320,499	25	\$ 24,518,721	13	\$ 16,134,647	9
Financial assets at fair value through profit or loss (FVTPL)— current (Note 7)	209,662	-	1,743,413	1	287,865	-
Financial assets at amortized cost — current (Notes 9, 23, 34 and 35)	1,073,547	-	2,191,233	1	3,053,784	2
Contract assets, net (Notes 26 and 34)	4,353,345	2	2,890,274	1	1,636,987	1
Notes receivable, net (Notes 10 and 34)	18,580	-	8,245	-	42,430	-
Trade receivables, net (Notes 10 and 26)	19,004,535	8	11,004,046	6	8,475,636	5
Trade receivables from related parties (Notes 10, 26 and 34)	294,655	-	173,823	-	154,259	-
Finance lease receivables, net (Note 11)	20,070	-	19,938	-	19,806	-
Shipping fuel (Note 12)	2,805,579	1	2,189,744	1	2,447,734	1
Prepayments (Note 34)	430,523	-	412,350	-	511,634	-
Prepayments to shipping agents (Note 34)	181,661	-	102,610	-	252	-
Other current assets (Note 34)	1,288,146	1	1,006,822	1	1,194,285	1
Total current assets	<u>90,000,802</u>	<u>37</u>	<u>46,261,219</u>	<u>24</u>	<u>33,959,319</u>	<u>19</u>
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through profit or loss (FVTPL)— non-current (Note 7)	25,000	-	-	-	-	-
Financial assets at fair value through other comprehensive income (FVTOCI)— non-current (Note 8)	5,110,720	2	1,998,531	1	1,629,728	1
Financial assets at amortized cost — non-current (Notes 9, 23, 34 and 35)	53,533	-	103,439	-	115,776	-
Investments accounted for using equity method (Note 14)	7,533,816	3	6,972,400	3	7,859,919	4
Property, plant and equipment (Notes 15, 23 and 35)	73,094,413	31	73,663,236	38	72,316,095	40
Right-of-use assets (Notes 16 and 34)	56,220,254	23	55,853,713	29	52,890,682	29
Investment properties (Notes 17 and 35)	6,317,143	3	6,317,219	3	6,313,245	4
Other intangible assets	82,410	-	88,268	-	105,462	-
Deferred tax assets (Note 4)	1,043,136	1	3,162,100	2	5,445,947	3
Prepayments for equipment (Note 34)	191,385	-	127,805	-	116,947	-
Refundable deposits	202,073	-	199,452	-	153,361	-
Finance lease receivables — non-current (Note 11)	137,152	-	147,220	-	157,222	-
Other financial assets — non-current	57,740	-	63,202	-	71,135	-
Other non-current assets	48,099	-	18,181	-	31,262	-
Total non-current assets	<u>150,116,874</u>	<u>63</u>	<u>148,714,766</u>	<u>76</u>	<u>147,206,781</u>	<u>81</u>
<b>TOTAL</b>	<u>\$ 240,117,676</u>	<u>100</u>	<u>\$ 194,975,985</u>	<u>100</u>	<u>\$ 181,166,100</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Notes 18 and 34)	\$ 1,619,222	1	\$ 2,072,156	1	\$ 3,116,117	2
Short-term bills payable (Notes 18 and 34)	487,121	-	12,113,626	6	11,084,971	6
Financial liabilities at FVTPL — current (Note 7)	-	-	-	-	16,887	-
Financial liabilities for hedging — current (Notes 16 and 33)	7,552,724	3	7,370,742	4	6,778,658	4
Contract liabilities — current (Notes 26 and 34)	418,942	-	134,998	-	114,958	-
Notes payable	23,179	-	25,404	-	21,929	-
Trade payables (Note 20)	19,123,691	8	15,677,632	8	11,806,950	7
Trade payables to related parties (Notes 20 and 34)	402,009	-	425,388	-	529,157	-
Other payables (Notes 21 and 34)	4,986,928	2	4,328,266	2	3,812,645	2
Current tax liabilities (Note 4)	5,678,555	3	264,165	-	98,545	-
Provisions — current (Note 22)	-	-	-	-	1,081,516	1
Lease liabilities — current (Notes 16 and 34)	2,013,859	1	2,146,472	1	2,617,849	1
Current portion of long-term liabilities (Notes 18, 19, 23, 34 and 35)	8,820,901	4	14,315,643	8	24,898,571	14
Other advance account	207,460	-	217,218	-	157,190	-
Other current liabilities	766,454	-	657,644	-	539,899	-
Total current liabilities	<u>52,101,045</u>	<u>22</u>	<u>59,749,354</u>	<u>30</u>	<u>66,675,842</u>	<u>37</u>
<b>NON-CURRENT LIABILITIES</b>						
Financial liabilities for hedging — non-current (Notes 16 and 33)	37,928,745	16	40,383,562	21	39,001,122	21
Bonds payable (Notes 19, 34 and 35)	10,820,988	4	4,945,877	3	4,970,047	3
Long-term borrowings (Notes 18, 34 and 35)	21,333,085	9	41,096,387	21	42,986,676	24
Provisions — non-current (Note 22)	1,343	-	1,396	-	1,378	-
Deferred tax liabilities (Note 4)	6,766,943	3	2,573,337	1	1,814,567	1
Lease liabilities — non-current (Notes 16 and 34)	7,465,598	3	6,089,430	3	6,409,208	4
Other advance account — non-current	124,186	-	163,942	-	227,412	-
Net defined benefit liabilities — non-current (Notes 4 and 24)	2,874,068	1	3,027,709	2	2,414,926	1
Other non-current liabilities	645,703	-	610,139	-	296,419	-
Total non-current liabilities	<u>87,960,659</u>	<u>36</u>	<u>98,891,779</u>	<u>51</u>	<u>98,121,755</u>	<u>54</u>
Total liabilities	<u>140,061,704</u>	<u>58</u>	<u>158,641,133</u>	<u>81</u>	<u>164,797,597</u>	<u>91</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>						
Share capital — ordinary shares	33,321,043	14	31,676,622	16	26,013,357	15
Capital surplus	424,206	-	384,106	-	308,765	-
Retained earnings (accumulated deficits)						
Legal reserve	166,092	-	-	-	-	-
Special reserve	1,494,827	1	-	-	-	-
Unappropriated earnings (deficit to be compensated)	59,052,055	25	1,660,919	1	(10,717,793)	(6)
Total retained earnings (accumulated deficit)	<u>60,712,974</u>	<u>26</u>	<u>1,660,919</u>	<u>1</u>	<u>(10,717,793)</u>	<u>(6)</u>
Other equity	5,013,852	2	1,956,585	1	117,201	-
Total equity attributable to owners of the Company	<u>99,472,075</u>	<u>42</u>	<u>35,678,232</u>	<u>18</u>	<u>15,721,530</u>	<u>9</u>
<b>NON-CONTROLLING INTERESTS</b>						
Total equity	<u>100,055,972</u>	<u>42</u>	<u>36,334,852</u>	<u>19</u>	<u>16,368,503</u>	<u>9</u>
<b>TOTAL</b>	<u>\$ 240,117,676</u>	<u>100</u>	<u>\$ 194,975,985</u>	<u>100</u>	<u>\$ 181,166,100</u>	<u>100</u>

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

(With Deloitte & Touche auditors' review report dated August 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 June 30				For the Six Months Ended June 30			
	2021		2020		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 16, 26 and 34)	\$ 73,271,250	100	\$ 31,750,285	100	\$ 135,553,705	100	\$ 66,392,464	100
OPERATING COSTS (Notes 4, 12, 16, 27, 30 and 34)	29,184,318	40	29,659,824	93	59,736,147	44	62,656,850	94
GROSS PROFIT	44,086,932	60	2,090,461	7	75,817,558	56	3,735,614	6
OPERATING EXPENSES (Notes 4, 27, 30 and 34)								
Selling and marketing expenses	1,703,905	2	1,307,297	4	3,713,457	3	2,682,884	4
General and administrative expenses	( 1,701 )	-	191,959	1	687,284	-	386,309	1
Expected credit loss	42,680	-	13,477	-	61,765	-	19,166	-
Total operating expenses	1,744,884	2	1,512,733	5	4,462,506	3	3,088,359	5
OTHER OPERATING INCOME AND EXPENSES (Note 27)	7,292	-	45,823	-	81,546	-	209,887	-
PROFIT FROM OPERATIONS	42,349,340	58	623,551	2	71,436,598	53	857,142	1
NON-OPERATING INCOME AND EXPENSES (Notes 16, 23, 27 and 34)								
Interest income	43,013	-	38,175	-	67,917	-	78,958	-
Other income	21,940	-	6,756	-	45,163	-	28,299	-
Other gains and losses	36,368	-	584,207	2	29,552	-	529,717	1
Finance costs	( 649,441 )	( 1 )	( 982,513 )	( 3 )	( 1,341,420 )	( 1 )	( 1,899,631 )	( 3 )
Share of profit or loss of associates and joint ventures	370,030	-	( 24,511 )	-	619,393	-	13,798	-
Total non-operating income and expenses	( 178,090 )	( 1 )	( 377,886 )	( 1 )	( 579,395 )	( 1 )	( 1,248,859 )	( 2 )
PROFIT (LOSS) BEFORE INCOME TAX	42,171,250	57	245,665	1	70,857,203	52	( 391,717 )	( 1 )
INCOME TAX EXPENSE (Notes 4 and 28)	( 7,552,485 )	( 10 )	( 268,455 )	( 1 )	( 11,651,494 )	( 8 )	( 386,408 )	-
NET PROFIT (LOSS) FOR THE PERIOD	34,618,765	47	( 22,790 )	-	59,205,709	44	( 778,125 )	( 1 )
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 16, 25 and 28)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments at FVTOCI	2,915,518	4	217,520	1	3,092,471	2	( 143,165 )	-
Share of the other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	253,474	-	16,947	-	271,292	-	( 4,364 )	-
	3,168,992	4	234,467	1	3,363,763	2	( 147,529 )	-
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating the financial statements of foreign operations	( 558,683 )	( 1 )	( 179,034 )	( 1 )	( 536,924 )	-	( 204,533 )	-
Gain on hedging instruments	978,061	2	894,482	3	736,388	-	455,435	-
Income tax related to items that may be reclassified subsequently to profit or loss	( 554,920 )	( 1 )	-	-	( 554,920 )	-	-	-
	( 135,542 )	-	715,448	2	( 355,456 )	-	250,902	-
Other comprehensive income for the period, net of income tax	3,033,450	4	949,915	3	3,008,307	2	103,373	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	\$ 37,652,215	51	\$ 927,125	3	\$ 62,214,016	46	( \$ 674,752 )	( 1 )
NET PROFIT (LOSS) ATTRIBUTABLE TO :								
Owners of the Company	\$ 34,535,060	47	( \$ 67,532 )	-	\$ 59,052,111	44	( \$ 885,895 )	( 1 )
Non-controlling interests	83,705	-	44,742	-	153,598	-	107,770	-
	\$ 34,618,765	47	( \$ 22,790 )	-	\$ 59,205,709	44	( \$ 778,125 )	( 1 )
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO :								
Owners of the Company	\$ 37,623,629	51	\$ 889,301	3	\$ 62,109,322	46	( \$ 742,004 )	( 1 )
Non-controlling interests	28,586	-	37,824	-	104,694	-	67,252	-
	\$ 37,652,215	51	\$ 927,125	3	\$ 62,214,016	46	( \$ 674,752 )	( 1 )
ERNINGS (LOSS) PER SHARE (Note 29)								
Basic	\$ 10.36		( \$ 0.03 )		\$ 17.88		( \$ 0.34 )	
Diluted	\$ 10.35		( \$ 0.03 )		\$ 17.70		( \$ 0.34 )	

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

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

**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 4 and 25)	Retained Earnings (Accumulated Deficits) (Note 25)			Exchange Differences on Translating the Financial Statements of Foreign Operations (Note 25)	Other Equity		Gain on Hedging Instruments (Note 25)	Non-controlling Interests (Note 25)	Total Equity
	Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings (Deficit to be compensated)		Unrealized Valuation Gain/Loss on Financial Assets at Fair Value Through Other Comprehensive Income (Note 25)	Total			
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
Capital surplus used to offset accumulated deficits	-	-	( 1,630,616 )	-	-	1,630,616	-	-	-	-	-	-
Net profit (loss) for the six months ended June 30, 2020	-	-	-	-	-	( 885,895 )	-	-	-	( 885,895 )	107,770	( 778,125 )
Other comprehensive income (loss) for the six months ended June 30, 2020, net of income tax	-	-	-	-	-	-	( 164,015 )	( 147,529 )	455,435	143,891	( 40,518 )	103,373
Total comprehensive income (loss) for the six months ended June 30, 2020	-	-	-	-	-	( 885,895 )	( 164,015 )	( 147,529 )	455,435	( 742,004 )	67,252	( 674,752 )
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	( 38,944 )	( 38,944 )
BALANCE AT JUNE 30, 2020	<u>2,601,336</u>	<u>\$ 26,013,357</u>	<u>\$ 308,765</u>	<u>\$ -</u>	<u>\$ -</u>	<u>( \$ 10,717,793 )</u>	<u>( \$ 369,961 )</u>	<u>( \$ 1,186,795 )</u>	<u>\$ 1,673,957</u>	<u>\$ 15,721,530</u>	<u>\$ 646,973</u>	<u>\$ 16,368,503</u>
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
Appropriation of 2020 earnings												
Legal reserve	-	-	-	166,092	-	( 166,092 )	-	-	-	-	-	-
Special reserve	-	-	-	-	1,494,827	( 1,494,827 )	-	-	-	-	-	-
Net profit for the six months ended June 30, 2021	-	-	-	-	-	59,052,111	-	-	-	59,052,111	153,598	59,205,709
Other comprehensive income (loss) for the six months ended June 30, 2021, net of income tax	-	-	-	-	-	-	( 204,462 )	3,363,728	( 102,055 )	3,057,211	( 48,904 )	3,008,307
Total comprehensive income (loss) for the six months ended June 30, 2021	-	-	-	-	-	59,052,111	( 204,462 )	3,363,728	( 102,055 )	62,109,322	104,694	62,214,016
Convertible bonds converted to ordinary shares	164,442	1,644,421	19,551	-	-	-	-	-	-	1,663,972	-	1,663,972
Share-based payment (Note 30)	-	-	20,549	-	-	-	-	-	-	20,549	-	20,549
Disposal of equity instruments at FVTOCI	-	-	-	-	-	( 56 )	-	56	-	-	-	-
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	( 177,417 )	( 177,417 )
BALANCE AT JUNE 30, 2021	<u>3,332,104</u>	<u>\$ 33,321,043</u>	<u>\$ 424,206</u>	<u>\$ 166,092</u>	<u>\$ 1,494,827</u>	<u>\$ 59,052,055</u>	<u>( \$ 917,972 )</u>	<u>\$ 2,578,054</u>	<u>\$ 3,353,770</u>	<u>\$ 99,472,075</u>	<u>\$ 583,897</u>	<u>\$100,055,972</u>

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

( With Deloitte & Touche auditors' review report dated August 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 Six Months Ended June 30	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	\$ 70,857,203	(\$ 391,717)
Adjustments for :		
Depreciation expenses	8,452,432	8,593,812
Amortization expenses	26,759	26,263
Expected credit loss recognized	61,765	19,166
Net gain on fair value change of financial assets/liabilities at FVTPL	( 21,929)	( 22,443)
Finance costs	1,341,420	1,899,631
Interest income	( 67,917)	( 78,958)
Dividend income	( 1,889)	( 288)
Share-based payment cost	20,549	-
Share of profit of associates and joint ventures	( 619,393)	( 13,798)
Gain on disposal of property, plant and equipment	( 53,273)	( 182,305)
Loss on disposal of associates	-	700
Impairment loss (reversal gain) recognized on right-of-use assets	( 592,426)	490,050
Reversal of shipping fuel	( 170,552)	( 5,385)
Net gain on foreign currency exchange	( 399,597)	( 306,666)
Loss on changes in fair value of investment properties	76	75
Gain on lease modification	( 7,587)	( 6,914)
Recognized of provisions	-	49,207
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at FVTPL	1,519,484	11,367
Contract assets	( 1,484,024)	150,626
Notes receivable	( 10,335)	( 37,638)
Trade receivables	( 8,039,211)	1,484,361
Trade receivables from related parties	( 120,832)	( 8,518)
Shipping fuel	( 444,212)	1,347,747
Prepayments	( 14,863)	74,528
Prepayments to shipping agents	( 79,051)	81,063

( Continued )

## YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2021	2020
Other current assets	(\$ 186,258)	\$ 63,471
Notes payable	( 2,225)	3,536
Trade payables	3,446,059	( 459,559)
Trade payables to related parties	( 23,379)	57,732
Other payables	664,017	84,387
Current liabilities	283,944	( 6,868)
Other advance account	( 49,514)	40,743
Other current liabilities	141,924	71,278
Net defined benefit liabilities	( 153,641)	( 88,745)
Cash generated from operations	74,273,524	12,939,941
Interest received	64,398	88,395
Dividends received	201,462	55,643
Interest paid	( 1,298,883)	( 1,848,038)
Income tax paid	( 483,947)	( 215,174)
Net cash generated from operating activities	72,756,554	11,020,767

### CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of financial assets at FVTOCI	( 20,000)	-
Proceeds from sale of financial assets at FVTOCI	282	-
Purchase of financial assets at amortized cost	( 780,042)	( 207,390)
Proceeds from sale of financial assets at amortized cost	1,936,061	521,394
Proceeds from disposal of associates	-	3,675
Payments for property, plant and equipment	( 2,805,894)	( 3,471,469)
Proceeds from disposal of property, plant and equipment	120,493	541,586
Increase in refundable deposits	( 2,621)	( 11,624)
Payments for intangible assets	( 22,967)	( 12,133)
Decrease in financial lease receivables	9,936	9,805
Decrease in other financial assets	5,462	188
Increase in other non-current assets	( 30,504)	( 14,538)
Increase in prepayments for equipment	( 85,828)	( 81,649)
Net cash used in investing activities	( 1,675,622)	( 2,722,155)

( Continued )



# YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2021	2020
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments of short-term borrowings	(\$ 452,934)	(\$ 1,504,917)
Repayments of short-term bills payable	( 11,652,500)	( 2,390,000)
Proceeds from issuance of bonds payable	5,900,000	-
Proceeds from long-term borrowings	1,287,690	14,804,484
Repayments of long-term borrowings	( 24,811,023)	( 14,871,196)
Repayments of the principal portion of lease liabilities	( 4,976,181)	( 5,116,310)
Decrease in other financial liabilities	-	( 125,266)
Increase in other non-current liabilities	35,564	10,393
Net change in non-controlling interests	( <u>177,417</u> )	( <u>38,944</u> )
Net cash used in financing activities	( <u>34,846,801</u> )	( <u>9,231,756</u> )
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES</b>	( <u>432,353</u> )	( <u>109,548</u> )
<b>NET INCREASE ( DECREASE ) IN CASH AND CASH EQUIVALENTS</b>	35,801,778	( 1,042,692)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u>24,518,721</u>	<u>17,177,339</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>\$ 60,320,499</u>	<u>\$ 16,134,647</u>

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

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

( Concluded )

# **YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)**

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### **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 August 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)

Except for the following, the initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies:

#### 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. The IFRSs endorsed by the FSC for application starting from 2022

<b>New IFRSs</b>	<b>Effective Date Announced by IASB</b>
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note 1)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 2)
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 3)
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022 (Note 4)

Note 1: 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 2: 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 3: 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 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

1) 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.

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.

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

<b>New IFRSs</b>	<b>Effective Date Announced by IASB (Note 1)</b>
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 2)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 3)
Amendments to IAS 12 “Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction”	January 1, 2023 (Note 4)

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 will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3: 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 4: 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 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.
- 3) 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.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that

subsidiary on the same basis as would be required had the Group directly disposed of the related assets or liabilities.

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) Employee share options

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus – employee share options. It is recognized as an expense in full at the grant date if vested immediately. Employee share options are measured at the subscription price determined by the Group's board of directors as the grant date.

3) 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**

	June 30, 2021	December 31, 2020	June 30, 2020
Cash on hand	\$ 317,014	\$ 202,651	\$ 75,526
Checking accounts and demand deposits	35,755,169	14,658,750	11,939,273
Cash equivalents( investments with original maturities of 3 months or less )			
Time deposits	21,036,058	8,022,568	3,001,447
Repurchase agreements	<u>3,212,258</u>	<u>1,634,752</u>	<u>1,118,401</u>
	<u>\$ 60,320,499</u>	<u>\$ 24,518,721</u>	<u>\$ 16,134,647</u>

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

	June 30, 2021	December 31, 2020	June 30, 2020
Time deposits	0.05%-6.20%	0.10%-6.30%	0.08%-8.05%
Repurchase agreements	0.30%-0.53%	0.38%-0.55%	0.70%-1.51%

#### 7. FINANCIAL INSTRUMENTS AT FVTPL - CURRENT

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Financial assets at FVTPL —</u>			
<u>current</u>			
Financial assets mandatorily classified as at FVTPL			
Derivative financial assets ( not under hedge accounting )			
— Call option of bonds payable	\$ -	\$ 8,636	\$ -
— Oil option contract	756	-	-
Non-derivative financial assets			
— Domestic listed shares	136,962	23,923	39,250
— Foreign listed shares	4,655	-	-
— Mutual funds	<u>67,289</u>	<u>1,710,854</u>	<u>248,615</u>
	<u>\$ 209,662</u>	<u>\$ 1,743,413</u>	<u>\$ 287,865</u>

( Continued )



	June 30, 2021	December 31, 2020	June 30, 2020
<u>Financial assets at FVTPL – non-current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
– Domestic limited partnership	\$ 25,000	\$ -	\$ -
<u>Financial liabilities at FVTPL – current</u>			
Financial liabilities held for trading			
Derivative financial liabilities ( not under hedge accounting )			
– Put option of bonds payable	\$ -	\$ -	\$ 16,887

( Concluded )

The Group's purpose for trading oil option contract was to reduce the cost burden from oil price increase. The Group entered into oil option contract. The contract was settled every month. Hedge accounting was not applied.

Outstanding oil option contract at the end of the reporting period was as follows:

	<u>Maturity Date</u>	<u>Unsettled Amount</u>	
		<u>Notional Amount</u>	<u>Fair Value</u>
June 30, 2021	December 31, 2021	USD\$1,770 thousand	\$ 756

## 8. FINANCIAL ASSETS AT FVTOCI - NON-CURRENT

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Domestic investments in equity instruments</u>			
Listed shares and emerging market shares			

( Continued )

	June 30, 2021	December 31, 2020	June 30, 2020
Ordinary shares— Taiwan Navigation Co., Ltd. (Note)	\$ 4,634,665	\$ 1,492,999	\$ 1,181,663
Unlisted shares			
Ordinary shares— Taipei Port Container Terminal Co., Ltd.	455,763	496,702	437,048
Ordinary shares— United Stevedoring Corp.	5,578	6,024	5,723
Ordinary shares— United Raw Material Solutions Inc.	2,523	1,564	1,136
Ordinary shares— Ascentek Venture Capital Corporation	-	1,242	4,158
Ordinary shares— Pro-Ascentek Investment Corporation	<u>12,191</u>	<u>-</u>	<u>-</u>
	<u>\$ 5,110,720</u>	<u>\$ 1,998,531</u>	<u>\$ 1,629,728</u>

( Concluded )

Note: The Group obtained two directors after the director re-election in the shareholders meeting of Taiwan Navigation Co., Ltd. on July 12, 2021. The Group has already had a significant influence on the company. Therefore, the Group reclassified investments in equity instruments into investments accounted for using equity method on the effective date.

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

	June 30, 2021	December 31, 2020	June 30, 2020
Time deposits with original maturity of more than 3 months	\$ 630,283	\$ 468,391	\$ 356,337
Deposits of stand-by letter of credit ( Notes 23 and 35 )	-	-	2,494,791
Restricted bank balance( Note 35 )	58,897	271,779	298,432
Repurchase agreements	417,900	1,534,502	-
Corporate bonds	20,000	20,000	20,000
	<u>\$ 1,127,080</u>	<u>\$ 2,294,672</u>	<u>\$ 3,169,560</u>
Current	<u>\$ 1,073,547</u>	<u>\$ 2,191,233</u>	<u>\$ 3,053,784</u>
Non-current	<u>\$ 53,533</u>	<u>\$ 103,439</u>	<u>\$ 115,776</u>

## 10. NOTES RECEIVABLE AND TRADE RECEIVABLES

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Notes receivable – operating</u>	<u>\$ 18,580</u>	<u>\$ 8,245</u>	<u>\$ 42,430</u>
<u>Trade receivables</u>			
At amortized cost			
Trade receivables – non-related parties	\$ 19,092,325	\$ 11,055,284	\$ 8,530,210
Trade receivables – related parties	294,655	173,823	154,259
Less : Allowance for impairment loss	( <u>87,790</u> )	( <u>51,238</u> )	( <u>54,574</u> )
	<u>\$ 19,299,190</u>	<u>\$ 11,177,869</u>	<u>\$ 8,629,895</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 (Expected Credit Losses). 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.

#### June 30, 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%-0.73%	0.50%-1.73%	0.50%-5.23%	0.50%-10.23%	0.50%-20.23%	100.00%	
Gross carrying amount	\$ 18,916,470	\$ 350,947	\$ 108,916	\$ 12,879	\$ 11,775	\$ 4,573	\$ 19,405,560
Loss allowance (Lifetime ECLs)	( 76,699 )	( 1,986 )	( 3,659 )	( 603 )	( 270 )	( 4,573 )	( 87,790 )
Amortized cost	<u>\$ 18,839,771</u>	<u>\$ 348,961</u>	<u>\$ 105,257</u>	<u>\$ 12,276</u>	<u>\$ 11,505</u>	<u>\$ -</u>	<u>\$ 19,317,770</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)	( 41,598 )	( 2,239 )	( 1,786 )	( 128 )	( 1,170 )	( 4,317 )	( 51,238 )
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>

#### June 30, 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%-0.64%	0.50%-1.64%	0.50%-5.14%	0.50%-10.14%	0.50%-20.14%	100.00%	
Gross carrying amount	\$ 8,424,269	\$ 172,042	\$ 88,588	\$ 23,017	\$ 7,175	\$ 11,808	\$ 8,726,899
Loss allowance (Lifetime ECLs)	( 37,372 )	( 2,465 )	( 2,255 )	( 573 )	( 101 )	( 11,808 )	( 54,574 )
Amortized cost	<u>\$ 8,386,897</u>	<u>\$ 169,577</u>	<u>\$ 86,333</u>	<u>\$ 22,444</u>	<u>\$ 7,074</u>	<u>\$ -</u>	<u>\$ 8,672,325</u>

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

	<u>For the Six Months Ended June 30</u>	
	<u>2021</u>	<u>2020</u>
Balance at January 1	\$ 51,238	\$ 50,419
Add : Net remeasurement of loss allowance	40,669	6,612
Less : Amounts written off	( 2,170)	( 1,454)
Foreign exchange gains and losses	( 1,947)	( 1,003)
Balance at June 30	<u>\$ 87,790</u>	<u>\$ 54,574</u>

## 11. FINANCE LEASE RECEIVABLES

	<u>June 30,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>	<u>June 30,</u> <u>2020</u>
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>55,025</u>	<u>66,030</u>	<u>77,035</u>
	165,080	176,085	187,090
Less : Unearned finance income	( <u>7,858</u> )	( <u>8,927</u> )	( <u>10,062</u> )
Net investment in leases presented as finance lease receivables	<u>\$ 157,222</u>	<u>\$ 167,158</u>	<u>\$ 177,028</u>
Current	<u>\$ 20,070</u>	<u>\$ 19,938</u>	<u>\$ 19,806</u>
Non-current	<u>\$ 137,152</u>	<u>\$ 147,220</u>	<u>\$ 157,222</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 June 30, 2021, December 31, 2020 and June 30, 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. At the end of the reporting period, 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

	June 30, 2021	December 31, 2020	June 30, 2020
Shipping fuel	<u>\$ 2,805,579</u>	<u>\$ 2,189,744</u>	<u>\$ 2,447,734</u>

The cost of shipping fuel recognized as operating cost for the three months ended June 30, 2021 and 2020 and for the six months ended June 30, 2021 and 2020 were \$4,279,721 thousand, \$3,453,484 thousand, \$7,858,177 thousand and \$9,070,037 thousand, respectively.

The cost of shipping fuel recognized as operating cost for the three months ended June 30, 2021 and 2020 and for the six months ended June 30, 2021 and 2020 included reversals of shipping fuel write-downs of \$160,076 thousand, \$4,742 thousand, \$170,552 thousand and \$5,385 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
			June 30, 2021	December 31,2020	June 30, 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	Note b
"	All Oceans Transportation Inc. (AOT)	Shipping agency, forwarding agency and shipping managers	100.00	100.00	100.00	
"	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	
"	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) Corp. (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	Note c
"	Topline Transportation, Inc.	Container transportation	-	100.00	100.00	Note c

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Note
			June 30, 2021	December 31, 2020	June 30, 2020	
"	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 d
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 d
"	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	
"	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	
"	Sun-Baked Pte. Ltd.	Insurance	100.00	100.00	100.00	Note e
"	Yang Ming Line (Hong Kong) Ltd. (YML-HK)	Forwarding agency and shipping agency	1.44	100.00	100.00	Note f
"	Yang Ming (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	

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Note
			June 30, 2021	December 31, 2020	June 30, 2020	
"	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 g
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	
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 f
Kuang Ming	Kuang Ming (Liberia) Corp.	Forwarding agency	100.00	100.00	100.00	
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 July 2021 to apply for the short-form merger of YMTC and Ching Ming in order to simplify the investment structure and resource integration.

Note c: The Group's board of directors resolved in March 2020 to liquidate Triumph Logistics, Inc. and Topline Transportation, Inc. The liquidation was completed in May 2021.

Note d: 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 e: The Group's board of directors resolved in January 2020 to liquidate Sun-Banked Pte. Ltd.

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

Although YMTC directly or indirectly owns no more 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, AOT, Yangming-UK, Yang Ming (Singapore) Pte. Ltd., Kuang Ming, and Kuang Ming (Liberia) Corp. for the six months ended June 30, 2021 and the financial statements of YML-BVI, AOT, Yangming-UK, Kuang Ming, and Kuang Ming (Liberia) Corp. for the six months ended June 30, 2020, the financial statements of other non-significant subsidiaries were not reviewed.

#### 14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	June 30, 2021	December 31, 2020	June 30, 2020
Investment in associates	\$ 7,154,548	\$ 6,602,649	\$ 7,505,202
Investment in joint ventures	<u>379,268</u>	<u>369,751</u>	<u>354,717</u>
	<u>\$ 7,533,816</u>	<u>\$ 6,972,400</u>	<u>\$ 7,859,919</u>

- a. Investment in associates

	June 30, 2021	December 31, 2020	June 30, 2020
Associates that are not individually material			
Kao Ming Container Terminal Corp.	\$ 4,762,683	\$ 4,759,757	\$ 5,839,389
West Basin Container Terminal LLC	1,362,655	1,049,619	918,300
United Terminal Leasing LLC	\$ 267,522	\$ 271,175	\$ 279,827
Sino Trans PFS Cold Chain Logistics Co., Ltd.	105,890	108,384	114,174
Yunn Wang Investment Co., Ltd.	399,596	132,962	106,135
Taiwan Foundation International Pte. Ltd.	95,651	98,219	102,569
Shanghai United Cold Chain logistics Co., Ltd.	54,189	51,882	46,286
Yang Ming Shipping (Egypt) S.A.E.	32,412	49,170	32,791
Yang Ming (U.A.E.) LLC	35,470	43,616	37,166
Yang Ming (Australia) Pty. Ltd.	23,656	23,938	17,358
Corstor Ltd. (Note a)	9,711	8,513	5,527
PT. Formosa Sejati Logistics	5,113	5,414	5,680
Yang Ming( Vietnam ) Corp. (Note b)	-	-	-
Formosa International Development Corporation	-	-	-
	<u>\$ 7,154,548</u>	<u>\$ 6,602,649</u>	<u>\$ 7,505,202</u>

Note a: The Group acquired the remaining equity of Corstor Ltd. in July 2021, therefore, it will be included as subsidiaries since July, 2021.

Note b: 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

	June 30, 2021	December 31, 2020	June 30, 2020
Joint ventures that are not individually material			
Chang Ming Logistics Company Limited	\$ 278,432	\$ 273,663	\$ 264,204
YES LIBERAL Logistics Corp.	75,518	74,430	71,346
LogiTrans Technology Private Limited	19,405	18,886	17,913
Jambatan Merah Formosa Depot Sdn Bhd. (Note)	2,744	1,733	-
Yes And HQL Logistics Company	<u>3,169</u>	<u>1,039</u>	<u>1,254</u>
	<u>\$ 379,268</u>	<u>\$ 369,751</u>	<u>\$ 354,717</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

	June 30, 2021	December 31, 2020	June 30, 2020
Assets used by the Group	\$ 66,637,790	\$ 66,746,767	\$ 65,028,953
Assets leased under operating leases	<u>6,456,623</u>	<u>6,916,469</u>	<u>7,287,142</u>
	<u>\$ 73,094,413</u>	<u>\$ 73,663,236</u>	<u>\$ 72,316,095</u>

a. Assets used by the Group

	Land	Buildings	Container and Chassis	Ships	Leasehold Improvements	Miscellaneous Equipment	Property under Construction	Total
<b>Cost</b>								
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	-	-	-	251,425	1,352	51,648	2,451,838	2,756,263
Disposals	-	-	( 340,275)	( 82,818)	-	( 451,063)	-	( 874,156)
Transfers from assets leased under operating leases	-	-	-	503,735	-	7,445	-	511,180
Transfer to assets leased under operating leases	-	-	-	( 3,819)	-	-	-	( 3,819)
Reclassification	-	-	-	3,609,728	-	525	( 3,590,859)	19,394
Effects of foreign currency exchange differences	( 555)	( 16,011)	( 27)	( 2,693)	( 2,115)	( 14,576)	-	( 35,977)
Balance at June 30, 2021	<u>\$ 697,031</u>	<u>\$ 1,495,533</u>	<u>\$ 24,526,151</u>	<u>\$ 92,925,534</u>	<u>\$ 284,486</u>	<u>\$ 2,815,773</u>	<u>\$ 452,909</u>	<u>\$ 123,197,417</u>
<b>Accumulated depreciation and impairment</b>								
Balance at January 1, 2021	\$ -	\$ 568,553	\$ 14,095,711	\$ 36,424,426	\$ 248,339	\$ 2,740,736	\$ -	\$ 54,077,765
Disposals	-	-	( 300,382)	( 82,818)	-	( 390,622)	-	( 773,822)
Transfers from assets leased under operating leases	-	-	-	292,225	-	7,445	-	299,670
Depreciation expenses	-	15,813	800,130	2,089,170	5,908	63,901	-	2,974,922
Effects of foreign currency exchange differences	-	( 4,923)	-	( 781)	( 1,458)	( 11,746)	-	( 18,908)
Balance at June 30, 2021	<u>\$ -</u>	<u>\$ 579,443</u>	<u>\$ 14,595,459</u>	<u>\$ 38,722,222</u>	<u>\$ 252,789</u>	<u>\$ 2,409,714</u>	<u>\$ -</u>	<u>\$ 56,559,627</u>
Balance at June 30, 2021, net value	<u>\$ 697,031</u>	<u>\$ 916,090</u>	<u>\$ 9,930,692</u>	<u>\$ 54,203,312</u>	<u>\$ 31,697</u>	<u>\$ 406,059</u>	<u>\$ 452,909</u>	<u>\$ 66,637,790</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>
<b>Cost</b>								
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	-	2,471	607,521	162,805	4,124	53,189	2,448,465	3,278,575
Disposals	-	-	( 327,281)	( 3,015,737)	( 165,616)	( 47,276)	-	( 3,555,910)
Transfer to assets leased under operating leases	-	-	-	( 75,685)	-	-	-	( 75,685)
Reclassification	-	-	193,004	2,496,506	-	970	( 2,333,787)	356,693
Effects of foreign currency exchange differences	( 67)	( 12,571)	( 15)	( 60,550)	( 811)	( 11,705)	1	( 85,718)
Balance at June 30, 2020	<u>\$ 697,264</u>	<u>\$ 1,519,735</u>	<u>\$ 24,246,797</u>	<u>\$ 86,896,563</u>	<u>\$ 403,788</u>	<u>\$ 3,379,362</u>	<u>\$ 2,966,567</u>	<u>\$ 120,110,076</u>
<b>Accumulated depreciation and impairment</b>								
Balance at January 1, 2020	\$ -	\$ 547,236	\$ 13,239,912	\$ 38,300,508	\$ 486,100	\$ 2,854,325	\$ -	\$ 55,428,081
Disposals	-	-	( 288,574)	( 2,623,271)	( 165,616)	( 39,847)	-	( 3,117,308)
Transfer to assets leased under operating leases	-	-	-	( 7,884)	-	-	-	( 7,884)
Depreciation expenses	-	16,195	782,464	1,956,526	19,948	61,512	-	2,836,645
Effects of foreign currency exchange differences	-	( 2,328)	-	( 46,518)	( 378)	( 9,187)	-	( 58,411)
Balance at June 30, 2020	<u>\$ -</u>	<u>\$ 561,103</u>	<u>\$ 13,733,802</u>	<u>\$ 37,579,361</u>	<u>\$ 340,054</u>	<u>\$ 2,866,803</u>	<u>\$ -</u>	<u>\$ 55,081,123</u>
Balance at June 30, 2020, net value	<u>\$ 697,264</u>	<u>\$ 958,632</u>	<u>\$ 10,512,995</u>	<u>\$ 49,317,202</u>	<u>\$ 63,734</u>	<u>\$ 512,559</u>	<u>\$ 2,966,567</u>	<u>\$ 65,028,953</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 35.

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	37,485	-	37,485
Disposals	( 45,951)	-	( 45,951)
Transfers from assets used by the Group	3,819	-	3,819
Transfer to assets used by the Group	( 503,735)	( 7,445)	( 511,180)
Reclassification	2,791	-	2,791
Effects of foreign currency exchange differences	( 136,122)	-	( 136,122)
Balance at June 30, 2021	<u>\$ 9,503,010</u>	<u>\$ -</u>	<u>\$ 9,503,010</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2021	\$ 3,228,254	\$ 7,445	\$ 3,235,699
Disposals	( 45,951)	-	( 45,951)
Transfer to assets used by the Group	( 292,225)	( 7,445)	( 299,670)
Depreciation expenses	211,810	-	211,810
Effects of foreign currency exchange differences	( 55,501)	-	( 55,501)
Balance at June 30, 2021	<u>\$ 3,046,387</u>	<u>\$ -</u>	<u>\$ 3,046,387</u>
Balance at June 30, 2021, net value	<u>\$ 6,456,623</u>	<u>\$ -</u>	<u>\$ 6,456,623</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	( 78,146)	-	( 78,146)
Balance at June 30, 2020	<u>\$ 10,388,686</u>	<u>\$ 7,445</u>	<u>\$ 10,396,131</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	226,335	-	226,335
Effects of foreign currency exchange differences	( 29,180)	-	( 29,180)
Balance at June 30, 2020	<u>\$ 3,101,544</u>	<u>\$ 7,445</u>	<u>\$ 3,108,989</u>
 Balance at June 30, 2020, net value	 <u>\$ 7,287,142</u>	 <u>\$ -</u>	 <u>\$ 7,287,142</u> (Concluded)

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

	<u>June 30, 2021</u>	<u>December 31, 2020</u>	<u>June 30, 2020</u>
Year 1	\$ 599,921	\$ 651,800	\$ 498,705
Year 2	9,192	16,807	9,845
Year 3	6,383	9,833	9,845
Year 4	-	1,912	6,837
Year 5 onwards	-	-	-
	<u>\$ 615,496</u>	<u>\$ 680,352</u>	<u>\$ 525,232</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 35.

## 16. LEASE ARRANGEMENTS

### a. Right-of-use assets

	June 30, 2021	December 31, 2020	June 30, 2020
Carrying amounts			
Land	\$ 46,061	\$ 50,412	\$ 33,853
Buildings	2,197,555	2,400,451	1,749,051
Container and chassis	11,545	121,302	271,622
Ships	53,892,172	53,214,935	50,800,575
Miscellaneous equipment	<u>72,921</u>	<u>66,613</u>	<u>35,581</u>
	<u>\$ 56,220,254</u>	<u>\$ 55,853,713</u>	<u>\$ 52,890,682</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Additions to right-of-use assets	<u>\$ 2,603,405</u>	<u>\$ 751,959</u>	<u>\$ 5,169,241</u>	<u>\$ 1,652,110</u>
Depreciation expenses for right-of-use assets				
Land	\$ 2,175	\$ 3,273	\$ 4,351	\$ 4,289
Buildings	114,419	118,412	234,235	231,841
Container and chassis	50,830	87,333	109,758	174,666
Ships	2,435,630	2,551,989	4,901,287	5,102,806
Miscellaneous equipment	<u>7,693</u>	<u>8,948</u>	<u>16,069</u>	<u>17,230</u>
	<u>\$ 2,610,747</u>	<u>\$ 2,769,955</u>	<u>\$ 5,265,700</u>	<u>\$ 5,530,832</u>
Income from the subleasing of right-of-use assets (presented in operating revenue and other income )	<u>\$ 240,189</u>	<u>\$ 128,112</u>	<u>\$ 447,461</u>	<u>\$ 361,288</u>

As a result of the recoverable in bulk shipping market price, the Group expected the future cash flows from right-of-use assets of bulk shipping department to increase. Therefore, the recoverable amount will be higher than the carrying amount after recognizing an impairment loss. The review led to the recognition of an impairment reversal gain of \$592,426 thousand which was recognized in operating costs for the three months ended June 30, 2021 and for the six months ended June 30, 2021. The Group determined the recoverable amounts of the relevant right-of-assets on the basis of their value in use. The range of discount rate used in measuring the value in use were 8.15%-8.65% per annum for the reporting period.

As a result of the continued decline in bulk shipping market price, the Group expected the future cash flows from right-of-use assets of bulk shipping department to decrease. Therefore, the recoverable amount will be lower than the carrying amount. The review led to the recognition of an impairment loss of \$490,050 thousand which was recognized in operating costs for the three months ended June 30, 2020 and for the six months ended June 30, 2020. The Group determined the recoverable amounts of the relevant right-of-assets on the basis of their value in use. The range of discount rate used in measuring the value in use were 5.58%-6.53% per annum for the reporting period.

Except for the aforementioned additions, depreciation expenses and the impairment loss (reversal gain), no significant subleasing of the right-of-use assets was recorded for the three months ended June 30, 2021 and 2020 and for the six months ended June 30, 2021 and 2020.

b. Lease liabilities



	June 30, 2021	December 31, 2020	June 30, 2020
Carrying amounts			
Current	<u>\$ 2,013,859</u>	<u>\$ 2,146,472</u>	<u>\$ 2,617,849</u>
Non-current	<u>\$ 7,465,598</u>	<u>\$ 6,089,430</u>	<u>\$ 6,409,208</u>
Lease liabilities designated as hedging ( presented in financial liabilities for hedging )			
Current	<u>\$ 7,552,724</u>	<u>\$ 7,370,742</u>	<u>\$ 6,778,658</u>
Non-current	<u>\$ 37,928,745</u>	<u>\$ 40,383,562</u>	<u>\$ 39,001,122</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:

	Maturity Period	Account	Carrying Amount
June 30, 2021	2025/01/31-2031/01/31	Financial liabilities for hedging	\$ 45,481,469
December 31, 2020	2025/01/31-2030/09/30	Financial liabilities for hedging	47,754,304
June 30, 2020	2020/10/31-2029/03/31	Financial liabilities for hedging	45,779,780

Impact on comprehensive income (loss):

	Recognized in Other Comprehensive Income	Amount Reclassified to Profit or Loss
For the three months ended June 30, 2021	<u>\$ 1,143,612</u>	<u>(\$ 165,551)</u>
For the six months ended June 30, 2021	<u>\$ 1,040,105</u>	<u>(\$ 303,717)</u>
For the three months ended June 30, 2020	<u>\$ 938,334</u>	<u>(\$ 43,852)</u>
For the six months ended June 30, 2020	<u>\$ 536,492</u>	<u>(\$ 81,057)</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:

	June 30, 2021	December 31, 2020	June 30, 2020
Land	1.12%-1.49%	1.12%-1.49%	1.23%
Buildings	0.85%-10.00%	0.85%-10.00%	1.00%-10.00%
Container and chassis	3.65%	3.65%-3.87%	3.00%-3.87%
Ships	0.09%-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 options. 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; when the purchase option prices are better than the market price, the Group will consider if the purchase options are exercised or not. 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 and purchase options.

<u>Containership Department</u>	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>June 30, 2021</u>			
Ships	<u>\$ 42,444,692</u>	<u>\$ 18,999,654</u>	0%
<u>December 31, 2020</u>			
Ships	<u>\$ 41,520,613</u>	<u>\$ 18,134,116</u>	0%
<u>June 30, 2020</u>			
Ships	<u>\$ 40,175,679</u>	<u>\$ 17,150,344</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:

	June 30, 2021	December 31, 2020	June 30, 2020
Year 1	\$ 462,193	\$ 300,031	\$ 288,263
Year 2	84,024	662	28,859
Year 3 onwards	-	-	-
	<u>\$ 546,217</u>	<u>\$ 300,693</u>	<u>\$ 317,122</u>

e. Other lease information

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Expenses relating to short-term leases	<u>\$ 81,058</u>	<u>\$ 349,012</u>	<u>\$ 226,382</u>	<u>\$ 937,678</u>
Expenses relating to low-value asset leases	<u>\$ 999,878</u>	<u>\$ 1,014,710</u>	<u>\$ 1,966,326</u>	<u>\$ 2,066,976</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>(\$ 43,372)</u>	<u>(\$ 53,560)</u>	<u>(\$ 41,054)</u>	<u>(\$ 92,316)</u>
Expenses relating to service cost payments not included in the measurement of lease liabilities	<u>\$ 875,294</u>	<u>\$ 822,097</u>	<u>\$ 1,753,843</u>	<u>\$ 1,675,627</u>
Total cash outflow for leases			<u>(\$10,282,453)</u>	<u>(\$10,918,989)</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 \$11,359,416 thousand, \$14,844,828 thousand and \$16,373,397 thousand as of June 30, 2021, December 31, 2020 and June 30, 2020, respectively.

The amounts of lease commitments for future service cost which was recognized as non-lease components of contracts were \$17,936,833 thousand, \$18,242,252 thousand and \$18,127,239 thousand as of June 30, 2021, December 31, 2020 and June 30, 2020, respectively.

## 17. INVESTMENT PROPERTIES

	June 30, 2021	December 31, 2020	June 30, 2020
Completed Investment Property	<u>\$ 6,317,143</u>	<u>\$ 6,317,219</u>	<u>\$ 6,313,245</u>

Expect for the recognition of the changes in fair value, there are not significant additions, disposals and impairment losses for the six months ended June 30, 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:

	June 30, 2021	December 31, 2020	June 30, 2020
Independent valuation	\$ 6,309,844	\$ 6,309,844	\$ 6,305,794
Valuation by the Group	<u>7,299</u>	<u>7,375</u>	<u>7,451</u>
	<u>\$ 6,317,143</u>	<u>\$ 6,317,219</u>	<u>\$ 6,313,245</u>

The maturity analysis of lease payments receivable under operating lease of investment properties as of June 30, 2021, December 31, 2020 and June 30, 2020, respectively was as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
Year 1	\$ 72,912	\$ 56,384	\$ 60,782
Year 2	57,467	37,490	28,860
Year 3	37,537	18,852	14,201
Year 4	14,432	9,186	3,040
Year 5	8,867	5,671	92
Year 6 onwards	<u>5,034</u>	<u>4,114</u>	<u>-</u>
	<u>\$ 196,249</u>	<u>\$ 131,697</u>	<u>\$ 106,975</u>

The carrying amounts of investment properties pledged by the Group to secure borrowings granted to the Group were reflected in Note 35.

## 18. BORROWINGS

### a. Short-term borrowings

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Unsecured borrowings</u>			
Line of credit borrowings	\$ 1,199,222	\$ 1,401,276	\$ 1,613,337
Loans from related parties (Note 34)	<u>420,000</u>	<u>670,880</u>	<u>1,502,780</u>
	<u>\$ 1,619,222</u>	<u>\$ 2,072,156</u>	<u>\$ 3,116,117</u>

- 1) The range of weighted average effective interest rate on credit borrowings was 1.47%-1.50%, 1.35%-2.50% and 1.60%-2.88% per annum as of June 30, 2021, December 31, 2020 and June 30, 2020, respectively.
- 2) Loans from related parties of the Group were the amounts repayable to government-related entities. Interest rates were 1.32%-1.50%, 1.32%-2.20% and 1.07%-2.20% per annum as of June 30, 2021, December 31, 2020 and June 30, 2020, respectively.

b. Short-term bills payable

	June 30, 2021	December 31, 2020	June 30, 2020
Commercial paper	\$ 300,000	\$ 9,940,000	\$ 8,940,000
Less : Unamortized discount on bills payable	<u>190</u>	<u>17,575</u>	<u>45,718</u>
	<u>299,810</u>	<u>9,922,425</u>	<u>8,894,282</u>
Loans from related parties ( Note 34 )	187,500	2,200,000	2,200,000
Less : Unamortized discount on bills payable	<u>189</u>	<u>8,799</u>	<u>9,311</u>
	<u>187,311</u>	<u>2,191,201</u>	<u>2,190,689</u>
	<u>\$ 487,121</u>	<u>\$ 12,113,626</u>	<u>\$ 11,084,971</u>

Interest rates of the outstanding short-term bills payable were 1.48%-1.49%, 0.69%-2.27% and 1.13%-2.27% per annum as of June 30, 2021, December 31, 2020 and June 30, 2020, respectively.

Interest rates of the outstanding related parties' short-term bills payable were 1.48%, 1.02%-2.00% and 1.05%-2.00% per annum as of June 30, 2021, December 31, 2020 and June 30, 2020, respectively.

c. Long-term borrowings

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Secured borrowings</u> ( Note 35 )			
Secured bank loans	\$ 1,148,876	\$ 2,331,332	\$ 3,032,569
Loans from related parties ( Note 34 )	15,381,592	15,197,848	16,264,146
Others borrowings	<u>394,242</u>	<u>469,644</u>	<u>708,631</u>
	<u>16,924,710</u>	<u>17,998,824</u>	<u>20,005,346</u>

( Continued )

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Unsecured borrowings</u>			
Line of credit borrowings	\$ 167,639	\$ 371,043	\$ 2,574,515
Loans from related parties (Note 34)	<u>3,122,012</u>	<u>13,743,344</u>	<u>7,113,426</u>
	<u>3,289,651</u>	<u>14,114,387</u>	<u>9,687,941</u>
<u>Commercial paper</u>			
Line of credit borrowings	8,950,000	20,150,000	21,150,000
Less : Unamortized discount on bills payable	<u>9,396</u>	<u>23,735</u>	<u>25,360</u>
	<u>8,940,604</u>	<u>20,126,265</u>	<u>21,124,640</u>
Loans from related parties (Note 34)	1,000,000	1,500,000	1,500,000
Less : Unamortized discount on bills payable	<u>979</u>	<u>1,255</u>	<u>1,534</u>
	<u>999,021</u>	<u>1,498,745</u>	<u>1,498,466</u>
	<u>9,939,625</u>	<u>21,625,010</u>	<u>22,623,106</u>
Subtotal	30,153,986	53,738,221	52,316,393
Less : Current portion	<u>8,820,901</u>	<u>12,641,834</u>	<u>9,329,717</u>
Long-term borrowings	<u>\$ 21,333,085</u>	<u>\$ 41,096,387</u>	<u>\$ 42,986,676</u>

( Concluded )

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:

	June 30, 2021	December 31, 2020	June 30, 2020
<u>NT\$</u>			
Amount	\$ 25,672,288	\$ 48,480,221	\$ 46,317,601
Interest rate	1.13%-4.00%	1.02%-4.00%	1.02%-4.00%
Contract term	2014/04/24- 2031/05/15	2012/08/10- 2031/05/15	2012/08/10- 2031/05/15
<u>US\$</u>			
Foreign currency amount	160,461	184,147	201,543
New Taiwan dollar amount	\$ 4,470,424	\$ 5,245,008	\$ 5,971,327
Interest rate	1.15%-2.80%	1.00%-2.84%	1.00%-3.63%
Contract term	2015/01/07- 2028/02/09	2011/04/19- 2028/02/09	2011/04/19- 2028/02/09

(Continued)

	June 30, 2021		December 31, 2020		June 30, 2020
<u>MYR</u>					
Foreign currency amount	1,547		1,707		3,843
New Taiwan dollar amount	\$ 10,376		\$ 12,098		\$ 26,598
Interest rate	3.25%		3.25%		4.00%
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		40
New Taiwan dollar amount	\$ 898		\$ 894		\$ 867
Interest rate	5.00%		5.00%		5.00%
Contract term	2020/06/03- 2022/12/31		2020/06/03- 2022/12/31		2020/06/03- 2025/12/31 (Concluded)

### 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 1.24%-3.25%, 1.25%-3.25% and 1.25%-4.00% on June 30, 2021, December 31, 2020 and June 30, 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%-1.76%, 1.13%-1.83% and 1.13%-3.07% on June 30, 2021, December 31, 2020 and June 30, 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 June 30, 2021, December 31, 2020 and June 30, 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 1.59%-5.00%, 1.00%-5.00% and 1.00%-5.00% on June 30, 2021, December 31, 2020 and June 30, 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 1.18%-1.50%, 1.02%-2.46% and 1.02%-2.79% on June 30, 2021, December 31, 2020 and June 30, 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 \$300,000 thousand with the same amount available as of June 30, 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 October 2023. 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 June 30, 2021, December 31, 2020 and June 30, 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 1.43%-1.59%, 1.41%-1.59% and 1.43%-1.59% on June 30, 2021, December 31, 2020 and June 30, 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 August 23, 2021. Interest rates were 1.43%, 1.40%-1.45% and 1.43%-1.48% on June 30, 2021, December 31, 2020 and June 30, 2020, respectively.

**19. BONDS PAYABLE**

	June 30, 2021	December 31, 2020	June 30, 2020
Secured domestic bonds	\$ 10,820,988	\$ 4,945,877	\$ 6,965,488
Unsecured domestic bonds	-	-	3,900,000
Domestic secured convertible bonds	-	<u>1,673,809</u>	<u>7,261,506</u>
	<u>10,820,988</u>	<u>6,619,686</u>	<u>18,126,994</u>
Less : Current portion	-	<u>1,673,809</u>	<u>13,156,947</u>
	<u>\$ 10,820,988</u>	<u>\$ 4,945,877</u>	<u>\$ 4,970,047</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

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Trade payables — operating</u>			
Trade payables — non-related parties	\$ 19,123,691	\$ 15,677,632	\$ 11,806,950
Trade payables — related parties	<u>402,009</u>	<u>425,388</u>	<u>529,157</u>
	<u>\$ 19,525,700</u>	<u>\$ 16,103,020</u>	<u>\$ 12,336,107</u>
Payable for cost of voyage in sailing	\$ 10,616,288	\$ 10,656,203	\$ 9,446,192
Payable for fuel	2,083,045	1,735,049	1,066,716
Payable for space hire	6,166,347	3,263,589	1,184,345
Payable for freight expenses	497,309	347,550	454,212
Payable for stevedoring expenses	157,905	95,829	182,596
Payable for management expenses	<u>4,806</u>	<u>4,800</u>	<u>2,046</u>
	<u>\$ 19,525,700</u>	<u>\$ 16,103,020</u>	<u>\$ 12,336,107</u>

## 21. OTHER PAYABLES

	June 30, 2021	December 31, 2020	June 30, 2020
Payable for container lease	\$ 615,316	\$ 889,476	\$ 895,342
Payable for salary and bonus	2,147,859	1,188,057	279,407
Payable for interest expenses	89,693	75,517	179,959
Payable for equipment M&R expenses	206,933	211,143	243,843
Payable for annual leave	221,319	220,137	226,984
Payable for vessel charter hire	101,038	142,381	255,317
Payable for equipment	195,379	214,910	123,695
Others	<u>1,409,391</u>	<u>1,386,645</u>	<u>1,608,098</u>
	<u>\$ 4,986,928</u>	<u>\$ 4,328,266</u>	<u>\$ 3,812,645</u>

## 22. PROVISIONS

	June 30, 2021	December 31, 2020	June 30, 2020
Restoration cost for leased assets (a)	\$ 1,343	\$ 1,396	\$ 1,378
Others (b)	<u>-</u>	<u>-</u>	<u>1,081,516</u>
	<u>\$ 1,343</u>	<u>\$ 1,396</u>	<u>\$ 1,082,894</u>
Current	\$ -	\$ -	\$ 1,081,516
Non-current	<u>1,343</u>	<u>1,396</u>	<u>1,378</u>
	<u>\$ 1,343</u>	<u>\$ 1,396</u>	<u>\$ 1,082,894</u>

	Restoration Cost for		
	Leased Assets	Others	Total
Balance at January 1, 2021	\$ 1,396	\$ -	\$ 1,396
Effect of foreign currency exchange differences	( 53)	-	( 53)
Balance at June 30, 2021	<u>\$ 1,343</u>	<u>\$ -</u>	<u>\$ 1,343</u>
Balance at January 1, 2020	\$ 1,444	\$ 1,032,332	\$ 1,033,776
Additional provision recognized	-	49,207	49,207
Effect of foreign currency exchange differences	( 66)	( 23)	( 89)
Balance at June 30, 2020	<u>\$ 1,378</u>	<u>\$ 1,081,516</u>	<u>\$ 1,082,894</u>

- 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.
- 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 and Note 23 for additional information.

### 23. OTHER FINANCIAL LIABILITIES

	June 30, 2021	December 31, 2020	June 30, 2020
Others	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,411,907</u>
Current (presented in current portion of long-term liabilities)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,411,907</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 \$2,494,791 thousand as of June 30, 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 months ended June 30, 2021 and 2020 and for the six months ended June 30, 2021 and 2020 are included in the following:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Non-operating income and expenses				
Other income	\$ -	\$ 5,263	\$ -	\$ 11,282
Finance costs	\$ -	(\$ 4,202)	\$ -	(\$ 8,328)

## 24. RETIREMENT BENEFIT PLANS

For the three months ended June 30, 2021 and 2020 and for the six months ended June 30, 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 \$25,782 thousand, \$27,291 thousand, \$51,809 thousand and \$50,681 thousand, respectively.

## 25. EQUITY

### a. Share capital

#### 1) Ordinary shares

	June 30, 2021	December 31, 2020	June 30, 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 six months ended June 30, 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 and completed change registration in June 2021.

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 May 19, 2021 to apply for a capital increase by cash through the issuance of 160,000 thousand ordinary shares with a par value at \$10 by book building. The ordinary shares were issued at premium price of \$182 per share, which have been resolved by the board of directors on July 12, 2021, and the share capital is increased to \$34,921,043 thousand. The above transaction had been approved from the FSC on June 23, 2021 and the subscription base date to be July 16, 2021 is determined by the board of directors. See Note 30 for detailed information.

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 2<sup>nd</sup> 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. 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 Used 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, 2020	\$ 1,630,593	\$ 23	\$ 308,765	\$ 1,939,381
Capital surplus used to offset accumulated deficit	( <u>1,630,593</u> )	( <u>23</u> )	<u>-</u>	( <u>1,630,616</u> )
Balance at June 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 308,765</u>	<u>\$ 308,765</u>
Balance at January 1, 2021	\$ 314,626	\$ -	\$ 69,480	\$ 384,106
Convertible bonds converted to ordinary shares	89,031	-	( 69,480)	19,551
Share-based payment	<u>-</u>	<u>-</u>	<u>20,549</u>	<u>20,549</u>
Balance at June 30, 2021	<u>\$ 403,657</u>	<u>\$ -</u>	<u>\$ 20,549</u>	<u>\$ 424,206</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 approved in the shareholders' meeting on May 14, 2021, were as follows:

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

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

	For the Six Months Ended June 30	
	2021	2020
Balance at January 1	(\$ 713,510)	(\$ 205,946)
Recognized for the period		
Exchange differences on translation of the financial statements of foreign operations	( 487,985)	( 163,982)
Related income tax	283,523	-
Reclassification adjustment		
Share from the disposal of associates accounted for using the equity method	-	( 33)
Other comprehensive income (loss) recognized for the period	( 204,462)	( 164,015)
Balance at June 30	(\$ 917,972)	(\$ 369,961)

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

	For the Six Months Ended June 30	
	2021	2020
Balance at January 1	( <u>\$ 785,730</u> )	( <u>\$ 1,039,266</u> )
Recognized for the period		
Unrealized gain (loss)		
Equity instruments	3,092,436	( 143,165)
Share from associates and joint ventures accounted for using the equity method	<u>271,292</u>	( <u>4,364</u> )
Other comprehensive income recognized for the period	<u>3,363,728</u>	( <u>147,529</u> )
Cumulative unrealized loss of equity instruments transferred to retained earnings	<u>56</u>	<u>-</u>
Balance at June 30	<u>\$ 2,578,054</u>	( <u>\$ 1,186,795</u> )

3) Gain on hedging instruments

	For the Six Months Ended June 30	
	2021	2020
Balance at January 1	<u>\$ 3,455,825</u>	<u>\$ 1,218,522</u>
Recognized for the period		
Foreign currency risk — lease liabilities	1,040,105	536,492
Related income tax	( 838,443)	-
Reclassification adjustments		
Foreign currency risk — operating revenue	( <u>303,717</u> )	( <u>81,057</u> )
Other comprehensive income recognized for the period	( <u>102,055</u> )	<u>455,435</u>
Balance at June 30	<u>\$ 3,353,770</u>	<u>\$ 1,673,957</u>

f. Non-controlling interests

	For the Six Months Ended June 30	
	2021	2020
Balance at January 1	\$ 656,620	\$ 618,665
Share of profit for the period	153,598	107,770
Other comprehensive income ( loss ) during the period		
Exchange difference on translating the financial statements of foreign entities	( 48,939 )	( 40,518 )
Unrealized gain on financial assets at FVTOCI	35	-
Increasing in non-controlling interests by establishing foreign subsidiaries	-	2,016
Cash dividends distributed by subsidiaries	( 177,417 )	( 40,960 )
Balance at June 30	<u>\$ 583,897</u>	<u>\$ 646,973</u>

26. REVENUE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Revenue from contracts with customers				
Cargo revenue	\$ 68,095,177	\$ 28,237,198	\$ 125,880,154	\$ 58,801,823
Slottage revenue	933,940	624,023	1,849,486	1,685,640
Rental income				
Rental revenue on vessel	563,459	402,363	1,049,589	986,275
Other operating revenue	<u>3,678,674</u>	<u>2,486,701</u>	<u>6,774,476</u>	<u>4,918,726</u>
	<u>\$ 73,271,250</u>	<u>\$ 31,750,285</u>	<u>\$ 135,553,705</u>	<u>\$ 66,392,464</u>

a. Contract balances

	June 30, 2021	December 31, 2020	June 30, 2020	January 1, 2020
Trade receivable ( Note 10 )	<u>\$19,299,190</u>	<u>\$11,177,869</u>	<u>\$ 8,629,895</u>	<u>\$10,111,347</u>
Contract assets				
Cargo revenue	\$ 4,390,276	\$ 2,906,252	\$ 1,646,410	\$ 1,797,036
Less : Allowance for impairment loss	( 36,931 )	( 15,978 )	( 9,423 )	( 8,898 )
Contract assets	<u>\$ 4,353,345</u>	<u>\$ 2,890,274</u>	<u>\$ 1,636,987</u>	<u>\$ 1,788,138</u>
Contract liabilities –				
Current				
Advance on contract	<u>\$ 418,942</u>	<u>\$ 134,998</u>	<u>\$ 114,958</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:

	<u>For the Six Months Ended June 30</u>	
	<u>2021</u>	<u>2020</u>
Balance at January 1	\$ 15,978	\$ 8,898
Add : Net remeasurement of loss allowance	21,096	533
Foreign exchange gains and losses	( 143 )	( 8 )
Balance at June 30	<u>\$ 36,931</u>	<u>\$ 9,423</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 40 for information about disaggregation of revenue.

**27. NET PROFIT (LOSS)**

a. Other operating income and expenses

	<u>For the Three Months Ended June 30</u>		<u>For the Six Months Ended June 30</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Gain (loss) on disposal and retirement of property, plant and equipment	( \$ 12,951 )	\$ 29,556	\$ 53,273	\$ 182,305
Reimbursement income	<u>20,243</u>	<u>16,267</u>	<u>28,273</u>	<u>27,582</u>
	<u>\$ 7,292</u>	<u>\$ 45,823</u>	<u>\$ 81,546</u>	<u>\$ 209,887</u>

b. Interest income

	<u>For the Three Months Ended June 30</u>		<u>For the Six Months Ended June 30</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Bank deposits	\$ 35,406	\$ 34,238	\$ 57,560	\$ 73,386
Net investments in leases	526	592	1,069	1,200
Short-term bills	6,806	1,533	8,685	1,982
Others	<u>275</u>	<u>1,812</u>	<u>603</u>	<u>2,390</u>
	<u>\$ 43,013</u>	<u>\$ 38,175</u>	<u>\$ 67,917</u>	<u>\$ 78,958</u>

c. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Rental income – operating leases	\$ 20,116	\$ 6,618	\$ 43,274	\$ 28,011
Dividends	<u>1,824</u>	<u>138</u>	<u>1,889</u>	<u>288</u>
	<u>\$ 21,940</u>	<u>\$ 6,756</u>	<u>\$ 45,163</u>	<u>\$ 28,299</u>

d. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Net foreign exchange gains	\$ 39,785	\$ 468,378	\$ 24,535	\$ 497,234
Fair value changes of financial assets and financial liabilities				
Financial assets mandatorily classified as at FVTPL	10,055	15,548	21,929	( 28,219)
Financial liabilities held for trading	-	46,056	-	50,662
Loss on disposal of associates	-	( 700)	-	( 700)
Gain (loss) arising from lease modifications	( 53)	6,914	7,587	6,914
Loss arising from the change in fair value of investment properties	( 38)	( 37)	( 76)	( 75)
Others	<u>( 13,381)</u>	<u>48,048</u>	<u>( 24,423)</u>	<u>3,901</u>
	<u>\$ 36,368</u>	<u>\$ 584,207</u>	<u>\$ 29,552</u>	<u>\$ 529,717</u>

e. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Interest on bank loans	\$ 87,069	\$ 155,404	\$ 195,117	\$ 338,893
Interest on lease liabilities (including U.S. dollar lease contracts designated as hedging instruments)	482,051	583,748	981,060	1,165,827
Other interest expenses	<u>83,397</u>	<u>254,565</u>	<u>172,628</u>	<u>417,424</u>
	652,517	993,717	1,348,805	1,922,144
Less : Amounts included in the cost of qualifying assets	<u>( 3,076)</u>	<u>( 11,204)</u>	<u>( 7,385)</u>	<u>( 22,513)</u>
	<u>\$ 649,441</u>	<u>\$ 982,513</u>	<u>\$ 1,341,420</u>	<u>\$ 1,899,631</u>

Information about capitalized interest is as follow:

	<u>For the Three Months Ended June 30</u>		<u>For the Six Months Ended June 30</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Capitalized interest amount	\$ 3,076	\$ 11,204	\$ 7,385	\$ 22,513
Capitalization rate	1.09%-1.47%	1.23%-1.61%	1.09%-1.47%	1.23%-1.76%

f. Depreciation and amortization

	<u>For the Three Months Ended June 30</u>		<u>For the Six Months Ended June 30</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Right-of-use assets	\$ 2,610,747	\$ 2,769,955	\$ 5,265,700	\$ 5,530,832
Property, plant and equipment	1,610,769	1,509,824	3,186,732	3,062,980
Intangible assets	<u>13,503</u>	<u>12,877</u>	<u>26,759</u>	<u>26,263</u>
	<u>\$ 4,235,019</u>	<u>\$ 4,292,656</u>	<u>\$ 8,479,191</u>	<u>\$ 8,620,075</u>
An analysis of depreciation by function				
Operating costs	\$ 4,139,542	\$ 4,187,688	\$ 8,283,122	\$ 8,417,981
Operating expenses	<u>81,974</u>	<u>92,091</u>	<u>169,310</u>	<u>175,831</u>
	<u>\$ 4,221,516</u>	<u>\$ 4,279,779</u>	<u>\$ 8,452,432</u>	<u>\$ 8,593,812</u>
An analysis of amortization by function				
Operating costs	\$ 1,621	\$ 2,199	\$ 3,104	\$ 5,106
Operating expenses	<u>11,882</u>	<u>10,678</u>	<u>23,655</u>	<u>21,157</u>
	<u>\$ 13,503</u>	<u>\$ 12,877</u>	<u>\$ 26,759</u>	<u>\$ 26,263</u>

g. Employee benefits expense

	<u>For the Three Months Ended June 30</u>		<u>For the Six Months Ended June 30</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Post-employment benefits				
Defined contribution plans	\$ 68,362	\$ 67,257	\$ 141,301	\$ 134,617
Defined benefit plans (Note 24)	25,782	27,291	51,809	50,681
Termination benefits	6,083	8,616	12,141	27,340
Other employee benefits	<u>2,099,073</u>	<u>1,793,969</u>	<u>5,227,956</u>	<u>3,561,003</u>
Total employee benefits expense	<u>\$ 2,199,300</u>	<u>\$ 1,897,133</u>	<u>\$ 5,433,207</u>	<u>\$ 3,773,641</u>
An analysis of employee benefits by function				
Operating costs	\$ 842,249	\$ 753,105	\$ 1,749,431	\$ 1,435,296
Operating expenses	<u>1,357,051</u>	<u>1,144,028</u>	<u>3,683,776</u>	<u>2,338,345</u>
	<u>\$ 2,199,300</u>	<u>\$ 1,897,133</u>	<u>\$ 5,433,207</u>	<u>\$ 3,773,641</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 months ended June 30, 2021 and for the six months ended June 30, 2021 are as follows:

Accrual rate

	<u>For the Six Months Ended June 30, 2021</u>
Compensation of employees	1%
Remuneration of directors	-

Amount

	<u>For the Three Months Ended June 30, 2021</u>	<u>For the Six Months Ended June 30, 2021</u>
Compensation of employees	<u>\$ 416,648</u>	<u>\$ 707,525</u>
Remuneration of directors	<u>(\$ 290,877)</u>	<u>\$ -</u>

YMTC did not accrue compensation of employees and remuneration of directors because of the losses for the six months ended June 30, 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 differences 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 June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Current tax				
In respect of the current period	\$ 5,737,596	\$ 80,805	\$ 5,874,197	\$ 170,465
Income tax on unappropriated earnings	1,648	100	1,648	100
Adjustments for prior years	15,916	6	15,916	6
	5,755,160	80,911	5,891,761	170,571
Deferred tax				
In respect of the current period	1,809,576	188,037	5,771,984	216,330
Adjustments for prior years	( 12,251 )	( 493 )	( 12,251 )	( 493 )
	1,797,325	187,544	5,759,733	215,837
Income tax expense recognized in profit or loss	\$ 7,552,485	\$ 268,455	\$11,651,494	\$ 386,408

### b. Income tax recognized in other comprehensive income (loss)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Deferred tax				
In respect of the current period				
– Translation of foreign operations	( \$ 283,523 )	\$ -	( \$ 283,523 )	\$ -
– Cash flow hedges	838,443	-	838,443	-
Income tax recognized in other comprehensive income (loss)	\$ 554,920	\$ -	\$ 554,920	\$ -

### c. Income tax assessments

Group	Year
Yang Ming Marine Transport Corporation	2018
Kuang Ming Shipping Corp.	2019
Honming Terminal & Stevedoring Co., Ltd.	2019

<u>Group</u>	<u>Year</u>
Jing Ming Transportation Co., Ltd.	2019
YES Logistics Corp.	2018
Ching Ming Investment Corp.	2018

## 29. EARNINGS (LOSS) PER SHARE

Unit: NT\$ Per Share

	<u>For the Three Months Ended June 30</u>		<u>For the Six Months Ended June 30</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Basic earnings (loss) per share	<u>\$ 10.36</u>	<u>(\$ 0.03)</u>	<u>\$ 17.88</u>	<u>(\$ 0.34)</u>
Diluted earnings (loss) per share	<u>\$ 10.35</u>	<u>(\$ 0.03)</u>	<u>\$ 17.70</u>	<u>(\$ 0.34)</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 June 30</u>		<u>For the Six Months Ended June 30</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Earnings (loss) used in the computation of basic earnings (loss) per share	\$34,535,060	(\$ 67,532)	\$59,052,111	(\$ 885,895)
Effect of potentially dilutive ordinary shares :				
Interest on convertible bonds (after tax)	-	-	1,198	-
Earnings (loss) used in the computation of diluted earnings (loss) per share	<u>\$34,535,060</u>	<u>(\$ 67,532)</u>	<u>\$59,053,309</u>	<u>(\$ 885,895)</u>

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

	<u>For the Three Months Ended June 30</u>		<u>For the Six Months Ended June 30</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Weighted average number of ordinary shares used in the computation of basic earnings (loss) per share	3,332,104	2,601,336	3,302,034	2,601,336
Effect of potentially dilutive ordinary shares :				
Convertible bonds	-	-	30,070	-
Compensation of employees	<u>3,877</u>	<u>-</u>	<u>4,662</u>	<u>-</u>
Weighted average number of ordinary shares used in the computation of diluted earnings (loss) per share	<u>3,335,981</u>	<u>2,601,336</u>	<u>3,336,766</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 months ended June 30, 2020 and for the six months ended June 30, 2020 due to the anti-dilutive effect.

**30. SHARE-BASED PAYMENT ARRANGEMENT**

The Group's board of directors resolved on May 19, 2021 to apply for the capital increase by cash. According to the Company Act, a certain proportion of the shares issued was reserved and subscribed by employees. The subscribed numbers of shares and prices were determined in June and July, 2021. According to IFRS 2 "Share-based Payment", the fair value at the grant date of the employee share options is expensed as the remuneration cost (presented in salaries expenses) and capital surplus – employee share options of \$51,373 thousand. As of June 30, 2021, the expense recognized is \$20,549 thousand.

The fair values of the employee share options are determined using Black-Scholes models. The input values used in the models were as follows:

	<u>Share options</u>
The share price at the grant date	\$ 195.5
Subscription price	\$ 182
Expected volatility	31.15%
Duration	0.008 years
Risk-free rate	0.0346%

## 31. CASH FLOW INFORMATION

### Changes in Liabilities Arising from Financing Activities

#### For the six months ended June 30, 2021

	January 1, 2021	Cash Flows	Non-Cash Changes		June 30, 2021
			New Leases	Others (Note)	
Short-term borrowings	\$ 2,072,156	(\$ 452,934)	\$ -	\$ -	\$ 1,619,222
Short-term bills payable	12,113,626	( 11,652,500)	-	25,995	487,121
Long-term borrowings	53,738,221	( 23,523,333)	-	( 60,902)	30,153,986
Bonds payable	6,619,686	5,900,000	-	( 1,698,698)	10,820,988
Lease liabilities	55,990,206	( 4,976,181)	5,169,241	( 1,222,340)	54,960,926
Other non-current liabilities	610,139	35,564	-	-	645,703
	<u>\$ 131,144,034</u>	<u>(\$ 34,669,384)</u>	<u>\$ 5,169,241</u>	<u>(\$ 2,955,945)</u>	<u>\$ 98,687,946</u>

#### For the six months ended June 30, 2020

	January 1, 2020	Cash Flows	Non-Cash Changes		June 30, 2020
			New Leases	Others (Note)	
Short-term borrowings	\$ 4,621,034	(\$ 1,504,917)	\$ -	\$ -	\$ 3,116,117
Short-term bills payable	13,485,840	( 2,390,000)	-	( 10,869)	11,084,971
Long-term borrowings	52,442,405	( 66,712)	-	( 59,300)	52,316,393
Bonds payable	18,097,816	-	-	29,178	18,126,994
Lease liabilities	59,128,341	( 5,116,310)	1,652,110	( 857,304)	54,806,837
Other financial liabilities	2,736,515	( 125,266)	-	( 199,342)	2,411,907
Other non-current liabilities	286,026	10,393	-	-	296,419
	<u>\$ 150,797,977</u>	<u>(\$ 9,192,812)</u>	<u>\$ 1,652,110</u>	<u>(\$ 1,097,637)</u>	<u>\$ 142,159,638</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.

## 32. 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:

	June 30, 2021	December 31, 2020	June 30, 2020
Debt (a)	\$ 140,061,704	\$ 158,641,133	\$ 164,780,710
Cash and cash equivalents	( 60,320,499)	( 24,518,721)	( 16,134,647)
Net debt	<u>\$ 79,741,205</u>	<u>\$ 134,122,412</u>	<u>\$ 148,646,063</u>
Equity (b)	<u>\$ 100,055,972</u>	<u>\$ 36,334,852</u>	<u>\$ 16,368,503</u>
Net debt to equity ratio	<u>79.70%</u>	<u>369.13%</u>	<u>908.12%</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.

### 33. FINANCIAL INSTRUMENTS

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

#### June 30, 2021

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Finance lease receivables	<u>\$ 157,222</u>	\$ -	\$ 158,123	\$ -	\$ 158,123
<b>Financial liabilities</b>					
Financial liabilities measured at amortized cost					
– Secured domestic bonds	<u>\$ 10,820,988</u>	\$ -	\$ 10,827,140	\$ -	\$ 10,827,140

#### December 31, 2020

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

#### June 30, 2020

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Finance lease receivables	<u>\$ 177,028</u>	\$ -	\$ 178,399	\$ -	\$ 178,399
<b>Financial liabilities</b>					
Financial liabilities measured at amortized cost					
– Secured domestic bonds	\$ 6,965,488	\$ -	\$ 6,973,726	\$ -	\$ 6,973,726
– Unsecured domestic bonds	3,900,000	-	3,913,506	-	3,913,506
– Domestic secured convertible bonds	<u>7,261,506</u>	-	<u>7,261,506</u>	-	<u>7,261,506</u>
Total	<u>\$ 18,126,994</u>	\$ -	<u>\$ 18,148,738</u>	\$ -	<u>\$ 18,148,738</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

June 30, 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Derivative financial assets				
—Oil option contract	\$ -	\$ -	\$ 756	\$ 756
Domestic listed shares	136,962	-	-	136,962
Foreign listed shares	4,655	-	-	4,655
Mutual funds	67,289	-	-	67,289
Domestic limited partnership	-	-	25,000	25,000
Total	<u>\$ 208,906</u>	<u>\$ -</u>	<u>\$ 25,756</u>	<u>\$ 234,662</u>

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI				
— Listed shares	\$ 4,634,665	\$ -	\$ -	\$ 4,634,665
— Unlisted shares	-	-	476,055	476,055
Total	<u>\$ 4,634,665</u>	<u>\$ -</u>	<u>\$ 476,055</u>	<u>\$ 5,110,720</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	1,710,854	-	-	1,710,854
Total	<u>\$ 1,734,777</u>	<u>\$ -</u>	<u>\$ 8,636</u>	<u>\$ 1,743,413</u>

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI				
— Listed shares	\$ 1,492,999	\$ -	\$ -	\$ 1,492,999
— Unlisted shares	-	-	505,532	505,532
Total	<u>\$ 1,492,999</u>	<u>\$ -</u>	<u>\$ 505,532</u>	<u>\$ 1,998,531</u>

June 30, 2020

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Domestic listed shares	\$ 39,250	\$ -	\$ -	\$ 39,250
Mutual funds	<u>248,615</u>	<u>-</u>	<u>-</u>	<u>248,615</u>
Total	<u>\$ 287,865</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 287,865</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments at FVTOCI				
– Listed shares	\$ 1,181,663	\$ -	\$ -	\$ 1,181,663
– Unlisted shares	<u>-</u>	<u>-</u>	<u>448,065</u>	<u>448,065</u>
Total	<u>\$ 1,181,663</u>	<u>\$ -</u>	<u>\$ 448,065</u>	<u>\$ 1,629,728</u>
<u>Financial liabilities at FVTPL</u>				
Derivatives				
– Put option of bonds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,887</u>	<u>\$ 16,887</u>

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 six months ended June 30, 2021

Financial assets at FVTPL

	Equity Instruments	Derivatives		
	Domestic Limited Partnership	Oil Option Contract	Call Option of Bonds	Total
Balance at January 1, 2021	\$ -	\$ -	\$ 8,636	\$ 8,636
Recognized in profit or loss ( included in other gains and losses )	-	( 163 )	2,560	2,397
Purchases	25,000	919	-	25,919
Sales/settlements	-	-	( 11,196 )	( 11,196 )
Transfers out of Level 3	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at June 30, 2021	<u>\$25,000</u>	<u>\$ 756</u>	<u>\$ -</u>	<u>\$25,756</u>
Unrealized gain for the current period included in profit or loss relating to assets held at the end of the period	<u>\$ -</u>	<u>( \$ 163 )</u>	<u>\$ -</u>	<u>( \$ 163 )</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)	( 49,195)
Purchases	20,000
Sales/settlements	( 282)
Balance at June 30, 2021	<u>\$ 476,055</u>

For the six months ended June 30, 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)	( 68,869)
Balance at June 30, 2020	<u>\$ 448,065</u>

Financial liabilities at FVTPL

	<u>Derivative</u> <u>Put Option of Bonds</u>
Balance at January 1, 2020	\$ 67,549
Recognized in profit or loss ( included in other gains and losses )	( 50,662)
Sales/settlements	-
Transfers out of Level 3	-
Balance at June 30, 2020	<u>\$ 16,887</u>
Unrealized gain for the current period included in profit or loss relating to liabilities held at the end of the period	( <u>\$ 50,662</u> )

- 3) Valuation techniques and inputs applied for the purpose of measuring Level 3 fair value measurement
- a) The fair value of oil option contract is determined using Black-Scholes valuation models where the significant unobservable inputs are implied volatility. A variation in the implied volatility used in isolation would result in an increase/decrease in the fair value of oil option contract.
  - b) 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.



- c) The fair values of domestic unlisted ordinary shares and domestic limited partnership 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

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Financial assets</u>			
FVTPL			
Held for trading	\$ 234,662	\$ 1,743,413	\$ 287,865
Financial assets at amortized cost ( 1 )	81,114,723	38,266,073	28,337,592
Financial assets at FVTOCI			
Equity instruments	5,110,720	1,998,531	1,629,728
<u>Financial liabilities</u>			
FVTPL			
Mandatorily classified as at FVTPL	-	-	16,887
Financial liabilities for hedging	45,481,469	47,754,304	45,779,780
Amortized cost ( 2 )	65,247,946	93,592,185	102,720,672

- 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 Six Months Ended June 30	
	2021	2020
Profit (loss) (i)		
U.S. dollars	\$ 59,163	(\$ 91,234)
CNY	4,158	4,509
GBP	3,322	3,812
EUR	21,645	( 2,343)
HKD	( 1,033)	( 1,223)
Equity(ii)		
U.S. dollars	( 454,815)	( 457,798)

- 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. dollars and HKD monetary assets; the decrease in GBP and CNY monetary net assets caused by the decrease in GBP and CNY monetary assets; the increase in EUR monetary net assets caused by the 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:

	June 30, 2021	December 31, 2020	June 30, 2020
Fair value interest rate risk			
— Financial assets	\$ 15,525,614	\$ 7,449,866	\$ 5,956,945
— Financial liabilities	76,709,158	89,437,508	100,357,206
Cash flow interest rate risk			
— Financial assets	44,578,284	18,472,785	12,217,319
— Financial liabilities	21,333,085	41,096,387	41,506,013

### 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 six months ended June 30, 2021 would have increased/decreased by \$11,623 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.

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 six months ended June 30, 2020 would have decreased/increased by \$14,644 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 six months ended June 30, 2021 would have increased/decreased by \$8,331 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income (loss) for the six months ended June 30, 2021 would have increased/decreased by \$255,536 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 six months ended June 30, 2020 would have increased/decreased by \$1,963 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income (loss) for the six months ended June 30, 2020 would have increased/decreased by \$81,486 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 six months ended June 30, 2021 would have increased/decreased by \$3,364 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 six months ended June 30, 2020 would have increased/decreased by \$12,431 thousand, as a result of the changes in fair value of financial assets at FVTPL.

If oil option contract price had been 5% higher/lower, the fair value of the derivative financial assets - oil option contract (the purpose for hedge but not applied for the hedge accounting) for the six months ended June 30, 2021 would have varied by \$38 thousand (USD \$1.36 thousand).

The Group's sensitivity to equity instrument 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 June 30, 2021, December 31, 2020 and June 30, 2020, the Group had available unutilized bank loans facilities of \$14,675,807 thousand, \$15,972,373 thousand and \$14,901,429 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.

### June 30, 2021

	<u>Less than 1 Year</u>	<u>1-5 Years</u>	<u>5+ Years</u>
Non-interest bearing Lease liabilities	\$ 24,535,807	\$ 563,213	\$ -
Variable interest rate liabilities	11,395,878	35,511,851	13,351,042
Fixed interest rate liabilities	5,400,632	21,161,484	4,278,263
Short-term and low value lease commitment	4,291,108	9,690,815	1,410,290
Lease commitment for future service costs	3,748,819	7,610,597	-
Financial guarantee liabilities	3,379,844	10,978,358	3,578,631
	<u>173,115</u>	<u>-</u>	<u>-</u>
	<u>\$ 52,925,203</u>	<u>\$ 85,516,318</u>	<u>\$ 22,618,226</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	\$ 11,395,878	\$ 35,511,851	\$ 13,329,626	\$ 20,586	\$ 830	\$ -

### December 31, 2020

	<u>Less than 1 Year</u>	<u>1-5 Years</u>	<u>5+ Years</u>
Non-interest bearing Lease liabilities	\$ 20,456,690	\$ 514,763	\$ -
Variable interest rate liabilities	11,729,133	36,678,058	13,681,064
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>\$ 61,941,751</u>	<u>\$ 108,269,364</u>	<u>\$ 21,292,706</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	\$ 11,729,133	\$ 36,678,058	\$ 13,655,999	\$ 22,574	\$ 2,491	\$ -

June 30, 2020

	Less than 1 Year	1-5 Years	5+ Years
Non-interest bearing Lease liabilities	\$ 16,170,681	\$ 271,314	\$ -
Other financial liabilities*	12,512,040	38,334,419	13,151,207
Variable interest rate liabilities	2,506,405	-	-
Fixed interest rate liabilities	5,937,020	44,698,039	3,097,277
Short-term and low value lease commitment	20,649,052	5,618,757	-
Lease commitment for future service costs	3,967,742	12,405,655	-
Financial guarantee liabilities	3,273,688	12,557,303	2,296,248
	184,114	-	-
	<u>\$ 65,200,742</u>	<u>\$ 113,885,487</u>	<u>\$ 18,544,732</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	\$ 12,512,040	\$ 38,334,419	\$ 13,122,493	\$ 24,562	\$ 4,152	\$ -

\* 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 \$2,004,953 thousand, \$0 thousand and \$0 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 maturity date of all the derivative instruments held by the Group as of June 30, 2021 is within one year.

### 34. TRANSACTIONS WITH RELATED PARTIES

The Ministry of Transportation and Communications R.O.C. (MOTC), National Development Fund, and Taiwan International Ports Corporation, Ltd. held 33.60%, 39.11% and 47.62% of the ordinary shares of YMTC as of June 30, 2021, December 31, 2020 and June 30, 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 36), and shipbuilding contracts signed with China Ship Building Corporation (CSBC) (see Note 36).

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

Related Party Name	Relationship with the Group
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

(continued)



Related Party Name	Relationship with the Group
The Export-Import Bank of the Republic of China	Government – related party
Taiwan Cooperative Bank Co., Ltd.	Government – related party
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
South China Insurance Co., Ltd.	Government – related party
First Financial Holding Co., Ltd.	Government – related party
Leader Container Transportation Co., Ltd.	Investor that has significant influence over the subsidiaries
Marine Container Services India Private Limited	Investor that has significant influence over the subsidiaries
Unicorn Enterprises	Investor that has significant influence over the subsidiaries
Bay Container Terminal Private Limited	Investor that has significant influence over the subsidiaries
Marine Container Services (South) Private Limited	Investor that has significant influence over the subsidiaries
Omega Intermodal Container Services Private Limited	Investor that has significant influence over the subsidiaries
Yang Ming Cultural Foundation	Other related party

(concluded)

b. Operating transaction

Line Item	Related Party Category /Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2021	2020	2021	2020
Operating revenue	Associates	\$ 70,490	\$ 49,704	\$ 121,262	\$ 103,487
	Joint ventures	503	874	1,227	1,052
	Government – related parties	<u>68,504</u>	<u>78,054</u>	<u>135,070</u>	<u>177,416</u>
		<u>\$ 139,497</u>	<u>\$ 128,632</u>	<u>\$ 257,559</u>	<u>\$ 281,955</u>
Operating cost	Associates	\$ 568,180	\$ 599,852	\$1,090,671	\$1,163,454
	Joint ventures	22,386	13,956	48,311	30,419
	Government – related parties	27,862	77,574	71,115	124,532
	Investors that have significant influence over the subsidiaries	<u>86,274</u>	<u>78,765</u>	<u>166,628</u>	<u>175,377</u>
		<u>\$ 704,702</u>	<u>\$ 770,147</u>	<u>\$1,376,725</u>	<u>\$1,493,782</u>

(continued)

Line Item	Related Party Category /Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2021	2020	2021	2020
Operating expenses	Joint ventures	\$ 13,186	\$ 3,186	14,782	\$ 25,815
	Government – related parties	7,963	7,504	15,204	15,213
	Investors that have significant influence over the subsidiaries	222	175	238	360
	Other related parties	<u>5,768</u>	<u>4,477</u>	<u>12,815</u>	<u>8,140</u>
		<u>\$ 27,139</u>	<u>\$ 15,342</u>	<u>\$ 43,039</u>	<u>\$ 49,528</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 June 30, 2021, December 31, 2020 and June 30, 2020) were as follows:

Related Party Category/ Name	June 30, 2021	December 31, 2020	June 30, 2020
Government – related parties			
Land Bank of Taiwan	\$ 11,669,335	\$ 4,984,106	\$ 1,630,536
Others	<u>10,447,381</u>	<u>3,989,973</u>	<u>1,868,564</u>
	<u>\$ 22,116,716</u>	<u>\$ 8,974,079</u>	<u>\$ 3,499,100</u>

d. Contract assets

Line Item	Related Party Category /Name	June 30, 2021	December 31, 2020	June 30, 2020
Contract assets	Associates	<u>\$ 134,031</u>	<u>\$ 94,760</u>	<u>\$ 57,084</u>

For the six months ended June 30, 2021 and 2020, no impairment losses were recognized for contract assets from related parties.

e. Contract liabilities

Line Item	Related Party Category /Name	June 30, 2021	December 31, 2020	June 30, 2020
Contract liabilities	Government – related parties	<u>\$ -</u>	<u>\$ 491</u>	<u>\$ 1,535</u>

f. Receivables and payables from related parties

Line Item	Related Party Category / Name	June 30, 2021	December 31, 2020	June 30, 2020
Notes receivable	Investors that have significant influence over the subsidiaries	\$ <u>3</u>	\$ <u>3</u>	\$ <u>-</u>
Trade receivables	Associates	\$ 270,815	\$ 172,632	\$ 153,546
	Joint ventures	367	901	643
	Government – related parties	<u>23,473</u>	<u>290</u>	<u>70</u>
		<u>\$ 294,655</u>	<u>\$ 173,823</u>	<u>\$ 154,259</u>
Other receivables (included in other current assets)	Associates			
	Kao Ming Container Terminal Corp.	\$ 48,450	\$ -	\$ -
	Others	<u>52,231</u>	<u>17,935</u>	<u>39,028</u>
		100,681	17,935	39,028
	Government – related parties	22,137	21,308	28,310
	Other related parties	<u>36</u>	<u>2,753</u>	<u>-</u>
		<u>\$ 122,854</u>	<u>\$ 41,996</u>	<u>\$ 67,338</u>
Trade payables	Associates	\$ 308,201	\$ 327,318	\$ 398,769
	Joint ventures	3,202	6,742	2,676
	Government – related parties	-	3,393	46,321
	Investors that have significant influence over the subsidiaries	<u>90,606</u>	<u>87,935</u>	<u>81,391</u>
		<u>\$ 402,009</u>	<u>\$ 425,388</u>	<u>\$ 529,157</u>
Other payables	Associates	\$ 40,190	\$ 44,480	\$ 34,634
	Joint ventures	10,060	772	-
	Government – related parties	<u>155,029</u>	<u>30,666</u>	<u>234,768</u>
		<u>\$ 205,279</u>	<u>\$ 75,918</u>	<u>\$ 269,402</u>

For the six months ended June 30, 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 June 30, 2021, December 31, 2020 and June 30, 2020) were as follows:

Related Party Category / Name	June 30, 2021	December 31, 2020	June 30, 2020
Government – related parties	<u>\$ 139,300</u>	<u>\$ 391,181</u>	<u>\$ 119,401</u>

h. Prepayments

Line Item	Related Party Category /Name	June 30,	December 31,	June 30,
		2021	2020	2020
Prepayments to shipping agents	Associates			
	Yang Ming (Australia) Pty. Ltd.	\$ 40,690	\$ -	\$ -
	Yang Ming (Egypt) S.A.E.	<u>111,689</u>	<u>87,393</u>	<u>-</u>
		<u>\$ 152,379</u>	<u>\$ 87,393</u>	<u>\$ -</u>
Prepayments	Associates	\$ 754	\$ 771	\$ 802
	Government – related parties	<u>-</u>	<u>2,564</u>	<u>-</u>
		<u>\$ 754</u>	<u>\$ 3,335</u>	<u>\$ 802</u>
Prepayments for equipment	Government – related parties	<u>\$ 385</u>	<u>\$ 480</u>	<u>\$ -</u>

i. Lease arrangements

Line Item	Related Party Category /Name	For the Three Months Ended		For the Six Months Ended	
		June 30		June 30	
		2021	2020	2021	2020
Right-of-use assets	Government – related parties	<u>\$ 16,386</u>	<u>\$ -</u>	<u>\$ 16,386</u>	<u>\$ -</u>

Line Item	Related Party Category /Name	June 30,	December 31,	June 30,
		2021	2020	2020
Lease liabilities	Associates	\$ 2,815	\$ 3,726	\$ -
	Government – related parties	1,075,777	1,154,176	553,391
	Investors that have significant influence over the subsidiaries	<u>10,687</u>	<u>13,541</u>	<u>16,914</u>
		<u>\$ 1,089,279</u>	<u>\$ 1,171,443</u>	<u>\$ 570,305</u>

Line Item	Related Party Category /Name	For the Three Months Ended		For the Six Months Ended	
		June 30		June 30	
		2021	2020	2021	2020
Interest expense	Associates	\$ 41	\$ -	\$ 41	\$ -
	Government – related parties	4,172	2,287	8,499	4,736
	Investors that have significant influence over the subsidiaries	<u>241</u>	<u>261</u>	<u>514</u>	<u>618</u>
		<u>\$ 4,454</u>	<u>\$ 2,548</u>	<u>\$ 9,054</u>	<u>\$ 5,354</u>

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

j. Bonds payable

Related Party Category / Name	June 30, 2021	December 31, 2020	June 30, 2020
Government – related parties	<u>\$ 3,900,000</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	June 30, 2021	December 31, 2020	June 30, 2020
Short-term borrowings	Government – related parties			
	Land Bank of Taiwan	\$ 300,000	\$ 300,000	\$ 300,000
	First Commercial Bank	-	30,000	530,000
	Others	<u>120,000</u>	<u>340,880</u>	<u>672,780</u>
		<u>\$ 420,000</u>	<u>\$ 670,880</u>	<u>\$ 1,502,780</u>
Short-term bills payable	Government – related parties			
	Mega Bills Finance Co., Ltd.	<u>\$ 187,311</u>	<u>\$ 2,191,201</u>	<u>\$ 2,190,689</u>
Long-term borrowings				
Secured borrowings	Government – related parties			
	Mega International Commercial Bank Co., Ltd. Taiwan	\$ 2,491,765	\$ 2,757,237	\$ 3,092,712
	Cooperative Bank Co., Ltd. Chang Hwa Bank Ltd.	2,786,708	3,271,691	3,508,685
	Others	<u>2,501,214</u>	<u>2,695,809</u>	<u>2,913,431</u>
		<u>7,601,905</u>	<u>6,473,111</u>	<u>6,749,318</u>
		<u>\$15,381,592</u>	<u>\$15,197,848</u>	<u>\$16,264,146</u>
Unsecured borrowings	Government – related parties	<u>\$ 3,122,012</u>	<u>\$13,743,344</u>	<u>\$ 7,113,426</u>
Commercial papers	Government – related parties	<u>\$ 999,021</u>	<u>\$ 1,498,745</u>	<u>\$ 1,498,466</u>

l. Others

Line Item	Related Party Category /Name	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2021	2020	2021	2020
Rental income	Associates	\$ 35	\$ 28	\$ 69	\$ 57
	Other related parties	<u>714</u>	<u>953</u>	<u>1,190</u>	<u>1,429</u>
		<u>\$ 749</u>	<u>\$ 981</u>	<u>\$ 1,259</u>	<u>\$ 1,486</u>
Interest income	Government – related parties	<u>\$ 6,284</u>	<u>\$ 4,589</u>	<u>\$ 9,126</u>	<u>\$ 10,798</u>
Finance cost	Government – related parties	<u>\$ 107,338</u>	<u>\$ 166,541</u>	<u>\$ 226,400</u>	<u>\$ 342,064</u>

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

m. Remuneration of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Short-term employee benefits	(\$ 277,285)	\$ 8,528	\$ 49,288	\$ 19,740
Post-employment benefits	<u>560</u>	<u>552</u>	<u>1,120</u>	<u>1,104</u>
	<u>(\$ 276,725)</u>	<u>\$ 9,080</u>	<u>\$ 50,408</u>	<u>\$ 20,844</u>

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

### 35. 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:

	June 30, 2021	December 31, 2020	June 30, 2020
Deposit of stand-by letter of credit (included in financial assets at amortized cost)	\$ -	\$ -	\$ 2,494,791
Pledged time deposits (included in financial assets at amortized cost)	58,897	271,779	298,432
Property, plant and equipment, net	35,265,256	45,751,447	48,197,750
Investment properties, net	<u>4,698,219</u>	<u>4,698,219</u>	<u>4,795,387</u>
	<u>\$ 40,022,372</u>	<u>\$ 50,721,445</u>	<u>\$ 55,786,360</u>

### 36. 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 June 30, 2021, December 31, 2020 and June 30, 2020, rentals for contracts that were yet in effect were respectively estimated from US\$977,000 thousand to US\$1,178,000 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 \$507,751 thousand, \$556,034 thousand and \$599,097 thousand as of June 30, 2021, December 31, 2020 and June 30, 2020, respectively.
- d. The Group signed shipbuilding contracts with government - related parties. As of June 30, 2021, December 31, 2020 and June 30, 2020, unpaid amounts for these contracts were \$397,721 thousand and US\$12,908 thousand, \$1,477,251 thousand and US\$47,944 thousand and \$3,124,953 thousand and US\$101,420 thousand, respectively.

### 37. 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 half of the year 2021.

### 38. 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:

	June 30, 2021			
	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 974,214	27.8600	( USD : NTD )	\$ 27,141,604
GBP	70	1.3837	( GBP : USD )	2,714
CNY	251,385	4.3116	( CNY : NTD )	1,083,869
USD	13,052	8.6929	( USD : TRY )	363,637
EUR	102,926	33.1353	( EUR : NTD )	3,410,477
GBP	14,424	38.5513	( GBP : NTD )	556,069
JPY	4,421,182	0.2522	( JPY : NTD )	1,115,051
USD	32,900	6.4617	( USD : CNY )	916,582
HKD	110,680	3.5880	( HKD : NTD )	397,123
CAD	4,341	22.4469	( CAD : NTD )	97,449

(continued)

June 30, 2021

	Foreign Currencies (In Thousands)		Exchange Rate	Carrying Amount
<u>Non-monetary items</u>				
Investments				
accounted for using the equity method				
USD	\$ 61,946	27.8600	( USD : NTD )	\$ 1,725,828
AUD	1,131	20.9089	( AUD : NTD )	23,656
AED	4,676	7.5852	( AED : NTD )	35,470
INR	51,843	0.3743	( INR : NTD )	19,405
GBP	252	38.5513	( GBP : NTD )	9,711
CNY	101,705	4.3116	( CNY : NTD )	438,511
IDR	2,691,053	0.0019	( IDR : NTD )	5,113
VND	2,640,833	0.0012	( VND : NTD )	3,169
EGP	18,262	1.7748	( EGP : NTD )	32,412
MYR	409	6.7088	( MYR : NTD )	2,744
Financial asset at FVTPL				
USD	1,057	27.8600	( USD : NTD )	29,449
CNY	1,565	4.3116	( CNY : NTD )	6,749
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	2,416,691	27.8600	( USD : NTD )	67,328,998
CNY	154,942	4.3116	( CNY : NTD )	668,049
EUR	37,602	33.1353	( EUR : NTD )	1,245,946
USD	1,473	8.6929	( USD : TRY )	41,028
JPY	1,705,624	0.2522	( JPY : NTD )	430,170
GBP	5,877	38.5513	( GBP : NTD )	226,559
USD	22,144	6.4617	( USD : CNY )	616,925
HKD	139,480	3.5880	( HKD : NTD )	500,458
CAD	12,383	22.4469	( CAD : NTD )	277,967

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

(continued)



December 31, 2020

	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount
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
<u>Non-monetary items</u>				
<u>Investments</u>				
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
<u>Financial asset at FVTPL</u>				
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

June 30, 2020

	Foreign Currencies (In Thousands)	Exchange Rate		Carrying Amount
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	243,156	29.6300	(USD : NTD)	7,204,726
GBP	68,951	1.2289	(GBP : USD)	2,510,770
CNY	295,793	4.1889	(CNY : NTD)	1,239,047

(continued)

June 30, 2020

	Foreign Currencies (In Thousands)		Exchange Rate	Carrying Amount
USD	\$ 19,712	6.8551	(USD : TRY)	\$ 584,058
EUR	21,024	33.2626	(EUR : NTD)	699,329
GBP	3,652	36.4138	(GBP : NTD)	132,995
HKD	90,949	3.8231	(HKD : NTD)	347,708
JPY	3,114,575	0.2752	(JPY : NTD)	857,069
USD	6,103	7.0735	(USD : CNY)	180,818
CAD	1,521	21.6633	(CAD : NTD)	32,955
<u>Non-monetary items</u>				
Investments				
accounted for				
using the equity				
method				
USD	43,898	29.6300	(USD : NTD)	1,300,696
AUD	855	20.3128	(AUD : NTD)	17,358
AED	4,607	8.0670	(AED : NTD)	37,166
INR	45,650	0.3924	(INR : NTD)	17,913
GBP	152	36.4138	(GBP : NTD)	5,527
CNY	101,378	4.1889	(CNY : NTD)	424,664
IDR	2,704,762	0.0021	(IDR : NTD)	5,680
VND	964,615	0.0013	(VND : NTD)	1,254
EGP	17,913	1.8306	(EGP : NTD)	32,791
Financial asset at				
FVTPL				
USD	1,263	29.6300	(USD : NTD)	37,436
CNY	2,117	4.1889	(CNY : NTD)	8,866
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	2,109,630	29.6300	(USD : NTD)	62,508,331
GBP	58,583	1.2289	(GBP : USD)	2,133,221
CNY	188,150	4.1889	(CNY : NTD)	788,140
EUR	28,070	33.2626	(EUR : NTD)	933,672
USD	5,719	6.8551	(USD : TRY)	169,447
JPY	1,694,781	0.2752	(JPY : NTD)	466,370
GBP	3,551	36.4138	(GBP : NTD)	129,313
USD	6,581	7.0735	(USD : CNY)	195,004
HKD	122,944	3.8231	(HKD : NTD)	470,031
CAD	6,272	21.6633	(CAD : NTD)	135,882

(concluded)

For the three months ended June 30, 2021 and 2020 and for the six months ended June 30, 2021 and 2020, realized and unrealized net foreign exchange (losses) and gains were \$39,785 thousand, \$468,378 thousand, \$24,535 thousand and \$497,234 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.

### 39. 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.

#### 40. 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 Six Months Ended June 30, 2021				
	Containership Department	Bulk Shipping Department	Other Departments	Adjustment and Eliminations	Combined
Operating revenue					
Sales to customers	\$ 128,724,254	\$ 1,238,347	\$ 5,591,104	\$ -	\$ 135,553,705
Intercompany sales	<u>2,606,591</u>	<u>-</u>	<u>625,746</u>	<u>( 3,232,337 )</u>	<u>-</u>
Total revenue	<u>\$ 131,330,845</u>	<u>\$ 1,238,347</u>	<u>\$ 6,216,850</u>	<u>( \$ 3,232,337 )</u>	<u>\$ 135,553,705</u>
Segment operating income (loss)	<u>\$ 70,617,481</u>	<u>\$ 811,632</u>	<u>\$ 258,576</u>	<u>\$ 83,987</u>	\$ 71,771,676
Administration cost					( 416,624 )
Other operating income and expenses					81,546
Interest income					67,917
Other income					45,163
Other gains and losses					29,552
Financial costs					( 1,341,420 )
Share of profit of associates and joint ventures					<u>619,393</u>
Profit before income tax					<u>\$ 70,857,203</u>

	For the Six Months Ended June 30, 2020				
	Containership Department	Bulk Shipping Department	Other Departments	Adjustment and Eliminations	Combined
Operating revenue					
Sales to customers	\$ 62,714,509	\$ 1,045,925	\$ 2,632,030	\$ -	\$ 66,392,464
Intercompany sales	<u>788,203</u>	<u>-</u>	<u>724,538</u>	<u>( 1,512,741 )</u>	<u>-</u>
Total revenue	<u>\$ 63,502,712</u>	<u>\$ 1,045,925</u>	<u>\$ 3,356,568</u>	<u>( \$ 1,512,741 )</u>	<u>\$ 66,392,464</u>
Segment operating income (loss)	<u>\$ 1,470,716</u>	<u>( \$ 812,285 )</u>	<u>\$ 61,630</u>	<u>\$ 76,889</u>	\$ 796,950
Administration cost					( 149,695 )
Other operating income and expenses					209,887
Interest income					78,958
Other income					28,299
Other gains and losses					529,717
Financial costs					( 1,899,631 )
Share of profit of associates and joint ventures					<u>13,798</u>
Profit before income tax					<u>( \$ 391,717 )</u>

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 SIX MONTHS ENDED JUNE 30, 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	\$ 1,380,434	\$ 1,380,434	1.0545%-2.9949%	1	\$ -	-	\$ -	-	\$ -	\$ 39,788,829	\$ 49,736,037
1	Yang Ming Line (Singapore) Pte. Ltd.	Kuang Ming (Liberia) Corp.	Other receivables	Y	181,090 (USD 6,500 thousand)	181,090 (USD 6,500 thousand)	181,090 (USD 6,500 thousand)	1.8344%	2	-	Obtain working capital	-	-	-	1,766,688	5,300,064
		All Oceans Transportation, Inc.	Other receivables	Y	278,600 (USD 10,000 thousand)	278,600 (USD 10,000 thousand)	278,600 (USD 10,000 thousand)	1.2451%	2	-	Obtain working capital	-	-	-	8,833,440	8,833,440
		Yang Ming (France) SAS	Other receivables	Y	10,497 (USD 317 thousand)	10,497 (USD 317 thousand)	10,497 (USD 317 thousand)	1.7000%	2	-	Obtain working capital	-	-	-	1,766,688	5,300,064
		Yang Ming Line (Thailand) Co., Ltd.	Other receivables	Y	13,384 (THB 15,400 thousand)	11,298 (THB 13,000 thousand)	11,298 (THB 13,000 thousand)	2.4544%	2	-	Obtain working capital	-	-	-	1,766,688	5,300,064
		Yang Ming (Hong Kong) Ltd.	Other receivables	Y	82,187 (USD 2,950 thousand)	82,187 (USD 2,950 thousand)	82,187 (USD 2,950 thousand)	1.3359%	2	-	Obtain working capital	-	-	-	8,833,440	8,833,440
		Kuang Ming Shipping Corp.	Other receivables	Y	69,650	69,650	-	-	2	-	Obtain working capital	-	-	-	163,777	491,333
3	Yes Logistics Corp.	Yes Logistics Europe GmbH	Other receivables	Y	36,991 (EUR 1,116 thousand)	36,991 (EUR 1,116 thousand)	36,991 (EUR 1,116 thousand)	1.7000%-1.8500%	1	27,375	-	-	-	-	65,962	679,763
		Yes Logistics Europe GmbH	Other receivables	Y	56,330 (EUR 1,700 thousand)	56,330 (EUR 1,700 thousand)	56,330 (EUR 1,700 thousand)	0.6000%	2	-	Obtain working capital	-	-	-	67,976	135,952
		Yes Logistics (Shanghai) Corp.	Other receivables	Y	121,091 (USD 3,000 thousand and CNY 8,700 thousand)	121,091 (USD 3,000 thousand and CNY 8,700 thousand)	121,091 (USD 3,000 thousand and CNY 8,700 thousand)	2.7800% 3.0000%	1	271,907	-	-	-	-	203,928	679,763
		Yes Logistics Benelux B.V.	Other receivables	Y	3,479 (EUR 105 thousand)	3,479 (EUR 105 thousand)	3,479 (EUR 105 thousand)	1.7500%	1	58,225	-	-	-	-	133,588	679,763
		YES MLC GmbH	Other receivables	Y	39,762 (EUR 1,200 thousand)	39,762 (EUR 1,200 thousand)	39,762 (EUR 1,200 thousand)	0.6000%	2	-	Obtain working capital	-	-	-	67,976	135,952
4	Yang Ming Line Holding Co.	Kuang Ming (Liberia) Corp.	Other receivables	Y	181,090 (USD 6,500 thousand)	181,090 (USD 6,500 thousand)	181,090 (USD 6,500 thousand)	1.8373%	2	-	Obtain working capital	-	-	-	261,078	783,234
		Yang Ming (America) Corp.	Other receivables	Y	278,600 (USD 10,000 thousand)	260,491 (USD 9,350 thousand)	260,491 (USD 9,350 thousand)	0.7060%	2	-	Obtain working capital	-	-	-	1,305,390	1,305,390

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\$27.86, THB1= NT\$0.8691, EUR1= NT\$33.1353 and CNY1= NT\$4.3116 as of June 30, 2021.

D. Except for Yang Ming Line (B.V.I.) Holding Co., Ltd., All Oceans Transportation Inc., Yang Ming (UK) Ltd., Yang Ming (Singapore) Pte. Ltd., Kuang Ming Shipping Corp., and Kuang Ming (Liberia) Corp., 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 SIX MONTHS ENDED JUNE 30, 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	\$ 159,155,319	\$ 2,273,404 ( USD 81,601 thousand )	\$ 1,984,861 ( USD 71,244 thousand )	\$ 1,984,861 ( USD 71,244 thousand )	\$ -	2.00%	\$ 298,416,224	Y	N	N
		Kuang Ming Shipping Corp.	Subsidiary	159,155,319	6,355,324 ( USD78,260 thousand and NTD 4,175,000 thousand )	6,355,324 ( USD78,260 thousand and NTD 4,175,000 thousand )	4,314,494 ( USD61,450 thousand and NTD 2,602,500 thousand )	-	6.39%	298,416,224	Y	N	N
		Kuang Ming ( Liberia ) Corp.	Subsidiary	159,155,319	1,741,594 ( USD 62,512 thousand )	1,495,135 ( USD 53,666 thousand )	708,118 ( USD 25,417 thousand )	-	1.50%	298,416,224	Y	N	N
		Yang Ming ( America ) Corp.	Subsidiary	159,155,319	222,880 ( USD 8,000 thousand )	83,580 ( USD 3,000 thousand )	257 ( USD 9 thousand )	-	0.08%	298,416,224	Y	N	N
1	Yang Ming Line Holding Co.	West Basin Container Terminal LLC	Investments in associates	1,093,069	123,939 ( USD 4,449 thousand )	123,939 ( USD 4,449 thousand )	57,451 ( USD 2,062 thousand )	-	0.12%	1,366,336	N	N	N
		United Terminal Leasing LLC	Investments in associates	1,093,069	49,176 ( USD 1,765 thousand )	49,176 ( USD 1,765 thousand )	20,971 ( USD 753 thousand )	-	0.05%	1,366,336	N	N	N
2	All Oceans Transportation, Inc.	Yang Ming Marine Transport Corporation	Parent	31,003,895	6,874,688	6,515,625	6,515,625 (Note C)	6,515,625 (Note C)	6.55%	36,171,211	N	Y	N
3	Kuang Ming Shipping Corp.	Kuang Ming ( Liberia ) Corp.	Subsidiary	25,542,100	780,080 ( USD 28,000 thousand )	780,080 ( USD 28,000 thousand )	435,333 ( USD 15,626 thousand )	-	0.78%	31,927,625	N	N	N
4	Yang Ming Line ( Singapore ) Pte. Ltd.	Yang Ming Line ( M ) Sdn. Bhd.	Subsidiary	7,069,943	26,835 ( MYR 4,000 thousand )	26,835 ( MYR 4,000 thousand )	10,376 ( MYR 1,547 thousand )	-	0.03%	8,837,429	N	N	N
5	Karlman Properties Limited	Yang Ming Marine Transport Corporation	Parent	307,668	201,500	186,000	186,000	186,000	0.19%	384,585	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 = \$27.86 and MYR\$1 = 6.7088 as of June 30, 2021.

C. Represents 14 ships used as guarantees, with carrying value of \$14,816,937 thousand as of June 30, 2021.

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

**YANG MING MARINE TRANSPORT CORPORATION AND SUBSIDIARIES**  
**MARKETABLE SECURITIES HELD**  
**JUNE 30, 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	June 30, 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	\$ 455,763	9.81	\$ 455,763	
	United Stevedoring Corp.	—	Financial assets at FVTOCI— non-current	500,000	5,578	10.00	5,578	
	<u>Domestic listed shares</u>							
	Taiwan Navigation Co., Ltd.	Government – related party	Financial assets at FVTOCI— non-current	70,758,243	4,634,665	16.96	4,634,665	
	<u>Mutual funds</u>							
	Hua Nan Sele Inc Multi-Asset Fd MD TWD	—	Financial assets at FVTPL— current	355,849	5,939	-	5,939	
<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>							
	Pro-Ascentek Investment Corporation	—	Financial assets at FVTOCI— non-current	2,000,000	12,191	1.67	12,191	
	<u>Domestic limited partnership</u>							
	Taiwania Capital Buffalo Fund V, LP.	—	Financial assets at FVTPL— non-current	-	25,000	3.30	25,000	
	<u>Domestic listed shares</u>							
	Rexon Industrial Corp., Ltd	—	Financial assets at FVTPL— current	90,000	7,101	-	7,101	
	Lotus Pharmaceutical Co., Ltd.	—	Financial assets at FVTPL— current	55,000	5,583	-	5,583	
United Microelectronics Corp.	—	Financial assets at FVTPL— current	20,000	1,062	-	1,062		
Yageo Corporation	—	Financial assets at FVTPL— current	2,000	1,110	-	1,110		

( Continued )



Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2021				Note
				Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Taiwan Semiconductor Manufacturing Co., Ltd. Common Stock	—	Financial assets at FVTPL — current	14,000	\$ 8,330	-	\$ 8,330	
	Macronix International Co., Ltd.	—	Financial assets at FVTPL — current	240,000	10,968	-	10,968	
	Chilisin Electronics Corp.	—	Financial assets at FVTPL — current	85,000	8,585	-	8,585	
	Evergreen Marine Corp.	—	Financial assets at FVTPL — current	1,000	197	-	197	
	China Development Financial	—	Financial assets at FVTPL — current	750,000	9,863	-	9,863	
	Yuanta Financial Holding Co., Ltd.	—	Financial assets at FVTPL — current	50,000	1,342	-	1,342	
	Shin Kong Financial Holdings	—	Financial assets at FVTPL — current	50,000	476	-	476	
	President Chain Store Corporation	—	Financial assets at FVTPL — current	10,000	2,630	-	2,630	
	Largan Precision Co., Ltd.	—	Financial assets at FVTPL — current	3,000	9,300	-	9,300	
	Medigen Biotechnology Corp.	—	Financial assets at FVTPL — current	13,000	849	-	849	
	Innolux Corporation	—	Financial assets at FVTPL — current	20,000	415	-	415	
	Alchip Technologies, Limited	—	Financial assets at FVTPL — current	20,000	12,220	-	12,220	
	FIT Holding Co., Ltd.	—	Financial assets at FVTPL — current	62,000	1,872	-	1,872	
	Ennostar Incorporation	—	Financial assets at FVTPL — current	120,000	9,420	-	9,420	
	Center Laboratories, Inc. Common Stock	—	Financial assets at FVTPL — current	84,322	5,886	-	5,886	
	Mycenax Biotech Inc.	—	Financial assets at FVTPL — current	60,000	2,571	-	2,571	
	Oneness Biotech Co., Ltd	—	Financial assets at FVTPL — current	40,000	9,280	-	9,280	

( Continued )

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2021				Note
				Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Asmedia Technology Inc.	—	Financial assets at FVTPL — current	2,000	\$ 2,690	-	\$ 2,690	
	Kinko Optical Co., Ltd.	—	Financial assets at FVTPL — current	62,000	2,328	-	2,328	
	Medigen Vaccine Biologics Corporation	—	Financial assets at FVTPL — current	8,000	1,976	-	1,976	
	Eirgenix, Inc.	—	Financial assets at FVTPL — current	12,000	1,770	-	1,770	
	Fittech Co., Ltd.	—	Financial assets at FVTPL — current	26,116	4,518	-	4,518	
	TCI Co., Ltd	—	Financial assets at FVTPL — current	40,000	10,280	-	10,280	
	Century Iron and Steel Industrial Co., Ltd.	—	Financial assets at FVTPL — current	10,000	1,340	-	1,340	
	WPG Holdings Limited Preferred Stock A	—	Financial assets at FVTPL — current	60,000	3,000	-	3,000	
	<u>Foreign listed shares</u>							
	Ceragon Networks Ltd (CRNT)	—	Financial assets at FVTPL — current	20,888	2,194	-	2,194	
	Renalytix AI PIC (RNLX)	—	Financial assets at FVTPL — current	450	387	-	387	
	Costco(COST)	—	Financial assets at FVTPL — current	30	331	-	331	
	Catalent(CTLT)	—	Financial assets at FVTPL — current	80	241	-	241	
	Advanced Mic(AMD)	—	Financial assets at FVTPL — current	150	392	-	392	
	WALT DISNEY(DIS)	—	Financial assets at FVTPL — current	90	441	-	441	
	NVIDIA(NVDA)	—	Financial assets at FVTPL — current	30	669	-	669	

( Continued )

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2021				Note
				Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	<u>Mutual funds</u>							
	Yuanta MSCI CHINA A ETF	—	Financial assets at FVTPL — current	50,000	\$ 1,454	-	\$ 1,454	
	Fubon China CSI 500 Index ETF	—	Financial assets at FVTPL — current	60,000	1,370	-	1,370	
	Yuanta Global NexGen Communication Innovative Technology ETF	—	Financial assets at FVTPL — current	90,000	2,653	-	2,653	
	Cathay Taiwan 5G Plus ETF	—	Financial assets at FVTPL — current	150,000	2,669	-	2,669	
	PGIM US Corporate Bond Fund USD T Accumulation - USD	—	Financial assets at FVTPL — current	818	2,795	-	2,795	
	Allianz Global Investors Preferred Securities and Income Fund HA - CNY	—	Financial assets at FVTPL — current	80,000	3,946	-	3,946	
	Allianz US Low Average Duration High Yield Fund A - USD	—	Financial assets at FVTPL — current	10,000	3,080	-	3,080	
	Eastspring Inv Trgt Mlt 3-6Y EM Bd - USD	—	Financial assets at FVTPL — current	10,000	2,953	-	2,953	
	Nomura Four Years Ladder Maturity Emerging Market Bond Fund - CNY	—	Financial assets at FVTPL — current	60,000	2,803	-	2,803	
	M&G Optimal Income Fund — M&G Optimal Income Fund USD C-H Acc	—	Financial assets at FVTPL — current	29,964	9,744	-	9,744	
	Taishin Short Duration Emerging High Yield Bond A - USD	—	Financial assets at FVTPL — current	15,000	4,395	-	4,395	
	Allianz Global Investors Global Resources Trends Fund	—	Financial assets at FVTPL — current	166,945	1,361	-	1,361	
	Taishin ESG Emerging Markets Bond Fund A USD	—	Financial assets at FVTPL — current	200,000	1,941	-	1,941	
	Fuh Hwa Taiwan Good Income Fund TWD	—	Financial assets at FVTPL — current	100,000	1,195	-	1,195	
	Fuh Hwa Global Short — Term Income Fund	—	Financial assets at FVTPL — current	164,677	2,062	-	2,062	
	Fuh Hwa Asia Pacific Tech Equity Fund	—	Financial assets at FVTPL — current	66,578	1,270	-	1,270	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2021				Note
				Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Yes Logistics Corp.	Fubon Taiwan Sustainable Development High Dividend Fund A TWD	—	Financial assets at FVTPL — current	79,491	\$ 1,126	-	\$ 1,126	
	Prudential Financial China Flexible Balanced Fund	—	Financial assets at FVTPL — current	252,325	3,520	-	3,520	
	Nomura Global Luxury Brands Fund	—	Financial assets at FVTPL — current	27,878	1,147	-	1,147	
	Nomura Fallen Angel High Yield Bond Fund	—	Financial assets at FVTPL — current	200,000	2,016	-	2,016	
	Nomura Taiwan Superior Equity Fund TWD	—	Financial assets at FVTPL — current	12,291	1,104	-	1,104	
	Hua Nan Multi-Assets Balanced Income Fund	—	Financial assets at FVTPL — current	142,340	2,376	-	2,376	
	CTBC Vietnam Equity Fund	—	Financial assets at FVTPL — current	100,000	1,482	-	1,482	
	Schroder 2025 Maturity Emerging Market Bond Fund A TWD	—	Financial assets at FVTPL — current	200,000	1,816	-	1,816	
	ARK Innovation ETF (ARKK)	—	Financial assets at FVTPL — current	120	437	-	437	
	Vanguard Total Stock Market ETF(VTI)	—	Financial assets at FVTPL — current	40	248	-	248	
	ARK Genomic Revolution ETF(ARKG)	—	Financial assets at FVTPL — current	150	387	-	387	
	<u>Corporate bond</u> Cathy Life Insurance, 3% perp., TWD	—	Financial assets at amortized cost — current	20,000	20,000	-	20,000	
	<u>Domestic unlisted shares</u> United Raw Material Solutions Inc./URMS	—	Financial assets at FVTOCI — non-current	319,751	2,523	2.76	2,523	

( 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 SIX MONTHS ENDED JUNE 30, 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**  
**JUNE 30, 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	\$ 1,380,434 (Note A)	-	\$ -	-	\$ -	\$ -
	Yang Ming Shipping Europe GmbH	Subsidiary	141,925	-	-	-	141,925	-
	Yang Ming Italy S.p.A.	Subsidiary	465,151	-	-	-	465,151	-
	Yang Ming (UK) Ltd.	Subsidiary	150,238	-	-	-	150,238	-
	Yang Ming Shipping (Vietnam) Co., Ltd.	Subsidiary	134,772	-	-	-	134,772	-
	Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	Subsidiary	1,362,425	-	-	-	1,362,425	-
	YES Logistics Corp.	Subsidiary	588,263 (Note B)	-	-	-	12,600	-
Jing Ming Transportation Co., Ltd.	Yang Ming Marine Transport Corp.	Parent company	117,601	-	-	-	51,289	-
Yang Ming Line (Singapore) Pte. Ltd.	All Oceans Transportation, Inc.	The same parent company	280,799 (Note A)	-	-	-	-	-
	Kuang Ming (Liberia) Shipping Corp.	The same parent company	182,761 (Note A)	-	-	-	-	-
Yang Ming (Singapore) Pte. Ltd.	Yang Ming Marine Transport Corp.	Parent company	2,952,763	-	-	-	2,952,763	-
	Yang Ming (UK) Ltd.	The same parent company	117,076	-	-	-	117,076	-
	Yang Ming (Spain), S.L.	The same parent company	254,671	-	-	-	254,671	-
	Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	The same parent company	1,022,278	-	-	-	1,022,278	-
	Yang Ming (Australia) Pty. Ltd.	Associate	125,597	-	-	-	99,396	-
Yang Ming (Korea) Co., Ltd.	Yang Ming Marine Transport Corp.	Parent company	109,743	-	-	-	48,282	-
Yang Ming Anatolia Shipping Agency S.A.	Yang Ming Marine Transport Corp.	Parent company	141,125	-	-	-	141,125	-
Yang Ming Line Holding Corp.	Yang Ming (America) Corp.	Subsidiary	264,295 (Note A)	-	-	-	-	-
	Kuang Ming (Liberia) Corp.	The same parent company	182,762 (Note A)	-	-	-	-	-
Yang Ming (America) Corp.	Yang Ming Marine Transport Corp.	Parent company	344,033	-	-	-	344,033	-
YES Logistics Corp.	Yes Logistics Europe GmbH	Subsidiary	108,069 (Note C)	-	-	-	7,270	-
	Yes Logistics (Shanghai) Corp.	Subsidiary	247,947 (Note C)	-	-	-	48,765	-
Yes Logistics (Shanghai) Corp.	YES Logistics Corp.	Parent company	118,254	-	-	-	24,921	-
Yang Ming (UK) Ltd.	Yang Ming Marine Transport Corp.	Parent company	428,837	-	-	-	428,837	-
	Yang Ming (India) Pvt. Ltd.	The same parent company	150,560	-	-	-	141,544	-
	Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	The same parent company	142,778	-	-	-	142,778	-
	Yang Ming (Singapore) Pte. Ltd.	The same parent company	276,900	-	-	-	276,900	-
Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	Yes Logistics (Shanghai) Corp.	The same parent company	618,447	-	-	-	437,918	-

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 SIX MONTHS ENDED JUNE 30, 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	\$ 1,380,434	Conducted as agreed terms	0.01
				Right-of-use assets	23,075,341	Conducted as agreed terms	0.10
				Lease liabilities	5,088,876	Conducted as agreed terms	0.02
				Operating cost	2,140,874	Conducted as agreed terms	0.02
				Interest revenue	13,873	Conducted as agreed terms	-
				Interest expense	42,399	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	96,529	Conducted as agreed terms	-
				Finance lease receivable	23,589	Conducted as agreed terms	-
				Long-term lease receivable	43,511	Conducted as agreed terms	-
				Operating revenue	1,516	Conducted as agreed terms	-
				Operating cost	207,588	Conducted as agreed terms	-
				Interest revenue	11,736	Conducted as agreed terms	-
				Right-of-use assets	3,548	Conducted as agreed terms	-
				Lease liabilities	3,619	Conducted as agreed terms	-
		Jing Ming Transportation Co., Ltd.	1	Marketing expense	161	Conducted as agreed terms	-
				Rent income	471	Conducted as agreed terms	-
				Interest expense	30	Conducted as agreed terms	-
				Other receivables	620	Conducted as agreed terms	-
				Other payables	117,601	Conducted as agreed terms	-
				Guarantee deposits received	137	Conducted as agreed terms	-
				Right-of-use assets	3,027	Conducted as agreed terms	-
Ching Ming Investment Corp.	1	Lease liabilities	3,131	Conducted as agreed terms	-		
		Operating revenue	1,887	Conducted as agreed terms	-		
		Operating cost	272,923	Conducted as agreed terms	-		
		Rent income	392	Conducted as agreed terms	-		
		Interest expense	51	Conducted as agreed terms	-		
		Guarantee deposits received	185	Conducted as agreed terms	-		
Yang Ming Line (Hong Kong) Ltd.	1	Rent income	586	Conducted as agreed terms	-		
		Interest expense	1	Conducted as agreed terms	-		
		Contract assets	2,557	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	\$ 9,526	Conducted as agreed terms	-
				Payables to shipping agents	70,583	Conducted as agreed terms	-
				Operating cost	89,718	Conducted as agreed terms	-
		Yang Ming Line (India) Pvt. Ltd.	1	Contract assets	4,051	Conducted as agreed terms	-
				Advances to shipping agent	7,802	Conducted as agreed terms	-
				Operating cost	15,468	Conducted as agreed terms	-
		Yang Ming (Korea) Co., Ltd.	1	Contract assets	13,332	Conducted as agreed terms	-
				Payables to shipping agents	109,743	Conducted as agreed terms	-
				Operating cost	68,385	Conducted as agreed terms	-
		Yangming (Japan) Co., Ltd.	1	Contract assets	73,884	Conducted as agreed terms	-
				Trade receivables	42,330	Conducted as agreed terms	-
				Payables to shipping agents	41,353	Conducted as agreed terms	-
				Operating cost	78,995	Conducted as agreed terms	-
		Yang Ming (Singapore) Pte. Ltd.	1	Contract assets	69,610	Conducted as agreed terms	-
				Contract liabilities	6,847	Conducted as agreed terms	-
				Trade receivables	92,099	Conducted as agreed terms	-
				Other payables	2,827,518	Conducted as agreed terms	0.01
				Trade payables	120,083	Conducted as agreed terms	-
				Payables to shipping agents	5,162	Conducted as agreed terms	-
				Operating revenue	3,044,718	Conducted as agreed terms	0.02
				Operating cost	43,544	Conducted as agreed terms	-
		Yang Ming Line (M) Sdn. Bhd.	1	Contract assets	48,877	Conducted as agreed terms	-
				Trade receivables	35,801	Conducted as agreed terms	-
				Payables to shipping agents	57,849	Conducted as agreed terms	-
				Operating cost	23,250	Conducted as agreed terms	-
		Yang Ming Shipping (Vietnam) Co., Ltd.	1	Contract assets	529,731	Conducted as agreed terms	-
				Trade receivables	134,772	Conducted as agreed terms	-
				Payables to shipping agents	19,557	Conducted as agreed terms	-
				Operating cost	12,442	Conducted as agreed terms	-
		Yang Ming Anatolia Shipping Agency S.A.	1	Contract assets	96,152	Conducted as agreed terms	-
				Trade receivables	91,619	Conducted as agreed terms	-
				Payables to shipping agents	141,125	Conducted as agreed terms	-
				Operating cost	81,827	Conducted as agreed terms	-
		Yang Ming Shipping Philippines, Inc.	1	Payables to shipping agents	24,483	Conducted as agreed terms	-
				Operating cost	16,473	Conducted as agreed terms	-
				Trade receivables	77	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	\$ 137	Conducted as agreed terms	-
				Payables to shipping agents	1,711	Conducted as agreed terms	-
				Operating cost	10,110	Conducted as agreed terms	-
		Yang Ming Line (Thailand) Co., Ltd.	1	Contract assets	60,186	Conducted as agreed terms	-
				Payables to shipping agents	32,465	Conducted as agreed terms	-
				Operating cost	6,257	Conducted as agreed terms	-
		Yang Ming Insurance Co., Ltd.	1	Prepayments	2,715	Conducted as agreed terms	-
				Operating cost	13,635	Conducted as agreed terms	-
		PY Yang Ming Shipping Indonesia	1	Payables to shipping agents	21,244	Conducted as agreed terms	-
				Operating cost	15,645	Conducted as agreed terms	-
		Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	1	Contract assets	13,440	Conducted as agreed terms	-
				Trade receivables	1,362,425	Conducted as agreed terms	0.01
				Contract assets	1,878,900	Conducted as agreed terms	0.01
				Payables to shipping agents	10,830	Conducted as agreed terms	-
				Operating cost	115,557	Conducted as agreed terms	-
		Yang Ming (America) Corp.	1	Payables to shipping agents	344,033	Conducted as agreed terms	-
				Operating cost	525,241	Conducted as agreed terms	-
		Yang Ming Shipping (Canada) Ltd.	1	Payables to shipping agents	21,871	Conducted as agreed terms	-
				Operating cost	20,122	Conducted as agreed terms	-
		Yang Ming (Belgium) N.V.	1	Contract assets	57,340	Conducted as agreed terms	-
				Trade receivables	81,225	Conducted as agreed terms	-
				Payables to shipping agents	13,172	Conducted as agreed terms	-
				Operating cost	17,177	Conducted as agreed terms	-
		Yang Ming (Netherlands) B.V.	1	Contract assets	138,967	Conducted as agreed terms	-
				Trade receivables	78,055	Conducted as agreed terms	-
				Prepayments to shipping agents	40	Conducted as agreed terms	-
				Operating revenue	6,794	Conducted as agreed terms	-
				Operating cost	21,844	Conducted as agreed terms	-
		Yang Ming (Italy) S.p.A.	1	Contract assets	316,881	Conducted as agreed terms	-
				Trade receivables	465,151	Conducted as agreed terms	-
				Payables to shipping agents	47,492	Conducted as agreed terms	-
				Operating cost	44,926	Conducted as agreed terms	-
		Yang Ming (UK) Ltd.	1	Contract assets	93,485	Conducted as agreed terms	-
				Trade receivables	150,238	Conducted as agreed terms	-
				Prepayments	8,532	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	\$ 63,712	Conducted as agreed terms	-
				Trade payables	365,125	Conducted as agreed terms	-
				Operating revenue	1,578,263	Conducted as agreed terms	0.01
				Operating cost	457,562	Conducted as agreed terms	-
		Yang Ming Shipping Europe GmbH	1	Contract assets	157,771	Conducted as agreed terms	-
				Trade receivables	141,925	Conducted as agreed terms	-
				Payables to shipping agents	84,514	Conducted as agreed terms	-
				Operating cost	112,653	Conducted as agreed terms	-
		Yang Ming (Russia) LLC.	1	Contract assets	1,957	Conducted as agreed terms	-
				Trade receivables	4,512	Conducted as agreed terms	-
				Payables to shipping agents	1,311	Conducted as agreed terms	-
				Operating cost	5,944	Conducted as agreed terms	-
		Yang Ming (Spain), S.L.	1	Contract assets	12,345	Conducted as agreed terms	-
				Trade receivables	15,740	Conducted as agreed terms	-
				Payables to shipping agents	10,172	Conducted as agreed terms	-
				Operating cost	6,946	Conducted as agreed terms	-
		Yang Ming (Mediterranean) Marine Services Single-Member Limited Liability Company	1	Payables to shipping agents	4,510	Conducted as agreed terms	-
				Operating cost	10,500	Conducted as agreed terms	-
		Kuang Ming Shipping Corp.	1	Other receivables	8,215	Conducted as agreed terms	-
				Right-of-use assets	1,750	Conducted as agreed terms	-
				Lease liabilities	1,775	Conducted as agreed terms	-
				Refundable deposits	126	Conducted as agreed terms	-
				Other payables	7	Conducted as agreed terms	-
				Interest expense	11	Conducted as agreed terms	-
				Operating revenue	540	Conducted as agreed terms	-
				Marketing expense	350	Conducted as agreed terms	-
				Rent income	2,184	Conducted as agreed terms	-
				Interest revenue	5,356	Conducted as agreed terms	-
				Financial assets at amortized cost— non-current	600,000	Conducted as agreed terms	-
		Kuang Ming (Liberia) Corp.	1	Operating revenue	2	Conducted as agreed terms	-
		YES Logistics Corp.	1	Trade receivables	808	Conducted as agreed terms	-
				Other payables	3,865	Conducted as agreed terms	-
				Other receivables	30,000	Conducted as agreed terms	-
				Finance lease receivable	37,727	Conducted as agreed terms	-
				Long-term lease receivable	519,728	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	Operating revenue	\$ 522,562	Conducted as agreed terms	-
				Operating cost	7,010	Conducted as agreed terms	-
				Marketing expense	192	Conducted as agreed terms	-
				Rent income	2,932	Conducted as agreed terms	-
				Interest revenue	6,668	Conducted as agreed terms	-
				Other receivables	15,026	Conducted as agreed terms	-
				Trade payables	132	Conducted as agreed terms	-
				Operating revenue	161,295	Conducted as agreed terms	-
				Operating cost	295	Conducted as agreed terms	-
		Golden Logistics USA Corporation	1	Trade payables	464	Conducted as agreed terms	-
		Operating cost	1,844	Conducted as agreed terms	-		
		Yes Logistics (Shanghai) Corp.	1	Operating revenue	1,914,163	Conducted as agreed terms	0.01
		Yang Ming Line (Singapore) Pte. Ltd.	2	Other payables	280,799	Conducted as agreed terms	-
		Yang Ming Insurance Co., Ltd.	2	Interest expense	2,227	Conducted as agreed terms	-
		Prepayment	5,253	Conducted as agreed terms	-		
2	Hongming Terminal & Stevedoring Co., Ltd.	Jing Ming Transportation Co., Ltd.	2	Operating cost	41,121	Conducted as agreed terms	-
				Other payables	19,280	Conducted as agreed terms	-
3	Jing Ming Transportation Co., Ltd.	YES Logistics Corp.	2	Guarantee deposits received	1	Conducted as agreed terms	-
				Operating cost	35,460	Conducted as agreed terms	-
				Other receivables	465	Conducted as agreed terms	-
				Other payables	5,201	Conducted as agreed terms	-
				Operating revenue	670	Conducted as agreed terms	-
				Operating cost	15,455	Conducted as agreed terms	-
4	Ching Ming Investment Corp.	YES Logistics Corp.	2	Trade receivables	1,706	Conducted as agreed terms	-
				Operating revenue	5,263	Conducted as agreed terms	-
5	Yang Ming Line (Singapore) Pte. Ltd.	Yang Ming Line (Hong Kong) Ltd.	2	Other receivables	27,815	Conducted as agreed terms	-
				Other receivables	552	Conducted as agreed terms	-
				Long-term notes receivable and trade receivables	82,187	Conducted as agreed terms	-
		Yang Ming Line (Thailand) Co., Ltd.	2	Interest revenue	561	Conducted as agreed terms	-
				Long-term notes receivable and trade receivables	11,298	Conducted as agreed terms	-
		Yes Logistics (Shanghai) Corp.	2	Interest revenue	171	Conducted as agreed terms	-
				Guarantee deposits received	142	Conducted as agreed terms	-
Rent income	288	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	Yang Ming (Singapore) Pte. Ltd.	Kuang Ming (Liberia) Shipping Corp.	2	Other receivables	\$ 182,760	Conducted as agreed terms	-
				Interest revenue	1,690	Conducted as agreed terms	-
		Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	2	Other payables	107	Conducted as agreed terms	-
				Guarantee deposits received	7,216	Conducted as agreed terms	-
				Rent income	14,399	Conducted as agreed terms	-
		Yang Ming (France) SAS	2	Other receivables	84	Conducted as agreed terms	-
				Long-term notes receivable and trade receivables	10,497	Conducted as agreed terms	-
				Interest revenue	86	Conducted as agreed terms	-
		Kuang Ming (Liberia) Corp.	2	Operating revenue	68	Conducted as agreed terms	-
		Yang Ming Line (M) Sdn. Bhd.	2	Trade receivables	28,000	Conducted as agreed terms	-
				Payables to shipping agents	13,457	Conducted as agreed terms	-
				Contract assets	24,537	Conducted as agreed terms	-
				Operating cost	9,678	Conducted as agreed terms	-
		Yang Ming (Belgium) N.V.	2	Trade receivables	333	Conducted as agreed terms	-
				Operating cost	235	Conducted as agreed terms	-
		Yang Ming (Netherlands) B.V.	2	Trade receivables	16,988	Conducted as agreed terms	-
				Payables to shipping agents	2,007	Conducted as agreed terms	-
				Operating cost	6,501	Conducted as agreed terms	-
				Contract assets	43,802	Conducted as agreed terms	-
		Yang Ming Shipping Europe GmbH	2	Trade receivables	21,177	Conducted as agreed terms	-
				Payables to shipping agents	4,134	Conducted as agreed terms	-
				Operating cost	15,821	Conducted as agreed terms	-
				Contract assets	34,131	Conducted as agreed terms	-
Yang Ming (Italy) S.p.A.	2	Trade receivables	4,104	Conducted as agreed terms	-		
		Payables to shipping agents	1,212	Conducted as agreed terms	-		
		Operating cost	1,086	Conducted as agreed terms	-		
		Contract assets	17,031	Conducted as agreed terms	-		
Yang Ming (UK) Ltd.	2	Trade payables	39,784	Conducted as agreed terms	-		
		Operating cost	166,945	Conducted as agreed terms	-		
		Trade receivables	117,076	Conducted as agreed terms	-		
		Contract assets	138,066	Conducted as agreed terms	-		
Yang Ming Shipping (Vietnam) Co., Ltd.	2	Contract assets	87,718	Conducted as agreed terms	-		
		Trade receivables	79,176	Conducted as agreed terms	-		
		Payables to shipping agents	34,886	Conducted as agreed terms	-		
		Operating cost	23,305	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	
7	Karlman Properties Limited	Yang Ming ( Russia ) LLC.	2	Operating cost	\$ 1,290	Conducted as agreed terms	-	
				Trade receivables	112	Conducted as agreed terms	-	
			Yang Ming ( Spain ) , S.L	2	Trade receivables	254,671	Conducted as agreed terms	-
					Payables to shipping agents	9,046	Conducted as agreed terms	-
					Operating cost	9,516	Conducted as agreed terms	-
					Contract assets	178,407	Conducted as agreed terms	-
			Huan Ming ( Shanghai ) International Shipping Agency Co., Ltd.	2	Trade receivables	1,022,278	Conducted as agreed terms	-
					Payables to shipping agents	276,900	Conducted as agreed terms	-
					Operating cost	276,682	Conducted as agreed terms	-
					Contract assets	1,133,749	Conducted as agreed terms	-
			Yang Ming Shipping Philippines, Inc.	2	Trade receivables	49	Conducted as agreed terms	-
					Payables to shipping agents	3,179	Conducted as agreed terms	-
					Operating cost	2,603	Conducted as agreed terms	-
					Contract assets	9,489	Conducted as agreed terms	-
			Yang Ming Line ( Thailand ) Co., Ltd.	2	Contract assets	9,236	Conducted as agreed terms	-
					Trade receivables	23,054	Conducted as agreed terms	-
					Payables to shipping agents	14,311	Conducted as agreed terms	-
					Operating cost	34,081	Conducted as agreed terms	-
					Operating cost	16,626	Conducted as agreed terms	-
				Yang Ming ( Mediterranean ) Marine Services Single-Member Limited Liability Company	2			
		PY Yang Ming Shipping Indonesia	2	Trade receivables	6,774	Conducted as agreed terms	-	
				Payables to shipping agents	11,003	Conducted as agreed terms	-	
				Operating cost	9,466	Conducted as agreed terms	-	
				Contract assets	5,289	Conducted as agreed terms	-	
		Yang Ming ( France ) SAS	2	Payables to shipping agents	865	Conducted as agreed terms	-	
				Operating cost	1,369	Conducted as agreed terms	-	
		Yang Ming Line ( Hong Kong ) Ltd.	2	Guarantee deposits received	718	Conducted as agreed terms	-	
				Rent income	4,358	Conducted as agreed terms	-	
8	Yang Ming Line ( Hong Kong ) Ltd.	Young-Carrier Company Ltd.	2	Rent income	174	Conducted as agreed terms	-	
		Yes Logistics Company Ltd.	2	Rent income	109	Conducted as agreed terms	-	
		Huan Ming ( Shanghai ) International Shipping Agency Co., Ltd.	2	Rent income	590	Conducted as agreed terms	-	
9	Yangming ( Japan ) Co., Ltd.	Manwa & Co., Ltd.	2	Other receivables	38	Conducted as agreed terms	-	
				Operating revenue	188	Conducted as agreed terms	-	
				Rent income	78	Conducted as agreed terms	-	
10	Manwa & Co., Ltd.	YES Logistics Corp.	2	Operating revenue	140	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
11	Yang Ming Line (Thailand) Co., Ltd.	Yang Ming Line Shipping (Thailand) Co., Ltd.	2	Trade payables	\$ 1,177	Conducted as agreed terms	-
12	Yang Ming Insurance Co., Ltd.	Kuang Ming Shipping Corp.	2	Operating cost	7,558	Conducted as agreed terms	-
				Advances from customers	283	Conducted as agreed terms	-
				Operating revenue	1,779	Conducted as agreed terms	-
				Advances from customers	2,416	Conducted as agreed terms	-
13	Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	Yes Logistics (Shanghai) Corp.	2	Operating revenue	15,378	Conducted as agreed terms	-
				Trade receivables	618,447	Conducted as agreed terms	-
				Market expense	3,027	Conducted as agreed terms	-
				Administrative expense	629	Conducted as agreed terms	-
14	Yang Ming Line Holding Corp.	Yang Ming (America) Corp.	2	Right-of-use assets	2,585	Conducted as agreed terms	-
				Lease liabilities	2,675	Conducted as agreed terms	-
				Interest expense	95	Conducted as agreed terms	-
				Other receivables	3,804	Conducted as agreed terms	-
				Long-term notes receivable and trade receivables	260,491	Conducted as agreed terms	-
				Other payables	2,531	Conducted as agreed terms	-
				Interest revenue	1,030	Conducted as agreed terms	-
				Other receivables	182,762	Conducted as agreed terms	-
15	Yang Ming Line (B.V.I.) Holding Co., Ltd.	Yang Ming Line N.V.	2	Interest revenue	1,692	Conducted as agreed terms	-
				Other receivables	468	Conducted as agreed terms	-
16	Yang Ming Line B.V.	Yang Ming (Netherlands) B.V.	2	Other receivables	61,787	Conducted as agreed terms	-
17	Yang Ming (Belgium) N.V.	Yang Ming (Netherlands) B.V.	2	Market expense	224	Conducted as agreed terms	-
18	Yang Ming (Netherlands) B.V.	Yang Ming (UK) Ltd.	2	Trade receivables	76	Conducted as agreed terms	-
				Other payables	78	Conducted as agreed terms	-
				Trade receivables	2,308	Conducted as agreed terms	-
				Trade receivables	5,487	Conducted as agreed terms	-
19	Yang Ming Shipping Europe GmbH	Yes Logistics Benelux B.V.	2	Operating cost	901	Conducted as agreed terms	-
		Yes Logistics Europe GmbH	2				
		Yang Ming (Mediterranean) Marine Services Single-Member Limited Liability Company	2				
20	Yang Ming (Italy) S.p.A.	Yang Ming (Naples) S.r.l.	2	Rent income	1,537	Conducted as agreed terms	-
				Trade receivables	7,095	Conducted as agreed terms	-
				Trade payables	721	Conducted as agreed terms	-
				Other payables	706	Conducted as agreed terms	-
				Operating cost	1,838	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	Yang Ming (UK) Ltd.	Yang Ming Line (Hong Kong) Ltd.	2	Payables to shipping agents	\$ 1,274	Conducted as agreed terms	-
				Operating cost	438	Conducted as agreed terms	-
				Contract assets	533	Conducted as agreed terms	-
		Yang Ming (America) Corp.	2	Payables to shipping agents	70,798	Conducted as agreed terms	-
				Operating cost	53,600	Conducted as agreed terms	-
				Payables to shipping agents	229	Conducted as agreed terms	-
		Yang Ming (Korea) Co., Ltd.	2	Operating cost	123	Conducted as agreed terms	-
				Trade receivables	52	Conducted as agreed terms	-
		Yangming (Japan) Co., Ltd.	2	Operating cost	248	Conducted as agreed terms	-
				Contract assets	107	Conducted as agreed terms	-
		Yang Ming Line (M) Sdn. Bhd.	2	Trade receivables	653	Conducted as agreed terms	-
				Operating cost	489	Conducted as agreed terms	-
				Payables to shipping agents	497	Conducted as agreed terms	-
				Contract assets	16,858	Conducted as agreed terms	-
		Yang Ming Line (India) Pvt. Ltd.	2	Trade receivables	150,560	Conducted as agreed terms	-
				Payables to shipping agents	18,235	Conducted as agreed terms	-
				Trade receivables	957	Conducted as agreed terms	-
		Yang Ming Shipping (Vietnam) Co., Ltd.	2	Operating cost	2,946	Conducted as agreed terms	-
				Contract assets	7,032	Conducted as agreed terms	-
				Trade receivables	41	Conducted as agreed terms	-
		Yang Ming Shipping Philippines, Inc.	2	Operating cost	2,389	Conducted as agreed terms	-
				Contract assets	8	Conducted as agreed terms	-
				Trade receivables	47	Conducted as agreed terms	-
		Yang Ming Line (Thailand) Co., Ltd.	2	Operating cost	449	Conducted as agreed terms	-
				Contract assets	159	Conducted as agreed terms	-
				Prepayments	600	Conducted as agreed terms	-
		Yang Ming Insurance Co., Ltd.	2	Operating cost	11,020	Conducted as agreed terms	-
Trade receivables	116			Conducted as agreed terms	-		
PY Yang Ming Shipping Indonesia	2	Operating cost	609	Conducted as agreed terms	-		
		Contract assets	130	Conducted as agreed terms	-		
		Trade receivables	495	Conducted as agreed terms	-		
Yang Ming Anatolia Shipping Agency S.A.	2	Operating cost	152	Conducted as agreed terms	-		
		Contract assets	68	Conducted as agreed terms	-		
		Contract assets	1,367	Conducted as agreed terms	-		
Yang Ming (Belgium) N.V.	2	Trade receivables	2,714	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		
22	Kuang Ming Shipping Corp.	Yang Ming (Netherlands) B.V.	2	Payables to shipping agents	\$ 472	Conducted as agreed terms	-		
				Operating cost	806	Conducted as agreed terms	-		
				Contract assets	1,582	Conducted as agreed terms	-		
		Yang Ming Shipping Europe GmbH	2	Trade receivables	2,443	Conducted as agreed terms	-		
				Payables to shipping agents	1,498	Conducted as agreed terms	-		
				Operating cost	866	Conducted as agreed terms	-		
		Yang Ming (Italy) S.p.A.	2	Contract assets	1,382	Conducted as agreed terms	-		
				Trade receivables	4,278	Conducted as agreed terms	-		
				Payables to shipping agents	2,042	Conducted as agreed terms	-		
		Yang Ming (Russia) LLC.	2	Operating cost	3,250	Conducted as agreed terms	-		
				Trade receivables	3,766	Conducted as agreed terms	-		
				Operating cost	159	Conducted as agreed terms	-		
		Yang Ming (Spain), S.L.	2	Contract assets	555	Conducted as agreed terms	-		
				Trade receivables	1,723	Conducted as agreed terms	-		
				Operating cost	162	Conducted as agreed terms	-		
		Huan Ming (Shanghai) International Shipping Agency Co., Ltd.	2	Contract assets	571	Conducted as agreed terms	-		
				Trade receivables	592	Conducted as agreed terms	-		
				Operating cost	63	Conducted as agreed terms	-		
		23	YES Logistics Corp.	Yes Logistics Benelux B.V.	2	Contract assets	233	Conducted as agreed terms	-
						Trade receivables	1,723	Conducted as agreed terms	-
						Operating cost	162	Conducted as agreed terms	-
						Contract assets	571	Conducted as agreed terms	-
						Trade receivables	592	Conducted as agreed terms	-
Operating cost	63					Conducted as agreed terms	-		
Contract assets	233					Conducted as agreed terms	-		
Trade receivables	1,723					Conducted as agreed terms	-		
Operating cost	162					Conducted as agreed terms	-		
Contract assets	571					Conducted as agreed terms	-		
Yang Ming (France) SAS	2	Trade receivables	592	Conducted as agreed terms	-				
		Operating cost	63	Conducted as agreed terms	-				
		Contract assets	233	Conducted as agreed terms	-				
YES Logistics Corp.	2	Contract assets	47,237	Conducted as agreed terms	-				
		Trade receivables	142,778	Conducted as agreed terms	-				
		Payables to shipping agents	20,345	Conducted as agreed terms	-				
Kuang Ming (Liberia) Corp.	2	Operating cost	14,395	Conducted as agreed terms	-				
		Operating cost	350	Conducted as agreed terms	-				
		Trade receivables	1,504	Conducted as agreed terms	-				
YES Logistics Corp.	2	Other payables	1,526	Conducted as agreed terms	-				
		Operating revenue	4,418	Conducted as agreed terms	-				
		Operating cost	1,790	Conducted as agreed terms	-				
YES Logistics Corp.	2	Other receivables	36,098	Conducted as agreed terms	-				
		Operating revenue	61,805	Conducted as agreed terms	-				
		Other income	6,286	Conducted as agreed terms	-				
YES Logistics Corp.	2	Trade receivables	4,580	Conducted as agreed terms	-				
		Long-term notes receivable and trade receivables	2,817	Conducted as agreed terms	-				
		Trade payables	3,902	Conducted as agreed terms	-				
		Operating revenue	11,829	Conducted as agreed terms	-				
		Operating cost	19,171	Conducted as agreed terms	-				
YES Logistics Corp.	2	Interest revenue	28	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	
24	Yes Yangming Logistics (Singapore) Pte. Ltd.	Yes Logistics Company Ltd.	2	Trade receivables	\$ 2,604	Conducted as agreed terms	-	
				Trade payables	9,557	Conducted as agreed terms	-	
				Operating revenue	127	Conducted as agreed terms	-	
				Operating cost	7,866	Conducted as agreed terms	-	
			Yes Logistics Corp. (USA)	2	Trade receivables	48,953	Conducted as agreed terms	-
					Trade payables	64,438	Conducted as agreed terms	-
					Operating revenue	70,052	Conducted as agreed terms	-
					Operating cost	146,270	Conducted as agreed terms	-
			Yes Logistics Europe GmbH	2	Trade receivables	14,748	Conducted as agreed terms	-
					Long-term notes receivable and trade receivables	93,321	Conducted as agreed terms	-
					Trade payables	7,193	Conducted as agreed terms	-
					Operating revenue	19,927	Conducted as agreed terms	-
					Operating cost	16,261	Conducted as agreed terms	-
					Interest revenue	423	Conducted as agreed terms	-
			Yes Logistics (Shanghai) Corp.	2	Trade receivables	126,856	Conducted as agreed terms	-
					Long-term notes receivable and trade receivables	121,091	Conducted as agreed terms	-
					Trade payables	118,254	Conducted as agreed terms	-
					Operating revenue	103,572	Conducted as agreed terms	-
					Operating cost	208,914	Conducted as agreed terms	-
					Interest revenue	1,670	Conducted as agreed terms	-
			YES MLC GmbH	2	Trade payables	612	Conducted as agreed terms	-
					Other receivables	39,762	Conducted as agreed terms	-
					Operating cost	2,459	Conducted as agreed terms	-
					Interest revenue	67	Conducted as agreed terms	-
	PT. YES Logistics Indonesia	2	Trade payables	843	Conducted as agreed terms	-		
			Operating revenue	13	Conducted as agreed terms	-		
			Operating cost	4,745	Conducted as agreed terms	-		
	Yes Logistics Corp. (USA)	2	Trade receivables	17	Conducted as agreed terms	-		
			Operating revenue	17	Conducted as agreed terms	-		
25	Yes Logistics Benelux B.V.	Yes Logistics Europe GmbH	2	Trade receivables	13,460	Conducted as agreed terms	-	
			Trade payables	6,267	Conducted as agreed terms	-		
			Operating revenue	3,592	Conducted as agreed terms	-		
			Operating cost	1,973	Conducted as agreed terms	-		
		Yes Logistics (Shanghai) Corp.	2	Trade payables	631	Conducted as agreed terms	-	
			Operating cost	1,338	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
26	Yes Logistics Company Ltd.	YES MLC GmbH	2	Operating revenue	\$ 8	Conducted as agreed terms	-
		Yes Logistics Corp. (USA)	2	Trade payables	1	Conducted as agreed terms	-
				Operating revenue	2	Conducted as agreed terms	-
				Operating cost	1	Conducted as agreed terms	-
27	Yes Logistics Corp. (USA)	Yes Logistics (Shanghai) Corp.	2	Trade receivables	52,020	Conducted as agreed terms	-
				Trade payables	78,602	Conducted as agreed terms	-
				Operating cost	1	Conducted as agreed terms	-
		Yes Logistics (Shanghai) Corp.	2	Trade receivables	27,218	Conducted as agreed terms	-
				Trade payables	1,470	Conducted as agreed terms	-
				Operating revenue	13,261	Conducted as agreed terms	-
				Operating cost	6,403	Conducted as agreed terms	-
		Golden Logistics USA Corporation	2	Trade receivables	309	Conducted as agreed terms	-
				Trade payables	250	Conducted as agreed terms	-
		PT. YES Logistics Indonesia	2	Trade receivables	1,651	Conducted as agreed terms	-
28	Yes Logistics (Shanghai) Corp.			Trade payables	3,088	Conducted as agreed terms	-
				Operating revenue	1,229	Conducted as agreed terms	-
				Operating cost	2,590	Conducted as agreed terms	-
		Yes Logistics Europe GmbH	2	Trade receivables	17,680	Conducted as agreed terms	-
				Trade payables	2,093	Conducted as agreed terms	-
				Operating revenue	28,119	Conducted as agreed terms	-
29	Yes Logistics Europe GmbH	PT. YES Logistics Indonesia	2	Operating cost	2,478	Conducted as agreed terms	-
				Trade receivables	205	Conducted as agreed terms	-
				Operating revenue	56	Conducted as agreed terms	-
		YES MLC GmbH	2	Trade receivables	28,017	Conducted as agreed terms	-
				Trade payables	18	Conducted as agreed terms	-
				Operating revenue	6,929	Conducted as agreed terms	-
		Operating cost	42	Conducted as agreed terms	-		
		Interest revenue	170	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 SIX MONTHS ENDED JUNE 30, 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 June 30, 2021			Net Income ( Loss ) of the Investee	Share of Profits ( Loss )	Note
				June 30, 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	\$ 4,762,683	\$ 108,160	\$ 51,376	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	2,934,120	2,071,838	2,037,422	Subsidiary
	Yang Ming Line B.V. ( Note S )	Netherlands	Investment, shipping agency, forwarding agency and shipping managers	-	-	2,500	100.00	1,317,262	444,772	444,772	Subsidiary
	Kuang Ming Shipping Corp.	Taiwan	Shipping service, shipping agency and forwarding agency	8,927,857 ( Note P )	8,927,857 ( Note P )	98,882,111 ( Note V )	98.88	1,544,600	753,368	744,739	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	17,668,086	14,219,264	14,220,271	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	2,610,782	387,175	387,175	Subsidiary
	Ching Ming Investment Corp.	Taiwan	Investment	1,098,388	1,098,388	120,487,500	100.00	1,229,699	80,210	80,205	Subsidiary
	All Oceans Transportation, Inc.	Republic of Liberia	Shipping agency, forwarding agency and shipping managers	1,387,905 ( Note W )	3,235	491,000 ( Note W )	100.00	1,248,308	156,895	156,895	Subsidiary
	YES Logistics Corp.	Taiwan	Warehouse operation and forwarding agency	593,404	593,404	60,000,000	50.00	579,040	138,778	60,079	Subsidiary
	Honming Terminal & Stevedoring Co., Ltd.	Taiwan	Terminal operation and stevedoring	79,273	79,273	7,916,908	79.17	138,504	28,812	21,875	Subsidiary
	Jing Ming Transportation Co., Ltd.	Taiwan	Container transportation	35,844	35,844	8,615,923	50.98	132,999	8,638	4,415	Subsidiary
	Yunn Wang Investment Co., Ltd.	Taiwan	Investment	179,810	179,810	5,211,474	49.75	399,596	( 457 )	( 227 )	Investments in associates
	Taiwan Foundation International Pte. Ltd.	Singapore	Investment and subsidiaries management	103,802	103,802	3,400,000	34.00	95,651	188	64	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	36,664	28,812	-
YES Logistics Corp.		Taiwan	Warehouse operation and forwarding agency	548,286	548,286	55,630,977	46.36	630,278	138,778	-	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	228,111	10,167	-	Subsidiary
	Triumph Logistics, Inc.	U.S.A.	Container transportation	- ( Note X )	13,223	- ( Note X )	-	-	-	-	Subsidiary
	Topline Transportation, Inc.	U.S.A.	Container transportation	- ( Note Y )	4,860	- ( Note Y )	-	-	-	-	Subsidiary

( Continued )

Investor Company	Investee Company	Location	Main Business and Products	Original Investment Amount ( Note A )		As of June 30, 2021			Net Income ( Loss ) of the Investee	Share of Profits ( Loss )	Note
				June 30, 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	\$ 222	( \$ 6 )	\$ -	Subsidiary
	Yang Ming Shipping (Canada) Ltd.	Canada	Shipping agency, forwarding agency and shipping managers	2,981	2,981	1,000	100.00	24,358	310	-	Subsidiary
	West Basin Container Terminal LLC	U.S.A.	Terminal operation and stevedoring	132,050	132,050	( Note D )	40.00	1,362,655	1,272,513	-	Investments in associates
	United Terminal Leasing LLC	U.S.A.	Terminal operation and machine lease	34,750	34,750	( Note E )	40.00	267,522	5,693	-	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	( 468 )	( 325 )	-	Subsidiary
Yang Ming Line B.V.	Yang Ming ( UK ) Ltd.	U.K.	Shipping agency, forwarding agency and shipping managers	2,663,724 ( Note U )	-	68,097,591	97.84	2,588,268	2,420,796	-	Subsidiary
	Yang Ming ( Belgium ) N.V.	Belgium	Shipping agency	8,614	8,614	553	89.92	20,580	( 2,129 )	-	Subsidiary
	Yang Ming ( Netherlands ) B.V.	Netherlands	Shipping agency	15,285	15,285	400,000	100.00	67,563	38,224	-	Subsidiary
	Yang Ming ( Italy ) S.p.A.	Italy	Shipping agency	4,319	4,319	125,000	50.00	30,789	22,440	-	Subsidiary
	Yang Ming ( UK ) Ltd.	U.K.	Shipping agency, forwarding agency and shipping managers	70,709	70,709	1,500,000	2.16	57,011	2,420,796	-	Subsidiary
	Yang Ming Shipping Europe GmbH	Hamburg, Germany	Shipping agency, forwarding agency and shipping managers	29,697	29,697	( Note F )	100.00	149,738	( 16,206 )	-	Subsidiary
	Yang Ming ( Russia ) LLC.	Russia	Shipping agency	3,017	3,017	( Note G )	60.00	8,381	10,064	-	Subsidiary
	Yang Ming ( Spain ) , S.L.	Spain	Shipping agency	2,213	2,213	60,000	60.00	154,207	58,163	-	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	38,961	588	-	Subsidiary
	Yang Ming ( Netherlands ) B.V.	Yang Ming Shipping ( Egypt ) S.A.E.	Egypt	Shipping agency, forwarding agency and shipping managers	15,757	15,757	24,500	49.00	32,412	46,554	-
Yang Ming ( UK ) Ltd.	Yang Ming ( Belgium ) N.V.	Belgium	Shipping agency	1,900	1,900	62	10.08	2,307	( 2,129 )	-	Subsidiary
	Corstor Ltd.	U.K.	Storage management and trailer transportation	25	25	500	50.00	9,711	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	4,084	2,271	-	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	48,577	( 10,891 )	-	Subsidiary
	Yang Ming Line ( Hong Kong ) Ltd.	Hong Kong	Forwarding agency and shipping agency	2,138	2,138	1,000,000	1.44	( 853 )	( 3,495 )	-	Subsidiary

( Continued )

Investor Company	Investee Company	Location	Main Business and Products	Original Investment Amount ( Note A )		As of June 30, 2021			Net Income ( Loss ) of the Investee	Share of Profits ( Loss )	Note
				June 30, 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	\$ 5,682	( \$ 2,835 )	\$ -	Subsidiary
	Yang Ming ( Korea ) Co., Ltd.	Korea	Shipping agency, forwarding agency and shipping managers	10,107	10,107	60,000	60.00	32,021	( 2,383 )	-	Subsidiary
	Young-Carrier Company Ltd.	Hong Kong	Investment, shipping agency, forwarding agency and shipping managers	14,926	14,926	1,000,000	100.00	205,313	( 4,572 )	-	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	1,020	( 26,510 )	-	Subsidiary
	Yang Ming ( Singapore ) Pte. Ltd.	Singapore	Shipping agency, forwarding agency and shipping managers	18,851	18,851	1,000,000	100.00	22,102,899	14,098,382	-	Subsidiary
	Yang Ming Line ( M ) Sdn. Bhd.	Malaysia	Shipping agency, forwarding agency and shipping managers	10,727	10,727	1,000,000	100.00	57,444	3,957	-	Subsidiary
	Sun-Banked Pte. Ltd.	Singapore	Insurance	2,271	2,271	350,000	100.00	34,908	155	-	Subsidiary
	Yang Ming Anatolia Shipping Agency	Turkey	Shipping agency, forwarding agency and shipping managers	1,077	1,077	50,000	50.00	159,510	200,292	-	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	35,470	27,351	-	Investments in associates
	Yang Ming Shipping ( Vietnam ) Co., Ltd.	Vietnam	Forwarding agency and shipping managers	9,881	9,881	( Note K )	100.00	53,795	4,272	-	Subsidiary
	Yang Ming ( Australia ) Pty. Ltd.	Australia	Shipping agency, forwarding agency and shipping managers	4,597	4,597	150,000	50.00	23,656	16,972	-	Investments in associates
	LogiTrans Technology Private Limited	India	Information system service	10,211	10,211	2,040,000	51.00	19,405	2,554	-	Investments in associates
	Yang Ming Shipping Philippines, Inc.	Philippines	Forwarding agency and shipping managers	6,435	6,435	99,995	100.00	( 18,857 )	( 7,975 )	-	Subsidiary
	Yang Ming ( Latin America ) Corp.	Panama	Shipping agency, forwarding agency and shipping managers	6,020	6,020	200	100.00	7,334	158	-	Subsidiary
	Yang Ming Line ( Thailand ) Co., Ltd.	Thailand	Shipping agency, forwarding agency and shipping managers	3,589	3,589	3,920	49.00	15,750	1,248	-	Subsidiary
	Yang Ming Line shipping ( Thailand ) Co., Ltd.	Thailand	Shipping agency	2,282	2,282	2,450	49.00	9,383	1,006	-	Subsidiary
	Yang Ming Insurance Co., Ltd.	Bermuda	Insurance	7,740	7,740	250,000	100.00	145,260	35,190	-	Subsidiary
	PY Yang Ming Shipping Indonesia	Indonesia	Shipping agency, forwarding agency and shipping managers	40,946	40,946	18,865	49.00	29,129	( 16,919 )	-	Subsidiary
	PT. Formosa Seijati Logistics	Indonesia	Storage and stevedoring	5,701	5,701	1,875	15.00	5,113	383	-	Investments in associates
	Yang Ming ( France ) SAS	France	Shipping agency, forwarding agency and shipping managers	3,025	3,025	90,000	60.00	2,932	( 86 )	-	Subsidiary

( Continued )

Investor Company	Investee Company	Location	Main Business and Products	Original Investment Amount ( Note A )		As of June 30, 2021			Net Income ( Loss ) of the Investee	Share of Profits ( Loss )	Note
				June 30, 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	\$ 2,744	\$ 4,524	\$ -	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	9,575	1,006	-	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	15,750	1,248	-	Subsidiary
Yangming( Japan)Co., Ltd.	Manwa & Co., Ltd.	Japan	Forwarding agency and shipping agency	2,666	2,666	200	100.00	2,121	( 100 )	-	Subsidiary
Yang Ming Shipping (B.V.I.) Inc.	Karlman Properties Limited	Hong Kong	Property agency	4	4	24,000,000	100.00	75,611	( 5,841 )	-	Subsidiary
	Yang Ming Line (Hong Kong) Ltd.	Hong Kong	Forwarding agency and shipping agency	249,953 ( Note T )	-	68,556,347	98.56	( 58,486 ) ( Note C )	3,495	-	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	2,396,946	448,234	-	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	63,695	60,916	-	Subsidiary
	Yes Yangming Logistics (Singapore) Pte. Ltd.	Singapore	Investment and subsidiaries management	37,263	37,263	1,607,984	100.00	26,562	4,600	-	Subsidiary
	PT. YES Logistics Indonesia	Indonesia	Forwarding agency	15,315	15,315	510,000	51.00	9,596	( 98 )	-	Subsidiary
	YES LIBERAL Logistics Corp.	Taiwan	Storage	75,000	75,000	7,500,000	50.00	75,518	4,272	-	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	1,632	4,279	-	Subsidiary
	Yes Logistics Company Ltd.	Hong Kong	Forwarding agency	32,351	32,351	7,882,278	100.00	20,779	( 486 )	-	Subsidiary
	YES and HQL Logistics Company	Vietnam	Forwarding agency	3,128	3,128	( Note O )	51.00	3,169	4,259	-	Investments in associates
Yes Logistics Corp. ( USA )	Golden Logistics USA Corporation	U.S.A.	Container transportation	328	328	100	100.00	3,632	634	-	Subsidiary
	YES Logistics Europe GmbH	Germany	Forwarding agency	40,090	40,090	( Note L )	100.00	( 82,215 ) ( Note C )	19,272	-	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	( 32,229 ) ( Note C )	13,096	-	Subsidiary
YES MLC GmbH	Merlin Logistics GmbH	Austria	Storage and logistics	1,380	1,380	( Note N )	100.00	( 95 )	( 72 )	-	Subsidiary
Merlin Logistics GmbH	YES Logistics Bulgaria Ltd.	Bulgaria	Cargo consolidation service and forwarding agency	740	740	500	100.00	( 2,361 ) ( 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.

- 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 \$3,000,000 thousand and \$4,701,339 thousand in May 2021 and May 2017, respectively.
- 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 the 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 the 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. Kuang Ming Shipping Corp. applied for the capital reduction to offset the deficit in the amount of \$3,000,000 thousand in May 2011.
- W. All Ocean Transportation applied for the capital increase by cash of \$83,790 thousand and \$1,300,880 thousand in May 2021 and March 2021, respectively.
- X. The Group completed the liquidation of Triumph Logistics, Inc. in May 2021.
- Y. The Group completed the liquidation of Topline Transportation, Inc. in May 2021.
- Z. Except for Yang Ming Line (B.V.I.) Holding Co., Ltd., All Oceans Transportation Inc., Yang Ming (UK) Ltd., Yang Ming (Singapore) Pte. Ltd., Kuang Ming Shipping Corp., and Kuang Ming (Liberia) Corp., others were based on the investees' financial statements which have not been reviewed.
- AA. 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 SIX MONTHS ENDED JUNE 30, 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 June 30, 2021	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note E)	Carrying Amount as of June 30, 2021 (Note E)	Accumulated Repatriation of Investment Income as of June 30, 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	\$ -	\$ -	\$ -	\$ 7,186	51.00%	\$ 3,665	\$ 19,393	\$ -	
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	222,880 (US\$ 8,000 thousand)		222,880 (US\$ 8,000 thousand)	49,788	96.36%	47,976	218,415	-	
	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	259,126 (US\$ 9,301 thousand)		259,126 (US\$ 9,301 thousand)	15,435	47.22%	7,288	278,432	-	
	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	171,729 (US\$ 6,164 thousand)		171,729 (US\$ 6,164 thousand)	(12,524)	12.85%	(1,609)	70,663	-	
	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	43,116 (CNY10,000 thousand)		43,116 (CNY10,000 thousand)	14,259	19.27%	2,748	54,189	-	
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	85,920 (US\$ 3,084 thousand)		85,920 (US\$ 3,084 thousand)	(12,524)	6.67%	(835)	35,227	-	

Company Name	Accumulated Outward Remittance for Investment in Mainland China as of June 30, 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	\$ -	\$ 196,051 (US\$ 7,037 thousand)	\$ 60,033,583
Yes Logistics Corp. (Note C)	\$ 697,586 ((US\$ 17,301 thousand) (CNY 50,000 thousand))	\$ 697,586 ((US\$ 17,301 thousand) (CNY 50,000 thousand))	\$ - (Note F)
Ching Ming Investment Corp. (Note D)	\$ 86,232 (CNY 20,000 thousand)	\$ 86,232 (CNY 20,000 thousand)	\$ 737,818

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\$27.86 and CNY1=NT\$4.3116 as of June 30, 2021.



**YANG MINT MARINE TRANSPORT CORPORATION AND SUBSIDIARIES**  
**INFORMATION OF MAJOR SHAREHOLDERS**  
**JUNE 30, 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.	191,938,579	5.75

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 trustor 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.